
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-7102

**NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION**
(Exact name of registrant as specified in its charter)

District of Columbia

(State or other jurisdiction of incorporation or organization)

52-0891669

(I.R.S. employer identification no.)

20701 Cooperative Way, Dulles, Virginia, 20166

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(703) 467-1800**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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PART I—FINANCIAL INFORMATION

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain statements that are considered “forward-looking statements” within the Securities Act of 1933, as amended, and the Exchange Act of 1934, as amended. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identified by our use of words such as “intend,” “plan,” “may,” “should,” “will,” “project,” “estimate,” “anticipate,” “believe,” “expect,” “continue,” “potential,” “opportunity” and similar expressions, whether in the negative or affirmative. All statements about future expectations or projections, including statements about loan volume, the appropriateness of the allowance for loan losses, operating income and expenses, leverage and debt-to-equity ratios, borrower financial performance, impaired loans, and sources and uses of liquidity, are forward-looking statements. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, actual results and performance may differ materially from our forward-looking statements due to several factors. Factors that could cause future results to vary from our forward-looking statements include, but are not limited to, general economic conditions, legislative changes including those that could affect our tax status, governmental monetary and fiscal policies, demand for our loan products, lending competition, changes in the quality or composition of our loan portfolio, changes in our ability to access external financing, changes in the credit ratings on our debt, valuation of collateral supporting impaired loans, charges associated with our operation or disposition of foreclosed assets, regulatory and economic conditions in the rural electric industry, non-performance of counterparties to our derivative agreements, the costs and effects of legal or governmental proceedings involving National Rural Utilities Cooperative Finance Corporation (“CFC”) or its members and the factors listed and described under “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended May 31, 2015 (“2015 Form 10-K”). Except as required by law, we undertake no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date on which the statement is made.

INTRODUCTION

National Rural Utilities Cooperative Finance Corporation (“CFC”) is a member-owned cooperative association incorporated under the laws of the District of Columbia in April 1969. CFC’s principal purpose is to provide its members with financing to supplement the loan programs of the Rural Utilities Service (“RUS”) of the United States Department of Agriculture (“USDA”). CFC makes loans to its rural electric members so they can acquire, construct and operate electric distribution, generation, transmission and related facilities. CFC also provides its members with credit enhancements in the form of letters of credit and guarantees of debt obligations. As a cooperative, CFC is owned by and exclusively serves its membership, which consists of not-for-profit entities or subsidiaries or affiliates of not-for-profit entities. CFC is exempt from federal income taxes. As a member-owned cooperative, CFC’s objective is not to maximize profit, but rather to offer its members cost-based financial products and services consistent with sound financial management.

Our financial statements include the consolidated accounts of CFC, Rural Telephone Finance Cooperative (“RTFC”), National Cooperative Services Corporation (“NCSC”) and certain entities created and controlled by CFC to hold foreclosed assets. RTFC was established to provide private financing for the rural telecommunications industry. NCSC may provide financing to members of CFC, government or quasi-government entities which own electric utility systems that meet the Rural Electrification Act definition of “rural”, and the for-profit and nonprofit entities that are owned, operated or controlled by, or provide significant benefits to certain members of CFC. CFC controlled and held foreclosed assets in two entities, Caribbean Asset Holdings, LLC (“CAH”) and Denton Realty Partners, LP (“DRP”), during fiscal year 2015. DRP was dissolved during the fourth quarter of fiscal year 2015, subsequent to the sale of the remainder of its assets. CAH, which is the only entity in which we currently hold foreclosed assets, is a holding company for various U.S. Virgin Islands, British Virgin Islands and St. Maarten-based telecommunications operating entities that were transferred to CAH as a result of a loan default by a borrower and subsequent bankruptcy proceedings. These operating entities provide local, long-distance and wireless telephone, cable television and Internet services to residential and commercial customers. On September 30, 2015, CFC entered into a Purchase Agreement (the “Purchase Agreement”) with CAH, ATN VI Holdings, LLC (“Atlantic”) and Atlantic Tele-Network, Inc., the parent corporation of Atlantic, to sell all of the issued and outstanding membership interests

of CAH to Atlantic for a purchase price of \$145 million, subject to certain adjustments. See “Item 1. Business—Overview” of our 2015 Form 10-K for additional information on the business activities of each of these entities. Unless stated otherwise, references to “we,” “our” or “us” relate to CFC and its consolidated entities. All references to members within this document include members, associates and affiliates of CFC and its consolidated entities.

Management monitors a variety of key indicators to evaluate our business performance. The following MD&A is intended to provide the reader with an understanding of our results of operations, financial condition and liquidity by discussing the drivers of changes from period to period and the key measures used by management to evaluate performance, such as leverage ratios, growth and credit quality metrics. MD&A is provided as a supplement to, and should be read in conjunction with our unaudited condensed consolidated financial statements and related notes in this Report, the more detailed information contained in 2015 Form 10-K, including the risk factors discussed under “Part I—Item 1A. Risk Factors” in our 2015 Form 10-K, and the risk factors under “Part II—Item 1A. Risk Factors” in this Report.

SUMMARY OF SELECTED FINANCIAL DATA

Table 1 provides a summary of selected financial data for the three and six months ended November 30, 2015 and 2014, and as of November 30, 2015 and May 31, 2015. In addition to financial measures determined in accordance with generally accepted accounting principles in the United States (“GAAP”), management also evaluates performance based on certain non-GAAP measures, which we refer to as “adjusted” measures. Our key non-GAAP metrics consist of adjusted times interest earned ratio (“TIER”) and adjusted debt-to-equity ratio. The most comparable GAAP measures are TIER and debt-to-equity ratio, respectively. The primary adjustments we make to calculate these non-GAAP measures consist of (i) adjusting interest expense and net interest income to include the impact of net periodic derivative cash settlements; (ii) adjusting net income, senior debt and total equity to exclude the non-cash impact of the accounting for derivative financial instruments; (iii) adjusting senior debt to exclude the amount that funds CFC member loans guaranteed by the RUS, subordinated deferrable debt and members’ subordinated certificates; and (iv) adjusting total equity to include subordinated deferrable debt and members’ subordinated certificates. See “Non-GAAP Financial Measures” for a detailed reconciliation of these adjusted measures to the most comparable GAAP measures. We believe our adjusted non-GAAP metrics, which are not a substitute for GAAP and may not be consistent with similarly titled non-GAAP measures used by other companies, provide meaningful information and are useful to investors because the financial covenants in our revolving credit agreements and debt indentures are based on these adjusted metrics.

Table 1: Summary of Selected Financial Data

(Dollars in thousands)	Three Months Ended November 30,			Six Months Ended November 30,		
	2015	2014	Change	2015	2014	Change
Statement of operations						
Interest income.....	\$ 256,325	\$ 235,235	9 %	\$ 502,441	\$ 472,526	6 %
Interest expense.....	(167,124)	(158,275)	6	(332,824)	(314,827)	6
Net interest income.....	89,201	76,960	16	169,617	157,699	8
Provision for loan losses.....	(1,240)	(992)	25	(5,802)	5,779	(200)
Fee and other income.....	7,031	9,872	(29)	11,732	14,229	(18)
Derivative losses ⁽¹⁾	(101,184)	(74,561)	36	(113,201)	(124,439)	(9)
Results of operations of foreclosed assets.....	2,054	(28,991)	(107)	133	(31,690)	(100)
Operating expenses ⁽²⁾	(20,231)	(18,237)	11	(43,066)	(36,780)	17
Other non-interest expense.....	(9)	(4)	125	(366)	57	(742)
Income before income taxes.....	(24,378)	(35,953)	(32)	19,047	(15,145)	(226)
Income tax expense.....	(110)	41	(368)	(440)	(155)	184
Net income (loss).....	\$ (24,488)	\$ (35,912)	(32) %	\$ 18,607	\$ (15,300)	(222)%
Adjusted statement of operations						
Adjusted interest expense ⁽³⁾	\$ (189,697)	\$ (180,039)	5 %	\$ (375,553)	\$ (356,692)	5 %
Adjusted net interest income ⁽³⁾	66,628	55,196	21	126,888	115,834	10
Adjusted net income ⁽³⁾	54,123	16,885	221	89,079	67,274	32
Ratios						
Fixed-charge coverage ratio/TIER ⁽⁴⁾ ..	0.85	0.77	8 bps	1.06	0.95	11 bps
Adjusted TIER ⁽³⁾	1.29	1.09	20	1.24	1.19	5
Balance sheet						
Cash, investments and time deposits...				\$ 669,977	\$ 818,308	(18)%
Loans to members ⁽⁵⁾				22,673,529	21,469,017	6
Allowance for loan losses.....				(39,600)	(33,690)	18
Loans to members, net.....				22,633,929	21,435,327	6
Total assets ⁽⁶⁾				23,850,982	22,846,059	4
Short-term borrowings.....				3,542,802	3,127,754	13
Long-term debt.....				16,858,024	16,244,794	4
Subordinated deferrable debt.....				395,736	395,699	—
Members' subordinated certificates....				1,479,562	1,505,420	(2)
Total debt outstanding ⁽⁶⁾⁽⁷⁾				22,276,124	21,273,667	5
Total liabilities ⁽⁶⁾				22,957,467	21,934,273	5
Total equity.....				893,515	911,786	(2)
Guarantees ⁽⁸⁾				961,250	986,500	(3)
Ratios						
Leverage ratio ⁽⁹⁾				26.77	25.14	163 bps
Adjusted leverage ratio ⁽³⁾				6.84	6.58	26
Debt-to-equity ratio ⁽¹⁰⁾				25.69	24.06	163
Adjusted debt-to-equity ratio ⁽³⁾				6.53	6.26	27

— Change is less than one percent or not meaningful.

- (1) Consists of derivative cash settlements and derivative forward value amounts. Derivative cash settlement amounts represent net periodic contractual interest accruals related to derivatives not designated for hedge accounting. Derivative forward value amounts represent changes in fair value during the period, excluding net periodic contractual accruals, related to derivatives not designated for hedge accounting and expense amounts reclassified into income related to the cumulative transition loss recorded in accumulated other comprehensive income (“AOCI”) as of June 1, 2001, as a result of the adoption of the derivative accounting guidance that required derivatives to be reported at fair value on the balance sheet.
- (2) Consists of the salaries and employee benefits and the other general and administrative expenses components of non-interest expense, each of which are presently separately on our consolidated statements of operations.
- (3) See “Non-GAAP Financial Measures” for details on the calculation of these adjusted non-GAAP ratios and the reconciliation to the most comparable GAAP measures.
- (4) Calculated based on net income plus interest expense for the period divided by interest expense for the period. The fixed-charge coverage ratios and TIER were the same during each period presented because we did not have any capitalized interest during these periods.
- (5) Loans to members consists of the outstanding principal balance of member loans plus unamortized deferred loan origination costs, which totaled \$10 million as of both November 30, 2015 and May 31, 2015.
- (6) In the first quarter of fiscal year 2016, we early-adopted the Financial Accounting Standards Board (“FASB”) guidance that amends the presentation of debt issuance costs in the financial statements by requiring that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, rather than as an asset. We retrospectively applied this guidance, which resulted in the reclassification of unamortized debt issuance costs of \$47 million as of May 31, 2015, from total assets on our condensed consolidated balance sheet to total debt outstanding. Other than this reclassification, the adoption of the guidance did not impact our consolidated financial statements. See “Note 1—Summary of Significant Accounting Policies—Accounting Standards Adopted in Fiscal Year 2016” for additional information.
- (7) Total debt includes debt issuance costs, which were previously classified as an asset on our consolidated balance sheets, of \$50 million and \$47 million as of November 30, 2015 and May 31, 2015, respectively.
- (8) Represents the total outstanding guarantee amount as of the end of the each period; however, the amount recorded on our condensed consolidated balance sheets for our guarantee obligations is significantly less than the outstanding guarantee total. See “Note 10—Guarantees” for additional information.
- (9) Calculated based on total liabilities and guarantees at period end divided by total equity at period end.
- (10) Calculated based on total liabilities at period end divided by total equity at period end.

EXECUTIVE SUMMARY

Our primary objective as a member-owned cooperative lender is to provide cost-based financial products to our rural electric members while maintaining sound financial results required for investment-grade credit ratings on our debt instruments. Our objective is not to maximize net income; therefore, the rates we charge our member-borrowers reflect our adjusted interest expense plus a spread to cover our operating expenses, a provision for loan losses and earnings sufficient to achieve interest coverage to meet our financial objectives. Our goal is to earn an annual minimum adjusted TIER of 1.10 and to achieve and maintain an adjusted debt-to-equity ratio below 6.00-to-1.

Financial Performance

Reported Results

We reported a net loss of \$24 million and \$36 million for the quarter ended November 30, 2015 (“current quarter”) and same prior-year quarter, respectively, and TIER of 0.85 and 0.77, respectively. We reported net income of \$19 million and TIER of 1.06 for the six months ended November 30, 2015, compared with a net loss of \$15 million and TIER of 0.95 for the same prior year period. Our debt-to-equity ratio increased to 25.69-to-1 as of November 30, 2015, from 24.06-to-1 as of May 31, 2015.

Our reported net losses of \$24 million and \$36 million in the current quarter and the same prior quarter, respectively, were primarily driven by fair value losses of \$101 million and \$75 million, respectively, on the derivatives we use to economically hedge the interest rate risk related to certain financial assets and liabilities that are not measured at fair value. Although we recorded higher derivative losses in the current quarter than the same prior year quarter, our reported net loss was lower because of an increase in net interest income of \$12 million, driven by an increase in average total loans of \$1,746 million, or 9%, and a reduction in losses from foreclosed assets of \$31 million, attributable to the absence of an impairment charge of \$27 million related to CAH recorded in the prior year quarter.

Our reported net income of \$19 million for the six months ended November 30, 2015 and net loss of \$15 million for the six months ended November 30, 2014 also reflected the unfavorable impact of derivative losses, which totaled \$113 million and \$124 million, respectively. The lower derivative losses during the six months ended November 30, 2015, compared with the

same prior year period, coupled with an increase in net interest income of \$12 million, driven by an increase in average total loans of \$1,508 million, or 7%, and the absence of the CAH impairment charge of \$27 million were the primary drivers of the improvement in our reported results for the six months ended November 30, 2015.

We expect volatility in our reported GAAP results from period to period due to changes in market conditions that result in periodic fluctuations in the estimated fair value of our derivative instruments, which serve as economic hedges. While we mark to market our derivatives through earnings, the corresponding hedged items are not subject to mark-to-market treatment. As such, our debt covenants are based on our adjusted non-GAAP results, which we also use to evaluate our core operating performance.

Adjusted Non-GAAP Results

Our adjusted net income totaled \$54 million and \$17 million for the current quarter and same prior-year quarter, respectively, and our adjusted TIER was 1.29 and 1.09, respectively. Our adjusted net income was \$89 million and \$67 million for the six months ended November 30, 2015 and 2014, respectively, and our adjusted TIER was 1.24 and 1.19, respectively, for the same prior-year period. Our adjusted debt-to-equity ratio increased to 6.53-to-1 as of November 30, 2015, from 6.26-to-1 as of May 31, 2015.

The increases in adjusted net income in the current quarter and six months ended November 30, 2015 over the same prior-year periods were primarily driven by a significant increase in adjusted net interest income resulting from the growth in average loan balances and the absence of the CAH impairment charge of \$27 million recorded in the prior year quarter.

Lending Activity

Total loans outstanding, which consists of the unpaid principal balance and excludes deferred loan origination costs, was \$22,664 million as of November 30, 2015, an increase of \$1,204 million, or 6%, from May 31, 2015. The increase was primarily due to an increase in CFC distribution and power supply loans of \$1,058 million and \$199 million, respectively, which was attributable to members refinancing with us loans made by other lenders and member advances for capital investments. This increase was partially offset by a decrease in NCSC loans of \$27 million and a decrease in RTFC loans of \$21 million.

CFC had long-term fixed-rate loans totaling \$510 million that repriced during the six months ended November 30, 2015. Of this total, \$481 million repriced to a new long-term fixed rate; \$22 million repriced to a long-term variable rate; and \$7 million were repaid in full.

Financing Activity

Our outstanding debt volume generally increases and decreases in response to member loan demand. As outstanding loan balances increased during the six months ended November 30, 2015, our debt volume also increased. Total debt outstanding was \$22,276 million as of November 30, 2015, an increase of \$1,002 million, or 5%, from May 31, 2015. The increase was primarily attributable to an advance of \$180 million under the note purchase agreement with the Federal Agricultural Mortgage Corporation (“Farmer Mac”), an advance of \$250 million under the Guaranteed Underwriter Program of the USDA and the issuance of \$750 million aggregate principal amount of collateral trust bonds.

In July 2015, we executed a new three-year \$300 million secured revolving note purchase agreement with Farmer Mac to provide us additional funding flexibility. In November 2015, we amended and restated our \$1,665 million three-year and \$1,645 million five-year revolving credit agreements to extend the maturity dates to November 19, 2018 and November 19, 2020, respectively, from October 28, 2017 and October 28, 2019, respectively. We provide additional information on our financing activities below under “Consolidated Balance Sheet Analysis—Debt” and “Liquidity Risk.”

Outlook for the Next 12 Months

We expect the amount of new long-term loan advances to exceed scheduled loan repayments over the next 12 months. We anticipate a continued increase in earnings from our core lending operations over the next 12 months based on our expectation of an increase in long-term loans outstanding.

Long-term debt scheduled to mature over the next 12 months totaled \$1,515 million as of November 30, 2015. We believe we have sufficient liquidity from the combination of existing cash and time deposits, member loan repayments, committed loan facilities and our ability to issue debt in the capital markets, to our members and in private placements, to meet the demand for member loan advances and satisfy our obligations to repay long-term debt maturing over the next 12 months. We had \$583 million in cash and time deposits, up to \$500 million available under committed loan facilities from the Federal Financing Bank (“FFB”), \$3,309 million available under committed revolving lines of credit with a syndicate of banks, up to \$300 million available under a new note purchase agreement with Farmer Mac and, subject to market conditions, up to \$2,428 million available under the existing revolving note purchase agreement with Farmer Mac as of November 30, 2015. On September 28, 2015, we received a commitment from the RUS to guarantee a loan of \$250 million from the FFB pursuant to the Guaranteed Underwriter Program. We expect to close the new committed loan facility with RUS during the third quarter of fiscal year 2016. Upon closing of the commitment, we will have an additional \$250 million available under the Guaranteed Underwriter Program with a 20-year maturity repayment period during the three-year period following the date of closing. We also have the ability to issue collateral trust bonds and medium-term notes in the capital markets and medium-term notes to members.

We believe we can continue to roll over the member outstanding short-term debt of \$2,523 million as of November 30, 2015, based on our expectation that our members will continue to reinvest their excess cash in our commercial paper, daily liquidity fund and select notes. We expect to continue to roll over our outstanding dealer commercial paper of \$1,020 million as of November 30, 2015. We intend to manage our short-term wholesale funding risk by maintaining our dealer commercial paper within an approximate range between \$1,000 million and \$1,250 million for the foreseeable future. We expect to continue to be in compliance with the covenants under our revolving credit agreements, which will allow us to mitigate our roll-over risk as we can draw on these facilities to repay dealer or member commercial paper that cannot be rolled over due to potential adverse changes in market conditions.

Our goal is to maintain the adjusted debt-to-equity ratio at or below 6.00-to-1. However, because of the significant increase in outstanding loan balances over the last 18 months, it has been necessary to increase our borrowings to fund the loan growth. As a result, our adjusted debt-to-equity ratio will likely continue to be higher than 6.00-to-1 for an extended period of time.

As part of our strategy to manage our credit risk exposure, we entered into a long-term standby purchase commitment agreement with Farmer Mac on August 31, 2015. Under this agreement, we may designate certain loans, as approved by Farmer Mac, and in the event any such loan later goes into material default for at least 90 days, upon request by us, Farmer Mac must purchase such loan at par value. We designated, and Farmer Mac approved an initial tranche of loans with an aggregate outstanding principal balance of \$520 million as of August 31, 2015. As a result of principal payments, the balance of these loans totaled \$515 million as of November 30, 2015.

As previously disclosed, on September 30, 2015, CFC entered into a Purchase Agreement with CAH, Atlantic and Atlantic Tele-Network, Inc., the parent corporation of Atlantic, to sell all of the issued and outstanding membership interests of CAH to Atlantic for a purchase price of \$145 million, subject to certain adjustments. We continue to expect to complete the transaction during the second half of calendar year 2016, subject to the satisfaction or waiver of various closing conditions under the Purchase Agreement, including, among other things, the receipt of required communications regulatory approvals in the United States, United States Virgin Islands, British Virgin Islands and St. Maarten, the expiration or termination of applicable waiting periods under applicable competition laws, and the absence of a material adverse effect or material adverse regulatory event. See “Consolidated Results of Operations—Results of Foreclosed Assets” below and “Note 4—Foreclosed Assets” for additional information related to CAH.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires management to make a number of judgments, estimates and assumptions that affect the amount of assets, liabilities, income and expenses in the consolidated financial statements. Understanding our accounting policies and the extent to which we use management's judgment and estimates in applying these policies is integral to understanding our financial statements. We provide a discussion of our significant accounting policies under “Note 1—Summary of Significant Accounting Policies” in our 2015 Form 10-K.

We have identified certain accounting policies as critical because they involve significant judgments and assumptions about highly complex and inherently uncertain matters, and the use of reasonably different estimates and assumptions could have a material impact on our results of operations or financial condition. Our most critical accounting policies and estimates involve the determination of the allowance for loan losses and fair value. We evaluate our critical accounting estimates and judgments required by our policies on an ongoing basis and update them as necessary based on changing conditions. There were no material changes in the assumptions used in our critical accounting policies and estimates during the current quarter. Management has discussed significant judgments and assumptions in applying our critical accounting policies with the Audit Committee of our Board of Directors. We provide information on the methodologies and key assumptions used in our critical accounting policies and estimates under “MD&A—Critical Accounting Policies and Estimates” in our 2015 Form 10-K. See “Item 1A. Risk Factors” for a discussion of the risks associated with management’s judgments and estimates in applying our accounting policies and methods in our 2015 Form 10-K.

ACCOUNTING CHANGES AND DEVELOPMENTS

See “Note 1—Summary of Significant Accounting Policies” for information on accounting standards adopted during the six months ended November 30, 2015, as well as recently issued accounting standards not yet required to be adopted and the expected impact of these accounting standards. To the extent we believe the adoption of new accounting standards has had or will have a material impact on our results of operations, financial condition or liquidity, we discuss the impacts in the applicable section(s) of MD&A.

CONSOLIDATED RESULTS OF OPERATIONS

The section below provides a comparative discussion of our condensed consolidated results of operations between the three months ended November 30, 2015 and 2014 and between the six months ended November 30, 2015 and 2014. Following this section, we provide a comparative analysis of our condensed consolidated balance sheets as of November 30, 2015 and May 31, 2015. You should read these sections together with our “Executive Summary—Outlook for the Next 12 Months” where we discuss trends and other factors that we expect will affect our future results of operations.

Net Interest Income

Net interest income represents the difference between the interest income and applicable fees earned on our interest-earning assets, which include loans and investment securities, and the interest expense on our interest-bearing liabilities. Our net interest yield represents the difference between the yield on our interest-earning assets and the cost of our interest-bearing liabilities plus the impact from non-interest bearing funding. We expect net interest income and our net interest yield to fluctuate based on changes in interest rates and changes in the amount and composition of our interest-earning assets and interest-bearing liabilities. We do not fund each individual loan with specific debt. Rather, we attempt to minimize costs and maximize efficiency by funding large aggregated amounts of loans.

Table 2 presents our average balance sheets for the three and six months ended November 30, 2015 and 2014, and for each major category of our interest-earning assets and interest-bearing liabilities, the interest income earned or interest expense incurred, and the average yield or cost. Table 2 also presents non-GAAP adjusted interest expense, adjusted net interest income and adjusted net interest yield, which reflect the inclusion of net periodic derivative cash settlements in interest expense. We provide reconciliations of our non-GAAP adjusted measures to the most comparable GAAP measures under “Non-GAAP Financial Measures.”

Table 2: Average Balances, Interest Income/Interest Expense and Average Yield/Cost

(Dollars in thousands)	Three Months Ended November 30,					
	2015			2014		
	Average Balance	Interest Income/Expense	Average Yield/Cost	Average Balance	Interest Income/Expense	Average Yield/Cost
Assets:						
Long-term fixed-rate loans ⁽¹⁾	\$ 20,516,596	\$ 243,601	4.78%	\$ 18,688,811	\$ 222,023	4.77%
Long-term variable-rate loans	691,793	4,822	2.80	693,758	4,902	2.83
Line of credit loans	1,057,682	6,386	2.43	1,141,369	6,687	2.35
Restructured loans	10,333	130	5.06	7,555	10	0.53
Nonperforming loans	2,787	29	4.18	1,695	—	—
Interest-based fee income ⁽²⁾	—	(600)	—	—	64	—
Total loans	22,279,191	254,368	4.59	20,533,188	233,686	4.56
Cash, investments and time deposits	631,995	1,957	1.25	720,433	1,549	0.86
Total interest-earning assets	\$ 22,911,186	\$ 256,325	4.50%	\$ 21,253,621	\$ 235,235	4.44%
Other assets, less allowance for loan losses	878,481			1,132,713		
Total assets	\$ 23,789,667			\$ 22,386,334		
Liabilities:						
Short-term debt	\$ 3,150,623	\$ 3,382	0.43%	\$ 3,826,661	\$ 5,663	0.59%
Medium-term notes	3,369,780	20,819	2.48	2,864,538	17,707	2.48
Collateral trust bonds	6,660,248	81,769	4.94	6,079,894	77,082	5.09
Subordinated deferrable debt	391,381	4,788	4.92	400,000	4,803	4.82
Subordinated certificates	1,469,916	15,097	4.13	1,523,922	16,105	4.24
Long-term notes payable	6,740,850	41,269	2.46	5,771,706	36,915	2.57
Total interest-bearing liabilities	\$ 21,782,798	\$ 167,124	3.09%	\$ 20,466,721	\$ 158,275	3.10%
Other liabilities	1,083,069			963,240		
Total liabilities	22,865,867			21,429,961		
Total equity	923,800			956,373		
Total liabilities and equity	\$ 23,789,667			\$ 22,386,334		
Net interest spread ⁽³⁾			1.41%			1.34%
Impact of non-interest bearing funding ⁽⁴⁾			0.15			0.11
Net interest income/net interest yield ⁽⁵⁾		\$ 89,201	1.56%		\$ 76,960	1.45%
Adjusted net interest income/adjusted net interest yield:						
Interest income		\$ 256,325	4.50%		\$ 235,235	4.44%
Interest expense		167,124	3.09		158,275	3.10
Add: Net derivative cash settlement cost ⁽⁶⁾		22,573	0.92		21,764	1.03
Adjusted interest expense/adjusted average cost ⁽⁷⁾		\$ 189,697	3.50%		\$ 180,039	3.52%
Adjusted net interest spread ⁽⁴⁾			1.00%			0.92%
Impact of non-interest bearing funding			0.17			0.12
Adjusted net interest income/adjusted net interest yield ⁽⁸⁾		\$ 66,628	1.17%		\$ 55,196	1.04%

Six Months Ended November 30,

(Dollars in thousands)	2015			2014		
	Average Balance	Interest Income/Expense	Average Yield/Cost	Average Balance	Interest Income/Expense	Average Yield/Cost
Assets:						
Long-term fixed-rate loans ⁽¹⁾	\$ 20,213,693	\$ 475,803	4.71%	\$ 18,572,866	\$ 444,351	4.77%
Long-term variable-rate loans	688,829	9,842	2.86	724,399	10,262	2.83
Line of credit loans	1,048,807	12,584	2.40	1,149,132	13,629	2.37
Restructured loans	10,873	130	2.39	7,570	10	0.26
Nonperforming loans	1,386	29	4.18	1,884	—	—
Interest-based fee income ⁽²⁾	—	(529)	—	—	153	—
Total loans	21,963,588	497,859	4.53	20,455,851	468,405	4.57
Cash, investments and time deposits	677,440	4,582	1.35	858,957	4,121	0.96
Total interest-earning assets	\$ 22,641,028	\$ 502,441	4.44%	\$ 21,314,808	\$ 472,526	4.42%
Other assets, less allowance for loan losses	875,749			1,015,962		
Total assets	<u>\$ 23,516,777</u>			<u>\$ 22,330,770</u>		
Liabilities:						
Short-term debt	\$ 2,973,934	\$ 5,924	0.40%	\$ 3,812,950	\$ 8,804	0.46%
Medium-term notes	3,365,431	40,972	2.43	2,812,085	34,866	2.47
Collateral trust bonds	6,721,564	164,600	4.90	6,048,488	153,264	5.05
Subordinated deferrable debt	395,714	9,571	4.84	400,000	9,570	4.77
Subordinated certificates	1,483,887	30,403	4.10	1,533,475	32,851	4.27
Long-term notes payable	6,645,058	81,354	2.45	5,815,810	75,472	2.59
Total interest-bearing liabilities	\$ 21,585,588	\$ 332,824	3.08%	\$ 20,422,808	\$ 314,827	3.07%
Other liabilities	1,011,694			946,469		
Total liabilities	22,597,282			21,369,277		
Total equity	919,495			961,493		
Total liabilities and equity	<u>\$ 23,516,777</u>			<u>\$ 22,330,770</u>		
Net interest spread ⁽³⁾			1.36%			1.35%
Impact of non-interest bearing funding ⁽⁴⁾			0.14			0.13
Net interest income/net interest yield ⁽⁵⁾		<u>\$ 169,617</u>	<u>1.50%</u>		<u>\$ 157,699</u>	<u>1.48%</u>
Adjusted net interest income/adjusted net interest yield:						
Interest income	\$ 502,441		4.44%	\$ 472,526		4.42%
Interest expense	332,824		3.08	314,827		3.07
Add: Net derivative cash settlement cost ⁽⁶⁾	42,729		0.87	41,865		0.98
Adjusted interest expense/adjusted average cost ⁽⁷⁾	\$ 375,553		3.48%	\$ 356,692		3.48%
Adjusted net interest spread ⁽⁴⁾			0.96%			0.94%
Impact of non-interest bearing funding			0.16			0.14
Adjusted net interest income/adjusted net interest yield ⁽⁸⁾	\$ 126,888		1.12%	\$ 115,834		1.08%

(1) Interest income includes loan conversion fees, which are generally deferred and recognized in interest income using the effective interest method. A small portion of conversion fees that are intended to cover the administrative costs related to the conversion are recognized into interest income immediately at the date of conversion.

(2) Amounts primarily include the amortization of deferred loan origination costs and late payment fees. Excludes up-front loan arranger fees, which are not based on interest rates, for the three and six months ended November 30, 2015. These fees are included in fee and other income.

(3) Net interest spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing funding. Adjusted net interest spread represents the difference between the average yield on interest-earning assets and the adjusted average cost of interest-bearing funding.

(4) Includes other liabilities and equity.

(5) Net interest yield is calculated based on annualized net interest income for the period divided by average interest-earning assets for the period.

(6) Represents the impact of net periodic derivative cash settlements during the period, which is added to interest expense to derive non-GAAP adjusted interest expense. The average (benefit)/cost associated with derivatives is calculated based on the annualized net periodic cash settlements during the period divided by the average outstanding notional amount of derivatives during the period. The average outstanding notional amount of derivatives was \$9,922 million and \$8,493 million for the three months ended November 30, 2015 and 2014, respectively. The average outstanding notional amount of derivatives was \$9,855 million and \$8,489 million for the six months ended November 30, 2015 and 2014, respectively.

(7) Adjusted average cost is calculated based on annualized adjusted interest expense for the period divided by average interest-bearing funding during the period.

(8) Adjusted net interest yield is calculated based on annualized adjusted net interest income for the period divided by average interest-earning assets for the period.

Table 3 displays the change in our net interest income between periods and the extent to which the variance is attributable to: (i) changes in the volume of our interest-earning assets and interest-bearing liabilities or (ii) changes in the interest rates of these assets and liabilities. The table also presents the change in adjusted net interest income between periods.

Table 3: Rate/Volume Analysis of Changes in Interest Income/Interest Expense

(Dollars in thousands)	Three Months Ended November 30, 2015 versus 2014			Six Months Ended November 30, 2015 versus 2014		
	Total Variance	Variance due to: ⁽¹⁾		Total Variance	Variance due to: ⁽¹⁾	
		Volume	Rate		Volume	Rate
Interest income:						
Long-term fixed-rate loans	\$ 21,578	\$ 21,048	\$ 530	\$ 31,452	\$ 37,935	\$ (6,483)
Long-term variable-rate loans.....	(80)	(27)	(53)	(420)	(531)	111
Line of credit loans	(301)	(507)	206	(1,045)	(1,224)	179
Restructured loans.....	120	4	116	120	4	116
Nonperforming loans	29	—	29	29	—	29
Fee income	(664)	—	(664)	(682)	—	(682)
Total loans.....	20,682	20,518	164	29,454	36,184	(6,730)
Cash, investments and time deposits	408	(194)	602	461	(880)	1,341
Interest income	21,090	20,324	766	29,915	35,304	(5,389)
Interest expense:						
Short-term debt	(2,281)	(1,013)	(1,268)	(2,880)	(1,956)	(924)
Medium-term notes	3,112	3,066	46	6,106	6,747	(641)
Collateral trust bonds	4,687	7,127	(2,440)	11,336	16,590	(5,254)
Subordinated deferrable debt	(15)	(116)	101	1	(128)	129
Subordinated certificates.....	(1,008)	(613)	(395)	(2,448)	(1,149)	(1,299)
Long-term notes payable.....	4,354	6,081	(1,727)	5,882	10,526	(4,644)
Interest expense.....	8,849	14,532	(5,683)	17,997	30,630	(12,633)
Net interest income	\$ 12,241	\$ 5,792	\$ 6,449	\$ 11,918	\$ 4,674	\$ 7,244
Adjusted net interest income:						
Interest income.....	\$ 21,090	\$ 20,324	\$ 766	\$ 29,915	\$ 35,304	\$ (5,389)
Interest expense.....	8,849	14,532	(5,683)	17,997	30,630	(12,633)
Derivative cash settlements ⁽²⁾	809	3,593	(2,784)	864	6,605	(5,741)
Adjusted interest expense ⁽³⁾	9,658	18,125	(8,467)	18,861	37,235	(18,374)
Adjusted net interest income.....	\$ 11,432	\$ 2,199	\$ 9,233	\$ 11,054	\$ (1,931)	\$ 12,985

⁽¹⁾The changes for each category of interest income and interest expense are divided between the portion of change attributable to the variance in volume and the portion of change attributable to the variance in rate for that category. The amount attributable to the combined impact of volume and rate has been allocated to each category based on the proportionate absolute dollar amount of change for that category.

⁽²⁾For derivative cash settlements, the variance due to average volume represents the change in derivative cash settlements resulting from the change in the average notional amount of derivative contracts outstanding. The variance due to average rate represents the change in derivative cash settlements resulting from the net difference between the average rate paid and the average rate received for interest rate swaps during the period.

⁽³⁾ See “Non-GAAP Financial Measures” for additional information on our adjusted non-GAAP measures.

Net interest income of \$89 million for the current quarter increased by \$12 million, or 16% from the same prior year quarter, driven by an increase in average interest-earning assets of 8% and an increase in net interest yield of 8% (11 basis points) to 1.56%.

Net interest income of \$170 million for the six months ended November 30, 2015, increased by \$12 million, or 8%, from the same prior-year period, driven by an increase in average interest-earning assets of 6% and an increase in net interest yield of 1% (2 basis points) to 1.50%.

- *Average Interest-Earning Assets:* The increase in average interest-earning assets for the current quarter and six months ended November 30, 2015 was primarily attributable to growth in average total loans of \$1,746 million, or 9%, and \$1,508 million, or 7%, respectively, over the same prior year periods, as members refinanced with us loans made by other lenders and obtained advances to fund capital investments.
- *Net Interest Yield:* The increase in the net interest yield for the current quarter and six months ended November 30, 2015 reflects the combined impact of a reduction in our average cost of funds and an increase in the average yield on interest-earning assets. As benchmark treasury rates remained low and our credit spread tightened over the past few years, there was a continued reduction in the rates we had to pay to obtain funding in the capital markets. As a cost-based lender, our fixed interest rates for loans are intended to reflect our cost of borrowing plus a spread to cover our cost of operations and provision for loan losses and to provide earnings sufficient to achieve interest coverage to meet financial objectives. We therefore lowered the contractual long-term fixed rates on new loans during this period. The impact of the accelerated recognition of deferred loan conversion fees during the current quarter and six months ended November 30, 2015 due to loan payoffs more than offset the reduction in the contractual long-term fixed rates, resulting in the overall increase in average yield on interest-earning assets.

Adjusted net interest income of \$67 million for the current quarter increased by \$11 million, or 21%, from the same prior-year quarter, driven by the increase in average interest-earning assets of 8% and an increase in adjusted net interest yield of 13% (13 basis points) to 1.17%.

Adjusted net interest income of \$127 million for the six months ended November 30, 2015 increased by \$11 million, or 10%, from the same prior-year period, driven by the increase in average interest-earning assets of 6% and an increase in the adjusted net interest yield of 4% (4 basis points) to 1.12%.

Our adjusted net interest income and adjusted net interest yield include the impact of net periodic derivative cash settlements during the period. We recorded net periodic derivative cash settlement expense of \$23 million and \$22 million for the three months ended November 30, 2015 and 2014, respectively, and \$43 million and \$42 million for the six months ended November 30, 2015 and 2014, respectively. See “Non-GAAP Financial Measures” for additional information on our adjusted measures.

Provision for Loan Losses

Our provision for loan losses in each period is primarily driven by the level of allowance that we determine is necessary for probable incurred loan losses inherent in our loan portfolio as of each balance sheet date.

We recorded a provision for loan losses of \$1 million for the three months ended November 30, 2015 and 2014. We recorded a provision for loan losses of \$6 million for the six months ended November 30, 2015, compared with a negative provision of \$6 million for the six months ended November 30, 2014. The growth in our loan portfolio was the primary driver of the provision expense of \$6 million for the six months ended November 30, 2015. In comparison, outstanding loans remained

relatively flat during the same prior year period, and we experienced modest improvement in the credit quality and overall credit risk profile of our loan portfolio, which together resulted in the negative provision of \$6 million for the six months ended November 30, 2014.

We provide additional information on our allowance for loan losses under “Credit Risk—Allowance for Loan Losses” and “Note 3—Loans and Commitments” of this Report. For information on our allowance methodology, see “MD&A—Critical Accounting Policies and Estimates” and “Note 1—Summary” in our 2015 Form 10-K.

Non-Interest Income

Non-interest income consists of fee and other income, gains and losses on derivatives not accounted for in hedge accounting relationships and results of operations of foreclosed assets.

We recorded losses from non-interest income of \$92 million and \$94 million for the three months ended November 30, 2015 and 2014, respectively. We recorded losses from non-interest income of \$101 million and \$142 million for the six months ended November 30, 2015 and 2014, respectively. The variances in non-interest income for three and six months ended November 30, 2015, from the same prior year periods were primarily attributable to changes in net derivative losses recognized in our consolidated statements of operations and an impairment charge of \$27 million related to CAH recorded in the three months ended November 30, 2014.

Derivative Gains (Losses)

Our derivative instruments are an integral part of our interest rate risk management strategy. Our principal purpose in using derivatives is to manage our aggregate interest rate risk profile within prescribed risk parameters. The derivative instruments we use primarily include interest rate swaps, which we typically hold to maturity. The primary factors affecting the fair value of our derivatives and derivative gains (losses) recorded in our results of operations include changes in interest rates, yield curves and implied interest rate volatility and the composition and balance of instrument types in our derivative portfolio. We generally do not designate interest rate swaps, which represent the substantial majority of our derivatives, for hedge accounting. Accordingly, changes in the fair value of interest rate swaps are reported in our consolidated statements of operations under derivative gains (losses). We did not have any derivatives designated as accounting hedges as of November 30, 2015 or May 31, 2015.

We recorded derivative losses of \$101 million and \$75 million for the three months ended November 30, 2015 and 2014, respectively, and derivative losses \$113 million and \$124 million for the six months ended November 30, 2015 and 2014, respectively. Table 4 presents the components of net derivative gains (losses) recorded in our condensed consolidated results of operations for the three and six months ended November 30, 2015 and 2014. The derivative gains (losses) relate to interest rate swap agreements. Derivative cash settlements represent net contractual interest expense accruals on interest rate swaps during the period. The derivative forward value represents the change in fair value of our interest rate swaps during the reporting period due to changes in expected future interest rates over the remaining life of our derivative contracts.

Table 4: Derivative Gains (Losses)

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Derivative gains (losses) attributable to:				
Derivative cash settlements	\$ (22,573)	\$ (21,764)	\$ (42,729)	\$ (41,865)
Derivative forward value	(78,611)	(52,797)	(70,472)	(82,574)
Derivative losses	<u>\$ (101,184)</u>	<u>\$ (74,561)</u>	<u>\$ (113,201)</u>	<u>\$ (124,439)</u>

We currently use two types of interest rate swap agreements: (i) we pay a fixed rate and receive a variable rate (“pay-fixed swaps”) and (ii) we pay a variable rate and receive a fixed rate (“receive-fixed swaps”). Pay-fixed swaps generally decrease in value as interest rates decline and increase in value as interest rates rise. In contrast, receive-fixed swaps generally increase in value as interest rates decline and decrease in value as interest rates rise. The composition of our pay-fixed and receive-fixed swaps varies across the swap yield curve. As a result, the overall fair value gains and losses of our derivatives

also are sensitive to flattening and steepening of the swap yield curve. See “Note 12—Fair Value of Financial Instruments” for information on how we estimate the fair value of our derivative instruments.

Table 5 displays the average notional amount outstanding, by swap agreement type, and the weighted-average interest rate paid and received for derivative cash settlements during the three and six months ended November 30, 2015 and 2014. As indicated in Table 5, our derivative portfolio currently consists of a higher proportion of pay-fixed swaps than receive-fixed swaps, which is subject to change based on changes in market conditions and actions taken to manage our interest rate risk.

Table 5: Derivative Average Notional Balances and Average Interest Rates

(Dollars in thousands)	Three Months Ended November 30,					
	2015			2014		
	Average Notional Balance	Weighted-Average Rate Paid	Weighted-Average Rate Received	Average Notional Balance	Weighted-Average Rate Paid	Weighted-Average Rate Received
Pay-fixed swaps.....	\$ 6,188,639	3.07%	0.33%	\$ 5,543,655	3.30%	0.24%
Receive-fixed swaps.....	3,733,066	0.80	3.02	2,949,000	0.83	3.60
Total.....	<u>\$ 9,921,705</u>	<u>2.21%</u>	<u>1.35%</u>	<u>\$ 8,492,655</u>	<u>2.45%</u>	<u>1.41%</u>
(Dollars in thousands)	Six Months Ended November 30,					
	2015			2014		
	Average Notional Balance	Weighted-Average Rate Paid	Weighted-Average Rate Received	Average Notional Balance	Weighted-Average Rate Paid	Weighted-Average Rate Received
Pay-fixed swaps.....	\$ 6,063,335	3.10%	0.31%	\$ 5,481,180	3.31%	0.24%
Receive-fixed swaps.....	3,791,350	0.80	3.05	3,007,333	0.84	3.61
Total.....	<u>\$ 9,854,685</u>	<u>2.21%</u>	<u>1.37%</u>	<u>\$ 8,488,513</u>	<u>2.43%</u>	<u>1.44%</u>

The derivative losses of \$101 million and \$113 million recorded in the three and six months ended November 30, 2015, were primarily attributable to a net decrease in the fair value of our pay-fixed swaps due to a flattening of the swap yield curve resulting from a gradual decline in interest rates across the medium and longer end of the yield curve.

The net derivative losses of \$75 million and \$124 million recorded for the three and six months ended November 30, 2014, respectively, were primarily attributable to a flattening of the swap yield curve during the period, as the overall level of interest rates on the longer end of the yield curve declined. This decline resulted in a net decrease in the fair value of our pay-fixed swaps and a net increase in the fair value of our receive-fixed swaps. Because of the composition of our derivative portfolio, the decline in the fair value of our pay-fixed swaps more than offset the increase in the fair value of our receive-fixed swaps.

See “Note 8—Derivative Financial Instruments” for additional information on our derivative instruments.

Results of Operations of Foreclosed Assets

The financial operating results of entities controlled by CFC that hold foreclosed assets are reported in our consolidated statements of operations under results of operations of foreclosed assets. We previously had two entities, CAH and DRP, that held foreclosed assets. We dissolved DRP during the fourth quarter of fiscal 2015, following the sale of DRP’s remaining assets.

We recorded a gain from the results of operations of foreclosed assets of \$2 million for the three months ended November 30, 2015, compared with a loss of \$29 million for the three months ended November 30, 2014. We recorded a gain from the results of foreclosed assets of less than \$1 million for the six months ended November 30, 2015, compared with a loss of \$32 million for the six months ended November 30, 2014. The gains recorded during the three and six months ended November 30, 2015 were primarily attributable to purchase price adjustments related to CAH, while the losses recorded

during the prior year periods were primarily attributable to a CAH impairment charge of \$27 million recorded in the second quarter of fiscal year 2015.

As discussed above under “Introduction” and “Executive Summary,” on September 30, 2015, CFC entered into a Purchase Agreement with CAH, Atlantic and Atlantic Tele-Network, Inc., the parent corporation of Atlantic, to sell all of the issued and outstanding membership interests of CAH to Atlantic for a purchase price of \$145 million, subject to certain adjustments. The amount recorded on our condensed consolidated balance sheet for CAH of \$117 million as of November 30, 2015 reflects the expected net proceeds, including agreed-upon purchase price adjustments and estimated selling costs, from the completion of the CAH sales transaction.

We expect to complete the transaction during the second half of calendar year 2016, subject to the satisfaction or waiver of various closing conditions under the Purchase Agreement, including, among other things, the receipt of required communications regulatory approvals in the United States, United States Virgin Islands, British Virgin Islands and St. Maarten, the expiration or termination of applicable waiting periods under applicable competition laws, and the absence of a material adverse effect or material adverse regulatory event.

Non-Interest Expense

Non-interest expense consists of salaries and employee benefit expense, general and administrative expenses, provision for guarantee liability, losses on early extinguishment of debt and other miscellaneous expenses.

We recorded non-interest expense of \$20 million and \$18 million for the three months ended November 30, 2015 and 2014, respectively, and non-interest expense of \$43 million and \$37 million for the six months ended November 30, 2015 and 2014, respectively. The increase for the current year periods over the same prior-year periods was primarily attributable to an increase in salaries and employee benefit expense, costs related to system infrastructure enhancements and higher legal fees.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests represents 100% of the results of operations of RTFC and NCSC, as the members of RTFC and NCSC own or control 100% of the interest in their respective companies. The fluctuations in net income (loss) attributable to noncontrolling interests are primarily due to fluctuations in the fair value of NCSC's derivative instruments.

We recorded a net loss attributable to noncontrolling interests of less than \$1 million for the three months ended November 30, 2015 and 2014, and a net loss of less than \$1 million and a net gain of less than \$1 million for the six months ended November 30, 2015 and 2014, respectively.

CONSOLIDATED BALANCE SHEET ANALYSIS

Total assets of \$23,851 million as of November 30, 2015 increased by \$1,005 million, or 4%, from May 31, 2015, primarily due to growth in our loan portfolio. Total liabilities of \$22,957 million as of November 30, 2015 increased by \$1,023 million, or 5%, from May 31, 2015, primarily due to debt issuances to fund our loan portfolio growth. Total equity decreased by \$18 million to \$894 million as of November 30, 2015. The decrease in total equity was primarily attributable to the patronage capital retirement of \$39 million in September 2015, which was partially offset by our net income of \$19 million for the six months ended November 30, 2015.

Following is a discussion of changes in the major components of our assets and liabilities during the six months ended November 30, 2015. Period-end balance sheet amounts may vary from average balance sheet amounts due to liquidity and balance sheet management activities that are intended to manage liquidity requirements for the company and our customers and our market risk exposure in accordance with our risk appetite.

Loan Portfolio

We offer long-term fixed- and variable-rate loans and line of credit variable-rate loans. Borrowers may choose a fixed or variable interest rate for periods of one to 35 years. When a selected fixed-rate term expires, the borrower may select either another fixed-rate term or a variable rate or elect to repay the loan in full. We also offer a conversion option to members with long-term loan agreements, which allows borrowers to change the rate and term prior to the repricing date. Borrowers are generally charged a conversion fee when converting from a fixed to a variable rate, or a fixed rate to another fixed rate.

Table 6 summarizes total loans outstanding, by type and by member class, as of November 30, 2015 and May 31, 2015.

Table 6: Loans Outstanding by Type and Member Class

(Dollars in thousands)	November 30, 2015		May 31, 2015		Increase/ (Decrease)
	Amount	% of Total	Amount	% of Total	
Loans by type:					
Long-term loans:					
Long-term fixed-rate loans.....	\$ 20,601,694	91%	\$ 19,543,274	91%	\$ 1,058,420
Long-term variable-rate loans.....	712,955	3	698,495	3	14,460
Loans guaranteed by RUS.....	176,425	1	179,241	1	(2,816)
Total long-term loans.....	21,491,074	95	20,421,010	95	1,070,064
Line of credit loans.....	1,172,574	5	1,038,210	5	134,364
Total loans outstanding ⁽¹⁾	<u>\$ 22,663,648</u>	<u>100%</u>	<u>\$ 21,459,220</u>	<u>100%</u>	<u>\$ 1,204,428</u>
Loans by member class:					
CFC:					
Distribution.....	\$ 17,153,380	76%	\$ 16,095,043	75%	\$ 1,058,337
Power supply.....	4,380,665	19	4,181,481	20	199,184
Statewide and associate.....	60,061	—	65,466	—	(5,405)
CFC.....	21,594,106	95	20,341,990	95	1,252,116
RTFC.....	364,739	2	385,709	2	(20,970)
NCSC.....	704,803	3	731,521	3	(26,718)
Total loans outstanding ⁽¹⁾	<u>\$ 22,663,648</u>	<u>100%</u>	<u>\$ 21,459,220</u>	<u>100%</u>	<u>\$ 1,204,428</u>

⁽¹⁾Total loans outstanding represents the outstanding unpaid principal balance of loans. Unamortized deferred loan origination costs, which totaled \$10 million as of November 30, 2015 and May 31, 2015, are excluded from total loans outstanding. These costs are, however, included in loans to members reported on the condensed consolidated balance sheets.

Total loans outstanding of \$22,664 million as of November 30, 2015 increased by \$1,204 million, or 6%, from May 31, 2015. The increase was primarily due to an increase in CFC distribution and power supply loans of \$1,058 million and \$199 million, respectively, which was attributable to members refinancing with us loans made by other lenders and member advances for capital investments. This increase was partially offset by a decrease in NCSC loans of \$27 million and a decrease in RTFC loans of \$21 million.

Table 7 compares the historical retention rate for long-term fixed-rate loans that repriced during the six months ended November 30, 2015, with the historical retention rate for loans that repriced during the fiscal year ended May 31, 2015. Table 7 also displays the percentage of borrowers that selected either another fixed-rate term or a variable rate. The retention rate is calculated based on the election made by the borrower at the repricing date.

Table 7: Historical Retention Rate and Repricing Selection

(Dollars in thousands)	Six Months Ended November 30, 2015		Year Ended May 31, 2015	
	Amount	%	Amount	%
Loans retained:				
Long-term fixed rate selected	\$ 480,988	94%	\$ 991,279	81%
Long-term variable rate selected	22,399	5	154,946	13
Loans repriced and sold by CFC	—	—	3,904	—
Total loans retained.....	503,387	99	1,150,129	94
Total loans repaid	6,849	1	76,380	6
Total loans repriced	\$ 510,236	100%	\$ 1,226,509	100%

Debt

Table 8 displays the composition of our debt outstanding, by debt product type, by interest rate type and by original contractual maturity, as of November 30, 2015 and May 31, 2015.

Table 8: Total Debt Outstanding

(Dollars in thousands)	November 30, 2015	May 31, 2015	Increase/ (Decrease)
Debt product type:			
Commercial paper sold through dealers, net of discounts.....	\$ 1,020,287	\$ 984,954	\$ 35,333
Commercial paper sold directly to members, at par	759,815	736,162	23,653
Select notes	809,298	671,635	137,663
Daily liquidity fund notes	740,142	509,131	231,011
Collateral trust bonds.....	6,850,660	6,755,067	95,593
Guaranteed Underwriter Program notes payable to FFB	4,643,790	4,406,465	237,325
Farmer Mac notes payable.....	2,072,040	1,910,688	161,352
Medium-term notes	3,458,237	3,352,023	106,214
Other notes payable ⁽³⁾	46,557	46,423	134
Subordinated deferrable debt.....	395,736	395,699	37
Membership certificates	629,977	645,035	(15,058)
Loan and guarantee certificates	629,589	640,889	(11,300)
Member capital securities.....	219,996	219,496	500
Total debt outstanding.....	\$ 22,276,124	\$ 21,273,667	\$ 1,002,457
Interest rate type:			
Fixed-rate debt ⁽¹⁾	82%	81%	
Variable-rate debt ⁽²⁾	18	19	
Total.....	100%	100%	
Original contractual maturity:			
Long-term debt.....	84%	85%	
Short-term debt	16	15	
Total.....	100%	100%	

⁽¹⁾ Includes variable-rate debt that has been swapped to a fixed rate net of any fixed-rate debt that has been swapped to a variable rate.

⁽²⁾ Includes fixed-rate debt that has been swapped to a variable rate net of any variable-rate debt that has been swapped to a fixed rate. Also includes commercial paper notes, which generally have maturities of less than 90 days. The interest rate on commercial paper notes does not change once the note has been issued; however, the rates on new commercial paper notes change daily.

(3) Other notes payable includes unsecured and secured Clean Renewable Energy Bonds. We are required to pledge eligible mortgage notes from distribution and power supply system borrowers in an amount at least equal to the outstanding principal amount under the Clean Renewable Energy Bonds Series 2009A note purchase agreement. The remaining other notes payable relate to unsecured notes payable issued by NCSC.

Total debt outstanding of \$22,276 million as of November 30, 2015 increased by \$1,002 million, or 5%, from May 31, 2015, primarily due to debt issuances to fund our loan portfolio growth. The increase was primarily attributable to an advance of \$180 million under the note purchase agreement with the Farmer Mac, an advance of \$250 million under the Guaranteed Underwriter Program of the USDA and the issuance of \$350 million aggregate principal amount of 2.30% collateral trust bonds due 2020 and \$400 million aggregate principal amount of 3.25% collateral trust bonds due 2025. Significant financing-related developments during the six months ended November 30, 2015 are summarized below.

- On July 7, 2015, we received an advance of \$180 million under the revolving note purchase agreement with Farmer Mac.
- On July 31, 2015, we received an advance of \$250 million with a 20-year final maturity under the Guaranteed Underwriter Program of the USDA.
- On July 31, 2015, we executed a new three-year \$300 million revolving note purchase agreement with Farmer Mac to provide us additional funding flexibility.
- On October 27, 2015, we issued \$350 million aggregate principal amount of 2.30% collateral trust bonds due 2020, and \$400 million aggregate principal amount of 3.25% collateral trust bonds due 2025.
- On November 19, 2015, we amended and extended our revolving credit agreements, which reduced the total commitment from third parties to \$3,310 million as of November 30, 2015, from \$3,420 million as of May 31, 2015. Prior to this amendment, NCSC assumed \$155 million in commitments from one of the banks, which was reduced to \$110 million as part of amendment. Although the total commitment amount under our new revolving credit agreements is unchanged from the previous total of \$3,420 million, NCSC's commitment amount is excluded from the commitment amount from third parties of \$3,310 million because NCSC receives all of its funding from CFC and NCSC's financial results are consolidated with CFC. See "Liquidity Risk" for additional information.

Pledging of Loans and Loans on Deposit

We are required to pledge collateral equal to at least 100% of the outstanding balance of debt issued under our collateral trust bond indentures and note purchase agreements with Farmer Mac. In addition, we are required to maintain collateral on deposit equal to at least 100% of the outstanding balance of debt to the FFB under the Guaranteed Underwriter Program of the USDA, which supports the Rural Economic Development Loan and Grant program, for which distribution and power supply loans may be deposited. Table 9 summarizes the amount of notes pledged or on deposit as collateral as a percentage of the related debt outstanding under the debt agreements noted above as of November 30, 2015 and May 31, 2015.

Table 9: Collateral Pledged or on Deposit

Debt Agreement	Requirement/Limit		Actual	
	Debt Indenture Minimum	Revolving Credit Agreements Maximum	November 30, 2015	May 31, 2015
Collateral trust bonds 1994 indenture.....	100%	150%	109%	106%
Collateral trust bonds 2007 indenture.....	100	150	118	108
Farmer Mac	100	150	113	113
Clean Renewable Energy Bonds Series 2009A...	100	150	110	117
FFB Notes ⁽¹⁾⁽²⁾	100	150	118	112

⁽¹⁾Represents collateral on deposit as a percentage of the related debt outstanding.

⁽²⁾All pledge agreements previously entered into with RUS and U.S. Bank National Association were consolidated into one amended, restated and consolidated pledge agreement in December 2012.

Table 10 summarizes the balance of loans pledged or on deposit for secured debt, the excess collateral pledged and unencumbered loans as of November 30, 2015 and May 31, 2015.

Table 10: Unencumbered Loans

(Dollars in thousands)	November 30, 2015	May 31, 2015
Total loans outstanding ⁽¹⁾	\$ 22,663,648	\$ 21,459,220
Less: Total secured debt or debt requiring collateral on deposit.....	(13,880,377)	(13,386,713)
Excess collateral pledged or on deposit ⁽²⁾	(2,305,242)	(1,351,255)
Unencumbered loans	\$ 6,478,029	\$ 6,721,252
Unencumbered loans as a percentage of total loans	29%	31%

⁽¹⁾Excludes unamortized deferred loan origination costs of \$10 million as of November 30, 2015 and May 31, 2015.

⁽²⁾ Excludes cash collateral pledged to secure debt. Unless and until there is an event of default, we can withdraw excess collateral as long as there is 100% coverage of the secured debt. If there is an event of default under most of our indentures, we can only withdraw this excess collateral if we substitute cash or permitted investments of equal value.

See “Note 3—Loans and Commitments—Pledging of Loans and Loans on Deposit” for additional information related to collateral.

Equity

Total equity of \$894 million as of November 30, 2015 decreased by \$18 million from May 31, 2015. The decrease was primarily attributable to the board authorized patronage capital retirement of \$39 million, which was partially offset by our net income of \$19 million for the six months ended November 30, 2015.

In July 2015, the CFC Board of Directors authorized additional allocations of fiscal year 2015 net earnings that included \$1 million to the Cooperative Educational Fund, \$16 million to the members’ capital reserve and \$78 million to members in the form of patronage capital. In July 2015, the CFC Board of Directors also authorized the retirement of allocated net earnings totaling \$39 million, which represented 50% of the fiscal year 2015 allocation. This amount was returned to members in cash in September 2015.

Future allocations and retirements of net earnings may be made annually as determined by the CFC Board of Directors taking into consideration CFC’s financial condition. The CFC Board of Directors has the authority to change the current practice for allocating and retiring net earnings at any time, subject to applicable cooperative law.

The amount of patronage capital allocated each year by CFC’s Board of Directors is based on non-GAAP adjusted net income, which excludes the impact of derivative forward value gains (losses). See “Non-GAAP Financial Measures” for information on adjusted net income.

Debt Ratio Analysis

Leverage Ratio

The leverage ratio is calculated by dividing the sum of total liabilities and guarantees outstanding by total equity. Based on this formula, the leverage ratio was 26.77-to-1 as of November 30, 2015, an increase from 25.14-to-1 as of May 31, 2015. The increase in the leverage ratio was due to the increase of \$1,023 million in total liabilities and the decrease of \$18 million in total equity, partially offset by the decrease of \$25 million in total guarantees.

For covenant compliance under our revolving credit agreements and for internal management purposes, the leverage ratio calculation is adjusted to exclude derivative liabilities, debt used to fund loans guaranteed by RUS, subordinated deferrable debt and subordinated certificates from liabilities; uses members’ equity rather than total equity; and adds subordinated deferrable debt and subordinated certificates to calculate adjusted equity.

The adjusted leverage ratio was 6.84-to-1 and 6.58-to-1 as of November 30, 2015 and May 31, 2015, respectively. The increase in the adjusted leverage ratio was due to the increase of \$1,015 million in adjusted liabilities, partially offset by the increase of \$27 million in adjusted equity and by the decrease of \$25 million in guarantees as discussed under “Off-Balance Sheet Arrangements.” See “Non-GAAP Financial Measures” for further explanation and a reconciliation of the adjustments we make to our leverage ratio calculation to derive the adjusted leverage ratio.

Debt-to-Equity Ratio

The debt-to-equity ratio is calculated by dividing the sum of total liabilities outstanding by total equity. The debt-to-equity ratio was 25.69-to-1 as of November 30, 2015, an increase from 24.06-to-1 as of May 31, 2015. The increase in the debt-to-equity ratio is due to the increase of \$1,023 million in total liabilities and the decrease of \$18 million in total equity.

We adjust the components of the debt-to-equity ratio to calculate an adjusted debt-to-equity ratio that is used for internal management analysis purposes. The adjusted debt-to-equity ratio was 6.53-to-1 as of November 30, 2015, compared with 6.26-to-1 as of May 31, 2015. The increase in the adjusted debt-to-equity ratio was due to the increase of \$1,015 million in adjusted liabilities, partially offset by the increase of \$27 million in adjusted equity. See “Non-GAAP Financial Measures” for further explanation and a reconciliation of the adjustments made to the debt-to-equity ratio calculation to derive the adjusted debt-to-equity ratio.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, we engage in financial transactions that are not presented on our condensed consolidated balance sheets, or may be recorded on our condensed consolidated balance sheets in amounts that are different from the full contract or notional amount of the transaction. Our off-balance sheet arrangements consist primarily of guarantees of member obligations and unadvanced loan commitments intended to meet the financial needs of our members.

Guarantees

We provide guarantees for certain contractual obligations of our members to assist them in obtaining various forms of financing. We use the same credit policies and monitoring procedures in providing guarantees as we do for loans and commitments. If a member defaults on its obligation, we are obligated to pay required amounts pursuant to our guarantees. Meeting our guarantee obligations satisfies the underlying obligation of our member systems and prevents the exercise of remedies by the guarantee beneficiary based upon a payment default by a member. In general, the member is required to repay any amount advanced by us with interest, pursuant to the documents evidencing the member's reimbursement obligation.

Table 11 shows our guarantees outstanding, by guarantee type and by company, as of November 30, 2015 and May 31, 2015.

Table 11: Guarantees Outstanding

(Dollars in thousands)	November 30, 2015	May 31, 2015	Increase/ (Decrease)
Guarantee type:			
Long-term tax-exempt bonds	\$ 483,730	\$ 489,520	\$ (5,790)
Letters of credit	363,441	382,233	(18,792)
Other guarantees.....	114,079	114,747	(668)
Total.....	<u>\$ 961,250</u>	<u>\$ 986,500</u>	<u>\$ (25,250)</u>
Company:			
CFC	\$ 920,993	\$ 952,875	\$ (31,882)
RTFC	1,574	1,574	—
NCSC	38,683	32,051	6,632
Total.....	<u>\$ 961,250</u>	<u>\$ 986,500</u>	<u>\$ (25,250)</u>

In addition to the letters of credit listed in the above table, we had master letter of credit facilities in place as of November 30, 2015, under which we may be required to issue up to an additional \$85 million in letters of credit to third parties for the benefit of our members. All of our master letter of credit facilities as of November 30, 2015 were subject to material adverse change clauses at the time of issuance. Prior to issuing a letter of credit under these facilities, we would confirm that there has been no material adverse change in the business or condition, financial or otherwise, of the borrower since the time the loan was approved and confirm that the borrower is currently in compliance with the letter of credit terms and conditions.

In addition to the guarantees described above, we were the liquidity provider for variable-rate, tax-exempt bonds, issued for our member cooperatives, totaling \$489 million as of November 30, 2015. As liquidity provider on these tax-exempt bonds, we may be required to purchase bonds that are tendered or put by investors. Investors provide notice to the remarketing agent that they will tender or put a certain amount of bonds at the next interest rate reset date. If the remarketing agent is unable to sell such bonds to other investors by the next interest rate reset date, we have unconditionally agreed to purchase such bonds. Our obligation as liquidity provider is in the form of a letter of credit on \$76 million of the tax-exempt bonds, which is included in the letters of credit amount in Table 11. We were not required to perform as liquidity provider pursuant to these obligations during the six months ended November 30, 2015. In addition to being a liquidity provider, we also provided a guarantee for payment of all principal and interest amounts on \$413 million of these bonds as of November 30, 2015, which is included in long-term tax-exempt bond guarantees in Table 11.

Of our total guarantee amounts, 64% and 56% as of November 30, 2015 and May 31, 2015, respectively, were secured by a mortgage lien on substantially all of the system's assets and future revenue of the borrowers.

The decrease in total guarantees during the six months ended November 30, 2015 was primarily due to a decrease in the total amount of letters of credit outstanding. We recorded a guarantee liability of \$19 million and \$20 million respectively, as of November 30, 2015 and May 31, 2015, related to the contingent and non-contingent exposures for guarantee and liquidity obligations associated with our members' debt.

Table 12 summarizes our off-balance sheet obligations as of November 30, 2015, and maturity of amounts during each of the next five fiscal years and thereafter.

Table 12: Maturities of Guarantee Obligations

(Dollars in thousands)	Outstanding Balance	Maturities of Guaranteed Obligations					
		2016	2017	2018	2019	2020	Thereafter
Guarantees.....	\$ 961,250	\$ 95,478	\$ 117,785	\$ 215,525	\$ 17,923	\$ 61,210	\$ 453,329

See “Note 10—Guarantees” for additional information.

Unadvanced Loan Commitments

Unadvanced commitments represent approved and executed loan contracts for which funds have not been advanced to borrowers. The table below displays the amount of unadvanced loan commitments, which consist of line of credit and long-term loan commitments, as of November 30, 2015 and May 31, 2015. Our line of credit commitments include both contracts that are not subject to material adverse change clauses and contracts that are subject to material adverse change clauses.

Table 13: Unadvanced Loan Commitments

(Dollars in thousands)	November 30, 2015	% of Total	May 31, 2015	% of Total
Line of credit commitments:				
Not conditional ⁽¹⁾	\$ 2,643,810	19%	\$ 2,764,968	20%
Conditional ⁽²⁾	6,638,428	47	6,529,159	46
Total line of credit unadvanced commitments	9,282,238	66	9,294,127	66
Total long-term loan unadvanced commitments	4,762,678	34	4,835,623	34
Total	\$ 14,044,916	100%	\$ 14,129,750	100%

⁽¹⁾Represents amount related to facilities that are not subject to material adverse change clauses.

⁽²⁾Represents amount related to facilities that are subject to material adverse change clauses.

For contracts not subject to a material adverse change clause, we are generally required to advance amounts on the committed facilities as long as the borrower is in compliance with the terms and conditions of the facility. As displayed in Table 13, unadvanced line of credit commitments not subject to material adverse change clauses at the time of each advance totaled \$2,644 million and \$2,765 million as of November 30, 2015 and May 31, 2015, respectively. We record a liability for credit losses on our condensed consolidated balance sheets for unadvanced commitments related to facilities that are not subject to a material adverse change clause because we do not consider these commitments to be conditional. Table 14 summarizes the available balance under committed lines of credit that are not subject to a material adverse change clause as of November 30, 2015, and the maturity of available amounts during each of the next five fiscal years and thereafter.

Table 14: Notional Maturities of Unconditional Committed Lines of Credit

(Dollars in thousands)	Available Balance	Notional Maturities of Unconditional Committed Lines of Credit					
		2016	2017	2018	2019	2020	Thereafter
Committed lines of credit...	\$ 2,643,810	\$ 61,000	\$ 199,257	\$ 727,065	\$ 854,128	\$ 605,110	\$ 197,250

For contracts subject to a material adverse change clause, the advance of additional amounts is conditional. Prior to making an advance on these facilities, we confirm that there have been no material adverse changes in the business or condition, financial or otherwise, of the borrower since the time the loan was approved and confirm that the borrower is currently in compliance with the loan terms and conditions. The substantial majority of our line of credit commitments relate to contracts that include material adverse change clauses. Unadvanced commitments that are subject to a material adverse change clause are classified as contingent liabilities. We do not record a reserve for credit losses on our condensed consolidated balance sheets for these commitments, nor do we include them in our off-balance sheet guarantee amounts in Table 11 above because we consider them to be conditional.

Table 15 summarizes the available balance under unadvanced commitments as of November 30, 2015 and the related maturities by fiscal year and thereafter by loan type:

Table 15: Notional Maturities of Unadvanced Loan Commitments

(Dollars in thousands)	Available Balance	Notional Maturities of Unadvanced Commitments					
		2016	2017	2018	2019	2020	Thereafter
Line of credit loans.....	\$ 9,282,238	\$ 506,565	\$ 5,261,366	\$ 1,152,930	\$ 1,074,118	\$ 776,995	\$ 510,264
Long-term loans.....	4,762,678	277,585	1,144,251	784,664	1,061,634	1,006,845	487,699
Total.....	<u>\$14,044,916</u>	<u>\$ 784,150</u>	<u>\$ 6,405,617</u>	<u>\$ 1,937,594</u>	<u>\$ 2,135,752</u>	<u>\$ 1,783,840</u>	<u>\$ 997,963</u>

Line of credit commitments are generally revolving facilities for periods that do not exceed five years. Historically, borrowers have not fully drawn the commitment amounts for line of credit loans, and the utilization rates have been low regardless of whether a material adverse change clause provision exists at the time of advance. Also, borrowers historically have not fully drawn the commitments related to long-term loans, and borrowings have generally been advanced in multiple transactions over an extended period of time. We believe these conditions are likely to continue because of the nature of the business of our electric cooperative borrowers and the terms of our loan commitments. See “MD&A—Off-Balance Sheet Arrangements” in our 2015 Form 10-K for additional information.

RISK MANAGEMENT

The CFC Board of Directors is responsible for the oversight and direction of risk management, while CFC’s management has primary responsibility for day-to-day management of the risks associated with CFC’s business. In fulfilling its risk management oversight duties, the CFC Board of Directors receives periodic reports on business activities from executive management and from various operating groups and committees across the organization, including the Credit Risk Management group, Internal Audit group and the Corporate Compliance group, as well as the Asset Liability Committee, the Corporate Credit Committee and the Disclosure Committee. The CFC Board of Directors also reviews CFC’s risk profile and management’s response to those risks throughout the year at its meetings. The board of directors establishes CFC’s loan policies and has established a Loan Committee of the board comprising no fewer than 10 directors that reviews the performance of the loan portfolio in accordance with those policies.

For additional information about the role of the CFC Board of Directors in risk oversight, see “Item 10. Directors, Executive Officers and Corporate Governance” in our 2015 Form 10-K for additional information.

CREDIT RISK

Credit risk is the risk of loss associated with a borrower or counterparty’s failure to meet its obligations in accordance with agreed upon terms. Our loan portfolio, which represents the largest component of assets on our balance sheet, and guarantees account for the substantial majority of our credit risk exposure. We also engage in certain non-lending activities that may give rise to credit and counterparty settlement risk, including the purchase of investment securities and entering into derivative transactions to manage our interest rate risk.

Loan and Guarantee Portfolio Credit Risk

Below we provide information on the credit risk profile of our loan portfolio and guarantees, including security provisions, loan concentration, credit performance and our allowance for loan losses.

Security Provisions

Except when providing line of credit loans, we generally lend to our members on a senior secured basis. Long-term loans are generally secured on parity with other secured lenders (primarily RUS), if any, by all assets and revenue of the borrower with exceptions typical in utility mortgages. Line of credit loans are generally unsecured. In addition to the collateral pledged to secure our loans, borrowers also are required to set rates charged to customers to achieve certain financial ratios.

Of our total loans outstanding, 92% were secured and 8% were unsecured as of November 30, 2015. As of May 31, 2015, of our total loans outstanding, 91% were secured and 9% were unsecured. Table 16 presents, by loan type and by company, the amount and percentage of secured and unsecured loans in our loan portfolio.

Table 16 : Loan Portfolio Security Profile

(Dollars in thousands)	November 30, 2015				
	Secured	%	Unsecured	%	Total
Loan type:					
Long-term fixed-rate loans	\$ 19,726,095	96%	\$ 875,599	4%	\$ 20,601,694
Long-term variable-rate loans	639,626	90	73,329	10	712,955
Loans guaranteed by RUS	176,425	100	—	—	176,425
Line of credit loans	237,042	20	935,532	80	1,172,574
Total loans outstanding ⁽¹⁾	<u>\$ 20,779,188</u>	92	<u>\$ 1,884,460</u>	8	<u>\$ 22,663,648</u>
Company:					
CFC.....	\$ 19,990,006	93%	\$ 1,604,100	7%	\$ 21,594,106
RTFC	347,623	95	17,116	5	364,739
NCSC.....	441,559	63	263,244	37	704,803
Total loans outstanding ⁽¹⁾	<u>\$ 20,779,188</u>	92	<u>\$ 1,884,460</u>	8	<u>\$ 22,663,648</u>
(Dollars in thousands)	May 31, 2015				
	Secured	%	Unsecured	%	Total
Loan type:					
Long-term fixed-rate loans	\$ 18,526,068	95%	\$ 1,017,206	5%	\$ 19,543,274
Long-term variable-rate loans	628,115	90	70,380	10	698,495
Loans guaranteed by RUS	179,241	100	—	—	179,241
Line of credit loans	107,781	10	930,429	90	1,038,210
Total loans outstanding ⁽¹⁾	<u>\$ 19,441,205</u>	91	<u>\$ 2,018,015</u>	9	<u>\$ 21,459,220</u>
Company:					
CFC.....	\$ 18,635,818	92%	\$ 1,706,172	8%	\$ 20,341,990
RTFC	370,924	96	14,785	4	385,709
NCSC.....	434,463	59	297,058	41	731,521
Total loans outstanding ⁽¹⁾	<u>\$ 19,441,205</u>	91	<u>\$ 2,018,015</u>	9	<u>\$ 21,459,220</u>

⁽¹⁾ Excludes deferred loan origination costs of \$10 million as of November 30, 2015 and May 31, 2015.

As part of our strategy to manage our credit risk exposure, we entered into a long-term standby purchase commitment agreement with Farmer Mac on August 31, 2015. Under this agreement, we may designate certain loans, as approved by Farmer Mac, and in the event any such loan later goes into material default for at least 90 days, upon request by us, Farmer Mac must purchase such loan at par value. We have designated, and Farmer Mac has approved an initial tranche of loans with an aggregate outstanding principal balance of \$520 million as of August 31, 2015, which were reduced by subsequent loan principal payments to \$515 million as of November 30, 2015.

Loan Concentration

We serve electric and telecommunications members throughout the United States and its territories, including 49 states, the District of Columbia, American Samoa and Guam. The largest concentration of loans to borrowers in any one state

represented approximately 14% and 15%, respectively, of total loans outstanding as of November 30, 2015 and May 31, 2015.

The largest total outstanding exposure to a single borrower or controlled group represented approximately 2% of total loans and guarantees outstanding as of November 30, 2015 and May 31, 2015. The 20 largest borrowers consisted of 12 distribution systems and 8 power supply systems as of November 30, 2015 and May 31, 2015. Table 17 displays the outstanding exposure of the 20 largest borrowers, by exposure type and by company, as of November 30, 2015 and May 31, 2015.

Table 17: Credit Exposure to 20 Largest Borrowers

(Dollars in thousands)	November 30, 2015		May 31, 2015		Increase/ (Decrease)
	Amount	% of Total	Amount	% of Total	
By exposure type:					
Loans.....	\$ 5,282,738	23%	\$ 5,478,977	24%	\$ (196,239)
Guarantees.....	533,459	2	374,189	2	159,270
Total exposure to 20 largest borrowers.....	<u>\$ 5,816,197</u>	<u>25%</u>	<u>\$ 5,853,166</u>	<u>26%</u>	<u>\$ (36,969)</u>
By company:					
CFC.....	\$ 5,801,338	25%	\$ 5,837,463	26%	\$ (36,125)
NCSC.....	14,859	—	15,703	—	(844)
Total exposure to 20 largest borrowers.....	<u>\$ 5,816,197</u>	<u>25%</u>	<u>\$ 5,853,166</u>	<u>26%</u>	<u>\$ (36,969)</u>

Credit Performance

As part of our credit risk management process, we monitor and evaluate each borrower and loan in our loan portfolio and assign numeric internal risk ratings based on quantitative and qualitative assessments. Our ratings are aligned to regulatory definitions of pass and criticized categories with criticized divided between special mention, substandard and doubtful. Internal risk rating and payment status trends are indicators, among others, of the level of credit risk in our loan portfolio. As displayed in “Note 3—Loans and Commitments,” less than 1% of the loans in our portfolio were classified as criticized as of November 30, 2015 and May 31, 2015. Below we provide information on certain additional credit quality indicators, including modified loans classified as troubled debt restructurings (“TDRs”) and nonperforming loans.

Troubled Debt Restructurings

We actively monitor underperforming loans and, from time to time, attempt to work with borrowers to manage such exposures through loan workouts or modifications that better align with the borrower’s current ability to pay. Modified loans in which we grant one or more concessions to a borrower experiencing financial difficulty are accounted for and reported as a TDR. Loans modified in a TDR are generally initially placed on nonaccrual status, although in many cases such loans were already on nonaccrual status prior to modification. These loans may be returned to performing status and the accrual of interest resumed if the borrower performs under the modified terms for an extended period of time, and we expect the borrower to continue to perform in accordance with the modified terms. In certain limited circumstances in which a modified loan is current at the modification date, the loan is not placed on nonaccrual status at the time of modification. We had modified loans, all of which met the definition of a TDR, totaling \$10 million and \$12 million as of November 30, 2015 and May 31, 2015, respectively. Table 18 presents TDR loans as of November 30, 2015 and May 31, 2015. These loans were considered individually impaired as of the end of each period presented.

Table 18: TDR Loans

(Dollars in thousands)	November 30, 2015		May 31, 2015	
	Amount	% of Total Loans	Amount	% of Total Loans
TDR loans:				
CFC/Distribution	\$ 6,716	0.03%	\$ 7,221	0.03%
NCSC	—	—	294	—
RTFC.....	3,515	0.02	4,221	0.02
Total TDR loans.....	<u>\$ 10,231</u>	<u>0.05%</u>	<u>\$ 11,736</u>	<u>0.05%</u>
TDR loans performance status:				
Performing TDR loans.....	\$ 6,716	0.03%	\$ 11,736	0.05%
Nonperforming TDR loans	3,515	0.02	—	—
Total TDR loans.....	<u>\$ 10,231</u>	<u>0.05%</u>	<u>\$ 11,736</u>	<u>0.05%</u>

Nonperforming Loans

In addition to nonperforming TDR loans, we also have nonperforming loans that have not been modified and classified as a TDR. We classify such loans as nonperforming at the earlier of the date when we determine: (i) interest or principal payments on the loan is past due 90 days or more; (ii) as a result of court proceedings, the collection of interest or principal payments based on the original contractual terms is not expected; or (iii) the full and timely collection of interest or principal is otherwise uncertain. Once a loan is classified as nonperforming, we generally place the loan on nonaccrual status. Interest accrued but not collected at the date a loan is classified as nonperforming is reversed against earnings.

Table 19 below presents nonperforming loans as of November 30, 2015 and May 31, 2015.

Table 19: Nonperforming Loans

(Dollars in thousands)	November 30, 2015		May 31, 2015	
	Amount	% of Total Loans	Amount	% of Total Loans
Nonperforming loans: ⁽¹⁾				
RTFC.....	\$ 10,529	0.05%	\$ —	—%
Total.....	<u>\$ 10,529</u>	<u>0.05%</u>	<u>\$ —</u>	<u>—%</u>

⁽¹⁾Foregone interest on nonperforming loans, including nonperforming TDR loans presented above in Table 18, was less than \$1 million for the three and six months ended November 30, 2015 and 2014.

We provide additional information on the credit quality of our loan portfolio in “Note 3—Loans and Commitments.”

Allowance for Loan Losses

The allowance for loan losses is determined based upon evaluation of the loan portfolio, past loss experience, specific problem loans, economic conditions and other pertinent factors that, in management’s judgment, could affect the risk of loss in the loan portfolio. We review and adjust the allowance quarterly to cover estimated probable losses in the portfolio. All loans are written off in the period that it becomes evident that collectability is highly unlikely; however, our efforts to recover all charged-off amounts may continue. Management believes the allowance for loan losses is appropriate to cover estimated probable portfolio losses.

Table 20 summarizes activity in the allowance for loan losses for the three and six months ended November 30, 2015 and a comparison of the allowance by company as of November 30, 2015 and May 31, 2015.

Table 20: Allowance for Loan Losses

	<u>Three Months Ended November 30, 2015</u>	<u>Six Months Ended November 30, 2015</u>
Beginning balance	\$ 38,307	\$ 33,690
Provision for loan losses	1,240	5,802
Net recoveries	53	108
Ending balance.....	<u>\$ 39,600</u>	<u>\$ 39,600</u>
	<u>November 30, 2015</u>	<u>May 31, 2015</u>
Allowance for loan losses by company:		
CFC	\$ 27,700	\$ 23,716
RTFC	5,918	4,533
NCSC	5,982	5,441
Total.....	<u>\$ 39,600</u>	<u>\$ 33,690</u>
Allowance coverage ratios:		
Percentage of total loans outstanding.....	0.17%	0.16%
Percentage of total performing TDR loans outstanding.....	589.64	287.07
Percentage of total nonperforming TDR loans outstanding....	1,126.60	—
Percentage of total nonperforming loans outstanding.....	376.10	—
Percentage of loans on nonaccrual status.....	281.97	287.07

Our allowance for loan losses increased by \$6 million during the six months ended November 30, 2015 to \$40 million as of November 30, 2015. The increase reflected an overall increase in loan balances and a slight deterioration in the credit quality and overall credit risk profile of our loan portfolio. Specifically, certain loans experienced negative migration through our internal risk rating process.

We consider a loan to be individually impaired when, based on an assessment of the borrower’s financial condition and the adequacy of collateral, if any, it is probable that we will be unable to collect all amounts due in accordance with the original contractual terms of the loan. Individually impaired loans are subject to the specific allowance methodology. A loan that has been modified in a TDR is generally considered to be individually impaired until it matures, is repaid, or is otherwise liquidated, regardless of whether the borrower performs under the modified terms. On a quarterly basis, we review all restructured and nonperforming loans, as well as certain additional loans selected based on known facts and circumstances, to evaluate whether the loans are impaired and if there have been changes in the status of previously identified impaired loans. We calculate impairment for loans identified as individually impaired based on the fair value of the underlying collateral securing the loan for collateral-dependent loans or based on the expected future cash flows for loans that are not collateral dependent. As events related to the borrower take place and economic conditions and our assumptions change, the impairment calculations may change. Our individually impaired loans totaled \$21 million and \$12 million as of November 30, 2015 and May 31, 2015, respectively, and the specific allowance related to these loans totaled \$4 million and \$0.4 million, respectively.

See “Results of Operations—Provision for Loan Losses” and “Note 3—Loans and Commitments” for additional information on our allowance for loan losses. We discuss our allowance methodology in “Note 1—Summary of Significant Accounting Policies” in our 2015 Form 10-K.

Counterparty Credit Risk

We are exposed to counterparty risk related to the performance of the parties with which we entered into financial transactions, primarily for derivative instruments and cash and time deposits that we have with various financial institutions. To mitigate this risk, we only enter into these transactions with financial institutions with investment-grade ratings. Our cash and time deposits with financial institutions have an original maturity of less than one year.

Our derivative counterparties must be participants in one of our revolving credit agreements. We manage our derivative credit exposure through master netting arrangements and by diversifying our derivative transactions with multiple counterparties. Our largest single counterparty exposure, based on the outstanding notional amount, represented approximately 17% and 19% of our total outstanding notional amount of derivatives as of November 30, 2015 and May 31, 2015, respectively. Our derivative counterparties had credit ratings ranging from Aa2 to Baa3 by Moody's Investors Service ("Moody's") and from AA- to BBB+ by Standard & Poor's Ratings Services ("S&P").

Rating Triggers for Derivatives

The majority of our interest rate swap agreements have credit risk-related contingent features referred to as rating triggers. Under these rating triggers, if the credit rating for either counterparty falls to the level specified in the agreement, the other counterparty may, but is not obligated to, terminate the agreement.

We regularly evaluate the overall credit worthiness of our counterparties. Table 21 displays the notional amounts of our derivative contracts with rating triggers as of November 30, 2015 and the payments that would be required if the contracts were terminated as of that date because of a downgrade of our unsecured credit ratings or the counterparty's unsecured credit ratings to or below Baa1/BBB+, Baa3/BBB- or Ba2/BB+ by Moody's or S&P, respectively. In calculating the payment amounts that would be required upon termination of the derivative contracts, we assumed that the amounts for each counterparty would be netted in accordance with the provisions of the master netting agreements for each counterparty. The net payment amounts are based on the fair value of the underlying derivative instrument, excluding the credit risk valuation adjustment, plus any unpaid accrued interest amounts.

Table 21: Rating Triggers for Derivatives

(Dollars in thousands)	Notional Amount	Payable Due From CFC	Receivable Due to CFC	Net (Payable)/ Receivable
Mutual rating trigger if ratings:				
Falls below Baa1/BBB+	\$ 5,629,362	\$ (218,630)	\$ —	\$ (218,630)
Falls to or below Baa3/BBB-	1,696,699	(33,362)	—	(33,362)
Falls below Baa3/BBB-	572,011	(26,702)	—	(26,702)
Falls to or below Ba2/BB+(¹)	102,009	(335)	—	(335)
Total	<u>\$ 8,000,081</u>	<u>\$ (279,029)</u>	<u>\$ —</u>	<u>\$ (279,029)</u>

⁽¹⁾ Rating trigger for counterparty falls to or below Ba2/BB+, while rating trigger for CFC falls to or below Baa2/BBB by Moody's or S&P, respectively.

The aggregate amount, including the credit risk valuation adjustment, of all interest rate swaps with rating triggers that were in a net liability position was \$283 million as of November 30, 2015. There were no interest rate swaps with rating triggers that were in a net asset position as of November 30, 2015. There were no counterparties that fell below the rating trigger levels in our interest swap contracts as of November 30, 2015. If a counterparty has a rating that falls below the rating trigger level specified in the interest swap contract, we have the option to terminate all interest rate swaps with the counterparty. However, we generally do not terminate such agreements early because our interest rate swaps are critical to our matched funding strategy.

For additional information about the risks related to our business, see "Item 1A. Risk Factors" in our 2015 Form 10-K.

LIQUIDITY RISK

We face liquidity risk in funding our loan portfolio and refinancing our maturing obligations. Our Asset Liability Committee monitors liquidity risk by establishing and monitoring liquidity targets, as well as strategies and tactics to meet those targets, and ensuring that sufficient liquidity is available for unanticipated contingencies. We manage our rollover risk by maintaining liquidity reserves. Table 22 below presents a comparison of the composition of our liquidity reserves as of November 30, 2015 and May 31, 2015.

Table 22: Liquidity Reserve Access

(Dollars in millions)	November 30, 2015	May 31, 2015
Cash and time deposits	\$ 583	\$ 734
Committed revolving line of credit agreements with banks	3,309	3,419
Committed loan facilities from the FFB	500	750
Revolving note purchase agreement with Farmer Mac dated July 31, 2015	300	—
Revolving note purchase agreement with Farmer Mac dated March 24, 2011 ⁽¹⁾ ..	2,428	2,589
Liquidity reserve access	\$ 7,120	\$ 7,492

⁽¹⁾Availability subject to market conditions.

Under the terms of the revolving note purchase agreement with Farmer Mac dated July 31, 2015, we can borrow up to \$300 million at any time through July 31, 2018. This agreement with Farmer Mac is a revolving credit facility that allows us to borrow, repay and re-borrow funds at any time through maturity or from time to time, provided that the principal amount at any time outstanding is not more than the total available under the agreement.

Under the terms of the revolving note purchase agreement with Farmer Mac dated March 24, 2011, we can borrow up to \$4,500 million at any time through January 11, 2020, and thereafter automatically extend the agreement on each anniversary date of the closing for an additional year, unless prior to any such anniversary date, Farmer Mac provides CFC with a notice that the draw period would not be extended beyond the remaining term. The agreement with Farmer Mac is a revolving credit facility that allows us to borrow, repay and re-borrow funds at any time through maturity or from time to time as market conditions permit, provided that the principal amount at any time outstanding is not more than the total available under the agreement.

We use our bank revolving lines of credit primarily as backup liquidity for dealer and member commercial paper. As indicated in Table 22 above, we had \$3,309 million in available revolving lines of credit with various financial institutions as of November 30, 2015. We have been and expect to continue to be in compliance with the covenants under our revolving credit agreements; therefore, we could draw on these facilities to repay dealer or member commercial paper that cannot be rolled over in the event of market disruptions.

Commercial paper, select notes and daily liquidity fund notes, including member investments, scheduled to mature during the next 12 months totaled \$3,330 million as of November 30, 2015. We expect to continue to maintain member investments in commercial paper, select notes and daily liquidity fund notes at recent levels of approximately \$2,309 million. Dealer commercial paper increased to \$1,020 million as of November 30, 2015, from \$985 million as of May 31, 2015. We intend to maintain our dealer commercial paper within a range of between \$1,000 million and \$1,250 million for the foreseeable future.

Long-term debt maturing in the next 12 months and medium-term notes with an original maturity of one year or less totaled \$1,515 million as of November 30, 2015. In addition to our access to the dealer and member commercial paper markets as discussed above, we believe we will be able to refinance these maturing obligations through the capital markets and private debt issuances as discussed in further detail under “Sources of Liquidity.”

As discussed in further detail under “Off-Balance Sheet Arrangements,” we were the liquidity provider for variable-rate tax-exempt bonds issued for our member cooperatives totaling \$489 million as of November 30, 2015. We were not required to perform as liquidity provider pursuant to these obligations during the six months ended November 30, 2015.

We had letters of credit outstanding for the benefit of our members totaling \$363 million as of November 30, 2015. This amount includes \$76 million of letters of credit that provide liquidity for pollution control bonds. The remaining \$287 million represents obligations for which we may be required to advance funds based on various trigger events specified in the letters of credit agreements. If we are required to advance funds, the member is obligated to pay such amounts to CFC.

Below we summarize our expected near-term sources and uses of liquidity and provide a discussion of our primary sources and uses of liquidity. We also provide information on compliance with our debt covenants and collateral pledged.

Projected Near-Term Sources and Uses of Liquidity

Table 23 shows the projected sources and uses of cash by quarter through the quarter ending May 31, 2017. In analyzing our projected liquidity position, we track key items identified in the table below. Our estimates assume that the balance of our time deposit investments will remain consistent with current levels over the next six quarters. The long-term debt maturities represent the scheduled maturities of our outstanding term debt for the period presented. The long-term loan advances represent our current best estimate of the member demand for our loans, the amount and the timing of which are subject to change. The long-term loan amortization and repayments represent the scheduled long-term loan amortization for the outstanding loans as of November 30, 2015, as well as our current estimate for the repayment of long-term loans. The estimate of the amount and timing of long-term loan repayments is subject to change. The other loan repayments and advances in the table primarily include line of credit advances and repayments. Such amounts represent the current best estimate of activity communicated to us by our members and, as such, the amount and timing of these amounts are subject to change. We only include such estimates for the near term. We assumed the issuance of commercial paper, medium-term notes and other long-term debt, including collateral trust bonds and private placement of term debt, to maintain matched funding within our loan portfolio and to allow our revolving lines of credit to provide backup liquidity for our outstanding commercial paper. As displayed in Table 23, we expect that estimated long-term loan advances over the next six quarters of \$2,624 million will exceed expected long-term loan repayments of \$1,905 million by \$719 million.

Table 23: Projected Sources and Uses of Liquidity⁽¹⁾

(Dollars in millions)	Projected Sources of Liquidity				Projected Uses of Liquidity				Cumulative Excess Sources over Uses of Liquidity ⁽²⁾
	Long-term Loan Amortization and Repayments	Other Loan Repayments	Long-term Debt Issuance	Total Sources of Liquidity	Long-term Loan Advances	Other Loan Advances	Long-term Debt Maturities ⁽³⁾	Total Uses of Liquidity	
Nov15.....									\$ 583
Feb16.....	\$ 415	\$ 137	\$ 370	\$ 922	\$ 647	\$ 69	\$ 290	\$ 1,006	499
May16....	303	—	750	1,053	369	6	668	1,043	509
Aug16....	302	—	50	352	207	—	154	361	500
Nov16.....	289	—	400	689	280	—	403	683	506
Feb17.....	318	—	620	938	561	—	371	932	512
May17....	278	—	1,650	1,928	560	—	1,376	1,936	504
Total.....	\$ 1,905	\$ 137	\$ 3,840	\$ 5,882	\$ 2,624	\$ 75	\$ 3,262	\$ 5,961	

⁽¹⁾ The dates presented are intended to reflect the end of each quarterly period through the quarter ending May 31, 2017.

⁽²⁾ Cumulative excess sources over uses of liquidity includes cash and time deposits.

⁽³⁾ Long-term debt maturities also includes medium-term notes with an original maturity of less than one year.

The information presented above in Table 23 represents our best estimate of our funding requirements and how we expect to manage those requirements through May 31, 2017. We expect that these estimates will change quarterly based on the factors described above.

Primary Sources of Liquidity

Capital Market Debt Issuance

As a well-known seasoned issuer, we have the following effective shelf registration statements on file with the SEC for the issuance of debt:

- unlimited amount of collateral trust bonds until September 2016;
- unlimited amount of senior and subordinated debt securities, including medium-term notes, member capital securities and subordinated deferrable debt, until November 2017; and
- daily liquidity fund notes for a total of \$20,000 million with a \$3,000 million limitation on the aggregate principal amount outstanding at any time until April 2016.

While we register member capital securities and the daily liquidity fund with the SEC, these securities are not available for sale to the general public. Medium-term notes are available for sale to both the general public and members.

In October 2015, we issued \$350 million of 2.30% collateral trust bonds due 2020 and \$400 million of 3.25% collateral trust bonds due 2025.

Commercial paper issued through dealers totaled \$1,020 million and represented 5% of total debt outstanding as of November 30, 2015.

Private Debt Issuance

We have access to liquidity from private debt issuances through note purchase agreements with Farmer Mac. Under the terms of our March 2011 note purchase agreement as amended, we can borrow up to \$4,500 million at any time from the date of the agreement through January 11, 2020 and such date shall automatically extend on each anniversary date of the closing for an additional year, unless prior to any such anniversary date, Farmer Mac provides CFC with a notice that the draw period will not be extended beyond the remaining term. During the six months ended November 30, 2015, we borrowed a total of \$180 million under the note purchase agreement with Farmer Mac. The agreement with Farmer Mac is a revolving credit facility that allows us to borrow, repay and re-borrow funds at any time through maturity or from time to time as market conditions permit. Each borrowing under the note purchase agreement is evidenced by a secured note setting forth the interest rate, maturity date and other related terms as we may negotiate with Farmer Mac at the time of each such borrowing. We may select a fixed rate or variable rate at the time of each advance with a maturity as determined in the applicable pricing agreement. We had up to \$2,428 million available under this revolving note purchase agreement with Farmer Mac as of November 30, 2015.

On July 31, 2015, we entered into a new revolving note purchase agreement with Farmer Mac totaling \$300 million. Under the terms of the new agreement, we can borrow up to \$300 million at any time through July 31, 2018. This agreement with Farmer Mac is a revolving credit facility that allows us to borrow, repay and re-borrow funds at any time through maturity or from time to time. Each borrowing under the note purchase agreement is evidenced by a secured note setting forth the maturity date and other related terms. We had up to \$300 million available under this revolving note purchase agreement with Farmer Mac as of November 30, 2015.

We also have access to unsecured notes payable under bond purchase agreements with the FFB and a bond guarantee agreement with RUS issued under the Guaranteed Underwriter Program which supports the Rural Economic Development Loan and Grant program and provides guarantees to the FFB. During the quarter ended November 30, 2015, we borrowed \$250 million under the Guaranteed Underwriter Program. As of November 30, 2015, we had up to \$500 million available under committed loan facilities from the FFB as part of this program, of which a total of \$250 million is available for advance through October 15, 2016 and a total of \$250 million is available for advance through October 15, 2017. On September 28, 2015, we received a commitment from RUS to guarantee a loan from the Federal Financing Bank for additional funding of \$250 million as part of the Guaranteed Underwriter Program. As a result, we will have an additional \$250 million available under the Guaranteed Underwriter Program with a 20-year maturity repayment period during the three-year period following the date of closing.

Member Loan Repayments

We expect long-term loan repayments from scheduled loan amortization and prepayments to be \$1,309 million over the next 12 months.

Member Loan Interest Payments

During the six months ended November 30, 2015, interest income on the loan portfolio was \$498 million. For the past three fiscal years, interest income on the loan portfolio has averaged \$948 million. As of November 30, 2015, 92% of the total loans outstanding had a fixed rate of interest, and 8% of loans outstanding had a variable rate of interest.

Bank Revolving Credit Agreements

Our bank revolving lines of credit may be used for general corporate purposes; however, we use them primarily as backup liquidity for dealer and member commercial paper. We had \$3,420 million commitments under revolving credit agreements as of November 30, 2015 and May 31, 2015. Under our current revolving credit agreements, we have the ability to request up to \$300 million of letters of credit, which would result in a reduction in the remaining available under the facilities. On November 19, 2015, we amended and restated the \$1,665 million three-year and \$1,645 million five-year revolving credit agreements to extend the maturity dates to November 19, 2018 and November 19, 2020, respectively, from October 28, 2017 and October 28, 2019, respectively. Commitments of \$25 million under the three-year agreement will expire at the prior maturity date of October 28, 2017. Commitments of \$45 million under the five-year agreement will expire at the prior maturity date of October 28, 2019. Also, as part of the amendment, the commitments from three banks were increased by \$45 million.

Prior to this amendment, NCSC assumed \$155 million in commitments from one of the banks, which was reduced to \$110 million as part of the amendment on November 19, 2015. Although the total commitment amount under our new revolving credit agreements is unchanged from the previous total of \$3,420 million, NCSC's commitment amount is excluded from the commitment amount from third parties of \$3,310 million because NCSC receives all of its funding from CFC and NCSC's financial results are consolidated with CFC. The NCSC assumption of \$110 million of commitments under the revolving credit agreements also reduces the total letters of credit from third parties, to \$290 million.

Table 24 presents the total commitment, the net amount available for use and the outstanding letters of credit under our revolving credit agreements as of November 30, 2015 and May 31, 2015.

Table 24: Revolving Credit Agreements⁽¹⁾

(Dollars in millions)	November 30, 2015			May 31, 2015			Maturity	Annual Facility Fee ⁽²⁾
	Total Commitment	Letters of Credit Outstanding	Net Available for Use	Total Commitment	Letters of Credit Outstanding	Net Available for Use		
3-year agreement ..	\$ 25	\$ —	\$ 25	\$ 1,720	\$ —	\$ 1,720	October 28, 2017	7.5 bps
5-year agreement ..	45	—	45	1,700	1	1,699	October 28, 2019	10 bps
3-year agreement ..	1,640	—	1,640	—	—	—	November 19, 2018	7.5 bps
5-year agreement ..	1,600	1	1,599	—	—	—	November 19, 2020	10 bps
Total	<u>\$ 3,310</u>	<u>\$ 1</u>	<u>\$ 3,309</u>	<u>\$ 3,420</u>	<u>\$ 1</u>	<u>\$ 3,419</u>		

⁽¹⁾ Reflects amounts available from unaffiliated third parties that are not consolidated by CFC.

⁽²⁾ Facility fee determined by CFC's senior unsecured credit ratings based on the pricing schedules put in place at the inception of the related agreement.

The revolving credit agreements do not contain a material adverse change clause or ratings triggers that limit the banks' obligations to fund under the terms of the agreements, but we must be in compliance with their requirements to draw down on the facilities, including financial ratios. As shown below in Table 28, we were in compliance with all covenants and conditions under our revolving credit agreements and senior debt indentures as of November 30, 2015.

Member Investments

Table 25 shows the components of our member investments included in total debt outstanding as of November 30, 2015 and May 31, 2015.

Table 25: Member Investments

(Dollars in thousands)	November 30, 2015		May 31, 2015		Increase/ (Decrease)
	Amount	% of Total ⁽¹⁾	Amount	% of Total ⁽¹⁾	
Commercial paper	\$ 759,815	43%	\$ 736,162	43%	\$ 23,653
Select notes.....	809,298	100	671,635	100	137,663
Daily liquidity fund notes.....	740,142	100	509,131	100	231,011
Medium-term notes	596,854	17	618,170	18	(21,316)
Members' subordinated certificates.....	1,479,562	100	1,505,420	100	(25,858)
Total.....	<u>\$ 4,385,671</u>		<u>\$ 4,040,518</u>		<u>\$ 345,153</u>
Percentage of total debt outstanding		20%		19%	

⁽¹⁾ Represents the percentage of each line item outstanding to our members.

Member investments averaged \$4,205 million outstanding over the last three years. We view member investments as a more stable source of funding than capital market issuances.

Cash, Investments and Time Deposits

Cash and time deposits totaled \$583 million as of November 30, 2015. The interest rate earned on the time deposits provides an overall benefit to our net interest yield. The total balance of cash and time deposits represents an additional source of liquidity that is available to support our operations.

Cash Flows from Operations

Cash flows provided by operating activities totaled \$96 million for the six months ended November 30, 2015, compared with \$103 million for the same prior-year period. Our cash flows from operating activities are driven primarily by a combination of cash flows from operations and the timing and amount of loan interest payments we received compared with interest payments we made on our debt.

Primary Uses of Liquidity

Loan Advances

Loan advances are either from new loans approved to a borrower or from the unadvanced portion of loans previously approved. Unadvanced loan commitments totaled \$14,045 million as of November 30, 2015. Of that total, \$2,644 million represented unadvanced commitments related to line of credit loans that are not subject to a material adverse change clause at the time of each loan advance. As such, we would be required to advance amounts on these committed facilities as long as the borrower is in compliance with the terms and conditions of the loan. New advances under 20% of these \$2,644 million committed line of credit loans would be advanced at rates determined by CFC based on our cost and, therefore, any increase in CFC's costs to obtain funding required to make the advance could be passed on to the borrower. The other 80% of committed line of credit loans represent loan syndications where the pricing is set at a spread over a market index as agreed upon by all of the participating banks and market conditions at the time of syndication. The remaining \$11,401 million of unadvanced loan commitments as of November 30, 2015 were generally subject to material adverse change clauses. Prior to making an advance on these facilities, we would confirm that there has been no material adverse change in the borrower's business or condition, financial or otherwise, since the time the loan was approved and confirm that the borrower is currently in compliance with loan terms and conditions. In some cases, the borrower's access to the full amount of the facility is further constrained by use of proceeds restrictions, imposition of borrower-specific restrictions or by additional

conditions that must be met prior to advancing funds.

Since we generally do not charge a fee for the borrower to have an unadvanced amount on a loan facility that is subject to a material adverse change clause, our borrowers tend to request amounts in excess of their immediate estimated loan requirements. Historically, we have not experienced significant loan advances from the long-term unadvanced loan amounts that are subject to material adverse change clauses at the time of the loan advance. We have a very low historical average utilization rate on all our line of credit facilities, including committed line of credit facilities. Unadvanced commitments related to line of credit loans are typically revolving facilities for periods not to exceed five years. Long-term unadvanced commitments generally expire five years from the date of the loan agreement. These reasons, together with the other limitations on advances as described above, all contribute to our expectation that the majority of the unadvanced commitments reported will expire without being fully drawn upon and that the total commitment amount does not necessarily represent future cash funding requirements as of November 30, 2015.

We currently expect to make long-term loan advances to our members totaling approximately \$1,503 million over the next 12 months.

Principal Repayments on Long-Term Debt

Table 26 summarizes the principal amount of long-term debt, subordinated deferrable debt and members' subordinated certificates maturing by fiscal year and thereafter as of November 30, 2015.

Table 26: Principal Maturity of Long-Term Debt

(Dollars in thousands)	Amount Maturing ⁽¹⁾	Percentage of Total
May 31, 2016	\$ 836,262	4%
May 31, 2017	2,207,304	12
May 31, 2018	1,032,364	6
May 31, 2019	1,843,201	10
May 31, 2020	954,428	5
Thereafter	11,743,751	63
Total	\$ 18,617,310	100%

⁽¹⁾ Excludes loan subordinated certificates totaling \$116 million that amortize annually based on the outstanding balance of the related loan and \$0.3 million in subscribed and unissued certificates for which a payment has been received. There are many items that affect the amortization of a loan, such as loan conversions, loan repricing at the end of an interest rate term and prepayments; therefore, an amortization schedule cannot be maintained for these certificates. Over the past fiscal year, annual amortization on these certificates was \$11 million. In fiscal year 2015, amortization represented 10% of amortizing loan subordinated certificates outstanding.

Interest Expense on Debt

Interest expense on debt totaled \$333 million for the six months ended November 30, 2015. Annual interest expense on debt over the past three fiscal years has averaged \$661 million.

Patronage Capital Retirements

CFC has made annual retirements of allocated net earnings in 35 of the last 36 fiscal years. In July 2015, the CFC Board of Directors approved the allocation of \$78 million from fiscal year 2015 net earnings to CFC's members. CFC made a cash payment of \$39 million to its members in September 2015 as retirement of 50% of allocated net earnings from the prior year as approved by the CFC Board of Directors. The remaining portion of allocated net earnings will be retained by CFC for 25 years under guidelines adopted by the CFC Board of Directors in June 2009. The board of directors has the authority to change the current practice for allocating and retiring net earnings at any time, subject to applicable laws and regulation.

Credit Ratings

Our credit ratings impact our ability to access capital markets and our borrowing costs. Rating agencies base their ratings on numerous factors, including liquidity, capital adequacy, industry position, member support, management, asset quality, quality of earnings and the probability of systemic support. Significant changes in these factors could result in different ratings. Our credit ratings are presented in Table 27.

Table 27: Credit Ratings

	November 30, 2015			
	Senior Secured Debt	Senior Unsecured Debt	Commercial Paper	Outlook
Moody's.....	A1	A2	P-1	Stable
S&P.....	A	A	A-1	Negative
Fitch.....	A+	A	F1	Stable

The notes payable to the FFB under the Guaranteed Underwriter Program of \$4,644 million as of November 30, 2015 contain a rating trigger provision that pertains to our senior secured credit ratings from Moody's, S&P and Fitch. A rating trigger event occurs if our senior secured debt does not have at least two of the following ratings: (i) A3 or higher from Moody's, (ii) A- or higher from S&P, (iii) A- or higher from Fitch or (iv) an equivalent rating from a successor rating agency to any of the above rating agencies. If our senior secured credit ratings fall below the levels listed above, the mortgage notes on deposit at that time, which totaled \$5,461 million as of November 30, 2015, would be pledged as collateral rather than held on deposit. Also, if during any portion of a fiscal year, our senior secured credit ratings fall below the levels listed above, we may not make cash patronage capital distributions in excess of 5% of total patronage capital.

In order to access the commercial paper markets at attractive rates, we believe we need to maintain our current commercial paper credit ratings of P-1 by Moody's, A-1 by S&P and F1 by Fitch.

The majority of our interest rate swap agreements have credit risk-related contingent features referred to as rating triggers. Under these rating triggers, if the senior unsecured credit rating for either counterparty falls to the level specified in the agreement, the other counterparty may, but is not obligated to, terminate the agreement. We provide additional information on derivative counterparty rating triggers above under "Credit Risk—Counterparty Credit Risk."

There have been no changes in our ratings or outlook by Moody's, S&P or Fitch since November 30, 2015.

Compliance with Debt Covenants

We were in compliance with all covenants and conditions under our revolving credit agreements and senior debt indentures as of November 30, 2015. Table 28 represents our required and actual financial ratios under the revolving credit agreements at or for the periods ended November 30, 2015 and May 31, 2015.

Table 28: Financial Ratios under Revolving Credit Agreements

	Requirement	Actual	
		November 30, 2015	May 31, 2015
Minimum average adjusted TIER over the six most recent fiscal quarters ⁽¹⁾	1.025	1.28	1.28
Minimum adjusted TIER for the most recent fiscal year ⁽¹⁾⁽²⁾	1.05	1.30	1.30
Maximum ratio of adjusted senior debt-to-total equity ⁽¹⁾	10.00	6.18	5.93

⁽¹⁾ In addition to the adjustments made to the leverage ratio set forth under "Non-GAAP Financial Measures," senior debt excludes guarantees to member systems that have certain investment-grade ratings from Moody's and S&P. The TIER and debt-to-equity calculations include the adjustments set forth under "Non-GAAP Financial Measures" and exclude the results of operations and other comprehensive income for CAH.

⁽²⁾ We must meet this requirement to retire patronage capital.

The revolving credit agreements prohibit liens on loans to members except liens:

- under our indentures,
- related to taxes that are not delinquent or contested,
- stemming from certain legal proceedings that are being contested in good faith,
- created by CFC to secure guarantees by CFC of indebtedness, the interest on which is excludable from the gross income of the recipient for federal income tax purposes,
- granted by any subsidiary to CFC, and
- to secure other indebtedness of CFC of up to \$10,000 million plus an amount equal to the incremental increase in CFC’s allocated Guaranteed Underwriter Program obligations, provided that the aggregate amount of such indebtedness may not exceed \$12,500 million. The amount of our secured indebtedness for purposes of this provision of all three revolving credit agreements was \$6,733 million as of November 30, 2015.

The revolving credit agreements limit total investments in foreclosed assets held by CAH to \$275 million without consent by the required banks. These investments did not exceed this limit as of November 30, 2015.

Table 29 summarizes our required and actual financial ratios, as defined under our 1994 collateral trust bonds indenture and our medium-term notes indentures in the U.S. markets, as of November 30, 2015 and May 31, 2015.

Table 29: Financial Ratios under Indentures

	Requirement	Actual	
		November 30, 2015	May 31, 2015
Maximum ratio of adjusted senior debt to total equity ⁽¹⁾	20.00	7.90	7.41

⁽¹⁾ The ratio calculation includes the adjustments made to the leverage ratio under “Non-GAAP Financial Measures,” with the exception of the adjustments to exclude the non-cash impact of derivative financial instruments and adjustments from total liabilities and total equity.

In addition to the above financial ratio requirements, we are required to pledge or maintain collateral on deposit pursuant to the provisions of certain of our borrowing agreements. We provide information on collateral pledged or on deposit above under “Consolidated Balance Sheet Analysis—Debt—Pledging of Loans and Loans on Deposit.”

MARKET RISK

Market risk is the potential for adverse changes in the value of our assets and liabilities resulting from volatility in market variables such as interest rates and credit spreads. Interest rate risk represents our primary market risk.

Interest Rate Risk

Our interest rate risk exposure is related to the funding of the fixed-rate loan portfolio. The Asset Liability Committee reviews a complete interest rate risk analysis, reviews proposed modifications, if any, to our interest rate risk management strategy and considers adopting strategy changes. Our Asset Liability Committee monitors interest rate risk and generally meets monthly to review and discuss information such as national economic forecasts, federal funds and interest rate forecasts, interest rate gap analysis, our liquidity position, loan and debt maturities, short-term and long-term funding needs, anticipated loan demands, credit concentration risk, derivative counterparty exposure and financial forecasts. The Asset Liability Committee also discusses the composition of fixed-rate versus variable-rate lending, new funding opportunities, changes to the nature and mix of assets and liabilities for structural mismatches, and interest rate swap transactions.

Matched Funding Practice

We provide our members with many options on loans with regard to interest rates, the term for which the selected interest rate is in effect and the ability to convert or prepay the loan. Long-term loans have maturities of up to 35 years. Borrowers may select fixed interest rates for periods of one year through the life of the loan. We do not match fund the majority of our fixed-rate loans with a specific debt issuance at the time the loans are advanced. To monitor and mitigate interest rate risk in the funding of fixed-rate loans, we perform a monthly interest rate gap analysis that provides a comparison between fixed-rate assets repricing or maturing by year and fixed-rate liabilities and members' equity maturing by year, which is presented in Table 30 below. Fixed-rate liabilities include debt issued at a fixed rate as well as variable-rate debt swapped to a fixed rate using interest rate swaps. Fixed-rate debt swapped to a variable rate using interest rate swaps is excluded from the analysis since it is used to match fund the variable-rate loan pool. With the exception of members' subordinated certificates, which are generally issued with extended maturities, and commercial paper, our liabilities have average maturities that closely match the repricing terms (but not the maturities) of our fixed-interest-rate loans.

We fund the amount of fixed-rate assets that exceed fixed-rate debt and members' equity with short-term debt, primarily commercial paper. We also have the option to enter into pay fixed-receive variable interest rate swaps. Our funding objective is to manage the matched funding of asset and liability repricing terms within a range of total assets (excluding derivative assets) deemed appropriate by the Asset Liability Committee based on the current environment and extended outlook for interest rates. Due to the flexibility we offer our borrowers, there is a possibility of significant changes in the composition of the fixed-rate loan portfolio, and the management of the interest rate gap is very fluid. We may use interest rate swaps to manage the interest rate gap based on our needs for fixed-rate or variable-rate funding as changes arise. We consider the interest rate risk on variable-rate loans to be minimal as the loans are eligible to be repriced at least monthly, which minimizes the variance to the cost of variable-rate debt used to fund the loans. Loans with variable interest rates accounted for 8% of our total loan portfolio as of November 30, 2015 and May 31, 2015.

Interest Rate Gap Analysis

Our interest rate gap analysis allows us to consider various scenarios in order to evaluate the impact on adjusted TIER of issuing certain amounts of debt with various maturities at a fixed rate. See "Non-GAAP Financial Measures" for further explanation and a reconciliation of the adjustments to TIER to derive adjusted TIER.

Table 30 shows the scheduled amortization and repricing of fixed-rate assets and liabilities outstanding as of November 30, 2015.

Table 30: Interest Rate Gap Analysis

(Dollars in millions)	Prior to 5/31/16	Two Years 6/1/16 to 5/31/18	Two Years 6/1/18 to 5/31/20	Five Years 6/1/20 to 5/31/25	Ten Years 6/1/25 to 5/31/35	6/1/35 and Thereafter	Total
Asset amortization and repricing	\$ 1,005	\$ 3,902	\$ 2,870	\$ 4,925	\$ 5,476	\$ 2,591	\$ 20,769
Liabilities and members' equity:							
Long-term debt	\$ 880	\$ 3,747	\$ 2,920	\$ 3,921	\$ 3,656	\$ 1,168	\$ 16,292
Subordinated certificates	13	53	42	673	302	756	1,839
Members' equity ⁽¹⁾	—	—	26	89	348	668	1,131
Total liabilities and members' equity	\$ 893	\$ 3,800	\$ 2,988	\$ 4,683	\$ 4,306	\$ 2,592	\$ 19,262
Gap ⁽²⁾	\$ 112	\$ 102	\$ (118)	\$ 242	\$ 1,170	\$ (1)	\$ 1,507
Cumulative gap	112	214	96	338	1,508	1,507	
Cumulative gap as a % of total assets	0.47%	0.90%	0.40%	1.42%	6.32%	6.32%	
Cumulative gap as a % of adjusted total assets ⁽³⁾	0.47	0.90	0.40	1.42	6.34	6.34	

⁽¹⁾ Includes the portion of the allowance for loan losses and subordinated deferrable debt allocated to fund fixed-rate assets and excludes non-cash adjustments from the accounting for derivative financial instruments.

(2) Calculated based on the amount of assets amortizing and repricing less total liabilities and members' equity displayed in Table 30.

(3) Adjusted total assets represents total assets reported in our condensed consolidated balance sheets less derivative assets.

We had \$20,769 million of fixed-rate assets amortizing or repricing as of November 30, 2015. These assets were funded by \$16,292 million of fixed-rate liabilities maturing during the next 30 years and \$2,970 million of members' equity and members' subordinated certificates. A portion of members' equity does not have a scheduled maturity. The difference, or gap, of \$1,507 million reflects the amount of fixed-rate assets that are funded with short-term debt as of November 30, 2015. The gap of \$1,507 million represented 6.32% of total assets and 6.34% of total assets excluding derivative assets, or adjusted total assets, as of November 30, 2015.

Our Asset Liability Committee believes it is necessary to maintain an unmatched position on our fixed-rate assets within a limited percentage of adjusted total assets. Our limited unmatched position is intended to provide the flexibility to ensure that we are able to match the current maturing portion of long-term fixed rate loans based on maturity date and the opportunity in the current low interest rate environment to maximize the gross yield on our fixed rate assets without taking what we would consider to be excessive risk. Funding fixed-rate loans with short-term debt increases interest rate and liquidity risk, as the maturing debt would need to be replaced to fund the fixed-rate loans through their repricing or maturity date. We manage interest rate risk through the use of derivatives and by limiting the amount of fixed-rate assets that can be funded by short-term debt to a specified percentage of adjusted total assets based on market conditions. We discuss how we manage our liquidity risk above under "Liquidity Risk."

NON-GAAP FINANCIAL MEASURES

In addition to financial measures determined in accordance with GAAP, management also evaluates performance based on certain non-GAAP measures, which we refer to as "adjusted" measures. We provide a reconciliation of our adjusted measures to the most comparable GAAP measures in this section. We believe these adjusted non-GAAP metrics provide meaningful information and are useful to investors because the financial covenants in our revolving credit agreements and debt indentures are based on these adjusted measures.

Statements of Operations Non-GAAP Adjustments and Calculation of TIER

Table 31 provides a reconciliation of adjusted interest expense, adjusted net interest income and adjusted net income to the comparable GAAP measures. The adjusted amounts are used in the calculation of our adjusted net interest yield and adjusted TIER.

Table 31: Adjusted Financial Measures — Income Statement

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Interest expense	\$ (167,124)	\$ (158,275)	\$ (332,824)	\$ (314,827)
Plus: Derivative cash settlements	(22,573)	(21,764)	(42,729)	(41,865)
Adjusted interest expense	<u>\$ (189,697)</u>	<u>\$ (180,039)</u>	<u>\$ (375,553)</u>	<u>\$ (356,692)</u>
Net interest income	\$ 89,201	\$ 76,960	\$ 169,617	\$ 157,699
Less: Derivative cash settlements	(22,573)	(21,764)	(42,729)	(41,865)
Adjusted net interest income	<u>\$ 66,628</u>	<u>\$ 55,196</u>	<u>\$ 126,888</u>	<u>\$ 115,834</u>
Net income	\$ (24,488)	\$ (35,912)	\$ 18,607	\$ (15,300)
Less: Derivative forward value	78,611	52,797	70,472	82,574
Adjusted net income	<u>\$ 54,123</u>	<u>\$ 16,885</u>	<u>\$ 89,079</u>	<u>\$ 67,274</u>

TIER Calculation

Table 32 presents our TIER and adjusted TIER for the three and three and six months ended November 30, 2015 and 2014.

Table 32: TIER and Adjusted TIER

	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
TIER ⁽¹⁾	0.85	0.77	1.06	0.95
Adjusted TIER ⁽²⁾	1.29	1.09	1.24	1.19

⁽¹⁾ TIER is calculated based on net income plus interest expense for the period divided by interest expense for the period.

⁽²⁾ Adjusted TIER is calculated based on adjusted net income plus adjusted interest expense for the period divided by adjusted interest expense for the period.

Adjustments to the Calculation of Leverage and Debt-to-Equity Ratios

Table 33 provides a reconciliation between the liabilities and equity used to calculate the leverage and debt-to-equity ratios and these financial measures adjusted to exclude the non-cash effects of derivatives and foreign currency adjustments, to subtract debt used to fund loans that are guaranteed by RUS from total liabilities, and to subtract from total liabilities, and add to total equity, debt with equity characteristics.

Table 33: Adjusted Financial Measures — Balance Sheet

(Dollars in thousands)	November 30, 2015	May 31, 2015
Total liabilities	\$ 22,957,467	\$ 21,934,273
Less:		
Derivative liabilities	(445,537)	(408,382)
Debt used to fund loans guaranteed by RUS	(176,425)	(179,241)
Subordinated deferrable debt	(395,736)	(395,699)
Subordinated certificates	(1,479,562)	(1,505,420)
Adjusted liabilities	\$ 20,460,207	\$ 19,445,531
Total equity	\$ 893,515	\$ 911,786
Less:		
Prior year cumulative derivative forward		
value and foreign currency adjustments	299,274	185,181
Current year-to-date derivative forward value		
(gains) losses, net	70,472	114,093
Accumulated other comprehensive income ⁽¹⁾	(4,902)	(5,371)
Plus:		
Subordinated certificates	1,479,562	1,505,420
Subordinated deferrable debt	395,736	395,699
Adjusted total equity	\$ 3,133,657	\$ 3,106,808
Guarantees ⁽²⁾	\$ 961,250	\$ 986,500

⁽¹⁾ Represents the accumulated other comprehensive income related to derivatives. Excludes \$7 million and \$4 million of accumulated other comprehensive income as of November 30, 2015 and May 31, 2015, respectively, related to the unrecognized gains on our investments. It also excludes \$4 million of accumulated other comprehensive loss related to foreclosed assets as of November 30, 2015 and May 31, 2015 and \$1 million of accumulated other comprehensive loss related to a defined benefit pension plan.

⁽²⁾ Guarantees are used in the calculation of leverage and adjusted leverage ratios below.

Table 34 presents the calculations of our leverage and debt-to-equity ratios and our adjusted leverage and debt-to-equity ratios as of November 30, 2015 and May 31, 2015.

Table 34: Leverage and Debt-to-Equity Ratios

	<u>November 30, 2015</u>	<u>May 31, 2015</u>
Leverage ratio ⁽¹⁾	<u>26.77</u>	<u>25.14</u>
Adjusted leverage ratio ⁽²⁾	<u>6.84</u>	<u>6.58</u>
Debt-to-equity ratio ⁽³⁾	<u>25.69</u>	<u>24.06</u>
Adjusted debt-to-equity ratio ⁽⁴⁾	<u>6.53</u>	<u>6.26</u>

⁽¹⁾ Calculated based on total liabilities and guarantees at period end divided by total equity at period end.

⁽²⁾ Calculated based on adjusted total liabilities and guarantees at period end divided by adjusted total equity at period end, such calculation is presented in Table 33 above.

⁽³⁾ Calculated based on total liabilities at period end divided by total equity at period end.

⁽⁴⁾ Calculated based on adjusted total liabilities at period end divided by adjusted total equity at period end, such calculation is presented in Table 33 above.

Item 1. Financial Statements

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NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Interest income	\$ 256,325	\$ 235,235	\$ 502,441	\$ 472,526
Interest expense	(167,124)	(158,275)	(332,824)	(314,827)
Net interest income	89,201	76,960	169,617	157,699
Provision for loan losses	(1,240)	(992)	(5,802)	5,779
Net interest income after provision for loan losses .	87,961	75,968	163,815	163,478
Non-interest income:				
Fee and other income.....	7,031	9,872	11,732	14,229
Derivative losses.....	(101,184)	(74,561)	(113,201)	(124,439)
Results of operations of foreclosed assets	2,054	(28,991)	133	(31,690)
Total non-interest income	(92,099)	(93,680)	(101,336)	(141,900)
Non-interest expense:				
Salaries and employee benefits	(10,943)	(10,528)	(22,433)	(21,325)
Other general and administrative expenses	(9,288)	(7,709)	(20,633)	(15,455)
Other	(9)	(4)	(366)	57
Total non-interest expense	(20,240)	(18,241)	(43,432)	(36,723)
Income (loss) before income taxes	(24,378)	(35,953)	19,047	(15,145)
Income tax (expense) benefit.....	(110)	41	(440)	(155)
Net income (loss)	(24,488)	(35,912)	18,607	(15,300)
Less: Net (income) loss attributable to noncontrolling interests	351	207	581	(4)
Net income (loss) attributable to CFC	\$ (24,137)	\$ (35,705)	\$ 19,188	\$ (15,304)

See accompanying notes to condensed consolidated financial statements.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Net income	\$ (24,488)	\$ (35,912)	\$ 18,607	\$ (15,300)
Other comprehensive income (loss):				
Unrealized gains (losses) on available-for-sale investment securities.....	3,550	902	2,886	3,602
Reclassification of derivative gains to net income.....	(236)	(242)	(471)	(483)
Defined benefit plan adjustments	44	—	88	—
Other comprehensive income	3,358	660	2,503	3,119
Total comprehensive income (loss)	(21,130)	(35,252)	21,110	(12,181)
Less: Total comprehensive loss attributable to noncontrolling interests	351	209	583	1
Total comprehensive income (loss) attributable to CFC	\$ (20,779)	\$ (35,043)	\$ 21,693	\$ (12,180)

See accompanying notes to condensed consolidated financial statements.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Dollars in thousands)	November 30, 2015	May 31, 2015
Assets:		
Cash and cash equivalents	\$ 242,619	\$ 248,836
Restricted cash	6,175	485
Time deposits.....	340,000	485,000
Investment securities available for sale, at fair value.....	87,358	84,472
Loans to members.....	22,673,529	21,469,017
Less: Allowance for loan losses.....	(39,600)	(33,690)
Loans to members, net.....	22,633,929	21,435,327
Accrued interest and other receivables	179,844	197,828
Fixed assets, net.....	111,345	110,540
Debt service reserve funds.....	25,602	25,602
Foreclosed assets, net	116,939	116,507
Derivative assets	81,687	115,276
Other assets.....	25,484	26,186
Total assets	\$ 23,850,982	\$ 22,846,059
Liabilities:		
Accrued interest payable	\$ 125,419	\$ 123,697
Debt outstanding:		
Short-term debt	3,542,802	3,127,754
Long-term debt	16,858,024	16,244,794
Subordinated deferrable debt.....	395,736	395,699
Members' subordinated certificates:		
Membership subordinated certificates	629,977	645,035
Loan and guarantee subordinated certificates.....	629,589	640,889
Member capital securities	219,996	219,496
Total members' subordinated certificates.....	1,479,562	1,505,420
Total debt outstanding	22,276,124	21,273,667
Deferred income	64,086	75,579
Derivative liabilities	445,537	408,382
Other liabilities	46,301	52,948
Total liabilities	22,957,467	21,934,273
Commitments and contingencies.....		
Equity:		
CFC equity:		
Retained equity	859,514	880,242
Accumulated other comprehensive income.....	6,585	4,080
Total CFC equity	866,099	884,322
Noncontrolling interests	27,416	27,464
Total equity	893,515	911,786
Total liabilities and equity	\$ 23,850,982	\$ 22,846,059

See accompanying notes to condensed consolidated financial statements.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)

(Dollars in thousands)	Membership Fees and Educational Fund	Patronage Capital Allocated	Members' Capital Reserve	Unallocated Net Income (Loss)	CFC Retained Equity	Accumulated Other Comprehensive Income	Total CFC Equity	Non-controlling Interests	Total Equity
Balance as of May 31, 2015 ..	\$ 2,743	\$ 668,980	\$ 501,731	\$ (293,212)	\$ 880,242	\$ 4,080	\$884,322	\$ 27,464	\$ 911,786
Net income	—	—	—	19,188	19,188	—	19,188	(581)	18,607
Other comprehensive income	—	—	—	—	—	2,505	2,505	(2)	2,503
Patronage capital retirement ..	—	(39,376)	—	—	(39,376)	—	(39,376)	(341)	(39,717)
Other	(540)	—	(429)	429	(540)	—	(540)	876	336
Balance as of November 30, 2015	<u>\$ 2,203</u>	<u>\$ 629,604</u>	<u>\$ 501,302</u>	<u>\$ (273,595)</u>	<u>\$ 859,514</u>	<u>\$ 6,585</u>	<u>\$866,099</u>	<u>\$ 27,416</u>	<u>\$ 893,515</u>
Balance as of May 31, 2014 ..	\$ 2,751	\$ 630,340	\$ 485,447	\$ (178,650)	\$ 939,888	\$ 3,649	\$943,537	\$ 26,837	\$ 970,374
Net income	—	—	—	(15,304)	(15,304)	—	(15,304)	4	(15,300)
Other comprehensive income	—	—	—	—	—	3,124	3,124	(5)	3,119
Patronage capital retirement ..	—	(39,662)	—	—	(39,662)	—	(39,662)	—	(39,662)
Other	(529)	(1)	1	—	(529)	—	(529)	824	295
Balance as of November 30, 2014	<u>\$ 2,222</u>	<u>\$ 590,677</u>	<u>\$ 485,448</u>	<u>\$ (193,954)</u>	<u>\$ 884,393</u>	<u>\$ 6,773</u>	<u>\$891,166</u>	<u>\$ 27,660</u>	<u>\$ 918,826</u>

See accompanying notes to condensed consolidated financial statements.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Dollars in thousands)	Six Months Ended November 30,	
	2015	2014
Cash flows from operating activities:		
Net income (loss)	\$ 18,607	\$ (15,300)
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of deferred income	(12,697)	(5,781)
Amortization of debt issuance costs and deferred charges	4,106	3,630
Amortization of discount on long-term debt	4,238	3,605
Amortization of issuance costs for revolving bank lines of credit	2,887	4,213
Depreciation	3,735	2,920
Provision for loan losses	5,802	(5,779)
Results of operations of foreclosed assets	(133)	31,690
Derivative forward value	70,472	82,574
Changes in operating assets and liabilities:		
Accrued interest and other receivables	3,051	2,298
Accrued interest payable	1,723	(1,427)
Deferred income	1,203	6,495
Other	(6,993)	(5,818)
Net cash provided by operating activities	96,001	103,320
Cash flows from investing activities:		
Advances on loans	(4,345,065)	(4,116,020)
Principal collections on loans	3,140,744	3,809,772
Net investment in fixed assets	(4,662)	(4,565)
Proceeds from foreclosed assets	2,685	7,404
Investments in foreclosed assets	(2,984)	(6,650)
Proceeds from sale of time deposits	145,000	55,000
Investments in equity securities available for sale	—	(25,000)
Change in restricted cash	(5,690)	(1,012)
Net cash used in investing activities	(1,069,972)	(281,071)
Cash flows from financing activities:		
Proceeds from issuances of short-term debt, net	437,486	150,891
Proceeds from issuances of short-term debt with original maturity greater than 90 days	313,337	240,662
Repayments of short term-debt with original maturity greater than 90 days	(335,775)	(268,480)
Payments for issuance costs for revolving bank lines of credit	(2,906)	(2,822)
Proceeds from issuance of long-term debt	1,484,044	748,073
Payments for retirement of long-term debt	(879,121)	(431,260)
Proceeds from issuance of members' subordinated certificates	2,838	54,560
Payments for retirement of members' subordinated certificates	(13,483)	(101,251)
Payments for retirement of patronage capital	(38,666)	(38,836)
Net cash provided by financing activities	967,754	351,537
Net increase (decrease) in cash and cash equivalents	(6,217)	173,786
Beginning cash and cash equivalents	248,836	338,715
Ending cash and cash equivalents	\$ 242,619	\$ 512,501

See accompanying notes to condensed consolidated financial statements.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Dollars in thousands)	Six Months Ended November 30,	
	2015	2014
Supplemental disclosure of cash flow information:		
Cash paid for interest.....	\$ 319,870	\$ 304,806
Cash paid for income taxes	72	81
Non-cash financing and investing activities:		
Increase to patronage capital retirement payable	\$ 176	\$ —
Net decrease in debt service reserve funds/debt service reserve certificates	—	(13,751)

See accompanying notes to condensed consolidated financial statements.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

National Rural Utilities Cooperative Finance Corporation (“CFC”) is a member-owned cooperative association incorporated under the laws of the District of Columbia in April 1969. CFC’s principal purpose is to provide its members with financing to supplement the loan programs of the Rural Utilities Service (“RUS”) of the United States Department of Agriculture (“USDA”). CFC makes loans to its rural electric members so they can acquire, construct and operate electric distribution, generation, transmission and related facilities. CFC also provides its members with credit enhancements in the form of letters of credit and guarantees of debt obligations. As a cooperative, CFC is owned by and exclusively serves its membership, which consists of not-for-profit entities or subsidiaries or affiliates of not-for-profit entities. CFC is exempt from federal income taxes.

Basis of Presentation and Use of Estimates

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information. Certain prior period amounts have been reclassified to conform to the current period presentation. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related disclosures. These estimates are based on information available as of the date of the consolidated financial statements. While management makes its best judgment, actual amounts or results could differ from these estimates. In the opinion of management, all normal, recurring adjustments have been included for a fair presentation of this interim financial information. The results of operations in the interim financial statements are not necessarily indicative of the results that may be expected for the full year.

These interim unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, and related notes thereto, included in CFC’s Annual Report on Form 10-K for the fiscal year ended May 31, 2015 (“2015 Form 10-K”).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CFC, Rural Telephone Finance Cooperative (“RTFC”), National Cooperative Services Corporation (“NCSC”) and subsidiaries created and controlled by CFC to hold foreclosed assets. All intercompany balances and transactions have been eliminated. RTFC was established to provide private financing for the rural telecommunications industry. NCSC may provide financing to members of CFC, government or quasi-government entities which own electric utility systems that meet the Rural Electrification Act definition of “rural”, and the for-profit and nonprofit entities that are owned, operated or controlled by, or provide significant benefits to certain members of CFC. CFC currently has one entity, Caribbean Asset Holdings, LLC (“CAH”), that holds foreclosed assets. CAH, which is classified as held for sale, is a holding company for various U.S. Virgin Islands, British Virgin Islands and St. Maarten-based telecommunications operating entities that were transferred to CAH as a result of a loan default by a borrower and subsequent bankruptcy proceedings. Unless stated otherwise, references to “we,” “our” or “us” relate to CFC and its consolidated entities.

Variable Interest Entities

Based on the accounting standards governing consolidations, equity and earnings of RTFC and NCSC are reported as noncontrolling interest.

CFC manages the lending activities of RTFC and NCSC. We are required to consolidate the financial results of RTFC and NCSC because CFC is the primary beneficiary of variable interests in RTFC and NCSC due to its exposure to absorbing the majority of their expected losses.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Under separate guarantee agreements, RTFC and NCSC pay CFC a fee to indemnify them against loan losses. CFC is the sole lender to and manages the business operations of RTFC through a management agreement in effect until December 1, 2016, which is automatically renewed for one-year terms thereafter unless terminated by either party. CFC is the primary source of funding to, and manages the lending activities of, NCSC through a management agreement that is automatically renewable on an annual basis unless terminated by either party. NCSC funds its lending programs through loans from CFC or debt guaranteed by CFC. In connection with these guarantees, NCSC must pay a guarantee fee.

RTFC and NCSC creditors have no recourse against CFC in the event of a default by RTFC and NCSC, unless there is a guarantee agreement under which CFC has guaranteed NCSC or RTFC debt obligations to a third party. As of November 30, 2015, CFC had guaranteed \$68 million of NCSC debt, derivative instruments and guarantees with third parties, and CFC's maximum potential exposure for these instruments totaled \$72 million. The maturities for NCSC obligations guaranteed by CFC extend through 2031. Guarantees of NCSC debt and derivative instruments are not included in Note 10, Guarantees, as the debt and derivatives are reported on the condensed consolidated balance sheets. As of November 30, 2015, CFC guaranteed \$2 million of RTFC guarantees with third parties. The maturities for RTFC obligations guaranteed by CFC extend through 2016 and are renewed on an annual basis. All CFC loans to RTFC and NCSC are secured by all assets and revenue of RTFC and NCSC, respectively. As of November 30, 2015, RTFC had total assets of \$473 million including loans outstanding to members of \$365 million, and NCSC had total assets of \$716 million including loans outstanding of \$705 million. As of November 30, 2015, CFC had committed to lend RTFC up to \$4,000 million, of which \$345 million was outstanding. As of November 30, 2015, CFC had committed to provide up to \$3,000 million of credit to NCSC, of which \$750 million was outstanding, representing \$682 million of outstanding loans and \$68 million of credit enhancements.

Interest Income

Interest income on loans is recognized using the effective interest method. The following table presents the components of interest income for the three and six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Interest on long-term fixed-rate loans ⁽¹⁾	\$ 243,601	\$ 222,023	\$ 475,803	\$ 444,351
Interest on long-term variable-rate loans.....	4,822	4,902	9,842	10,262
Interest on line of credit loans	6,386	6,687	12,584	13,629
Interest on restructured loans.....	130	10	130	10
Interest on nonperforming loans.....	29	—	29	—
Interest on investments	1,957	1,549	4,582	4,121
Fee income ⁽²⁾	(600)	64	(529)	153
Total interest income	\$ 256,325	\$ 235,235	\$ 502,441	\$ 472,526

⁽¹⁾ Includes loan conversion fees, which are deferred and recognized in interest income using the effective interest method. Also includes a small portion of conversion fees, which are intended to cover the administrative costs related to the conversion and are recognized into income immediately at conversion.

⁽²⁾ Primarily related to amortization of loan origination costs and late payment fees. For the three and six months ended November 30, 2015, it excludes loan upfront and arranger fees, which are not based on interest rates and are included in the fee and other income line of the condensed consolidated statements of operations.

Deferred income on the condensed consolidated balance sheets primarily consists of deferred loan conversion fees, which totaled \$60 million and \$70 million as of November 30, 2015 and May 31, 2015, respectively.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Interest Expense

The following table presents the components of interest expense for the three and six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Interest expense on debt: ⁽¹⁾⁽²⁾⁽³⁾				
Short-term debt	\$ 3,382	\$ 5,663	\$ 5,924	\$ 8,804
Medium-term notes	20,819	17,707	40,972	34,866
Collateral trust bonds	81,769	77,082	164,600	153,264
Subordinated deferrable debt	4,788	4,803	9,571	9,570
Subordinated certificates	15,097	16,105	30,403	32,851
Long-term notes payable	41,269	36,915	81,354	75,472
Total interest expense	\$ 167,124	\$ 158,275	\$ 332,824	\$ 314,827

⁽¹⁾ Represents interest expense and the amortization of discounts on debt.

⁽²⁾ Includes underwriter's fees, legal fees, printing costs and certain accounting fees, which are deferred and recognized in interest expense using the effective interest method. Also includes issuance costs related to dealer commercial paper, which are recognized immediately as incurred.

⁽³⁾ Includes fees related to funding activities, including fees paid to banks participating in our revolving credit agreements. Amounts are recognized as incurred or amortized on a straight-line basis over the life of the agreement.

Accounting Standards Adopted in Fiscal Year 2016

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which amends the current presentation of debt issuance costs in the financial statements by requiring that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were required to be presented as an asset in the balance sheet. The guidance, which does not affect the recognition and measurement requirements for debt issuance costs, is effective for us in the first quarter of fiscal year 2017. However, we early-adopted this guidance in the first quarter of fiscal year 2016, and applied its provisions retrospectively, which resulted in the reclassification of unamortized debt issuance costs of \$47 million as of May 31, 2015, from total assets on our condensed consolidated balance sheet to total debt outstanding. We previously presented debt issuance costs as a separate line item under total assets on our condensed consolidated balance sheets. Other than this reclassification, the adoption of the guidance did not impact our consolidated financial statements.

Recently Issued but Not Yet Adopted Accounting Standards

Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, which changes how entities measure certain equity investments and present changes in the fair value of financial liabilities measured under the fair value option that are attributable to their own credit. Under the new guidance, entities will be required to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income unless the investments qualify for the new practicability exception. For financial liabilities measured using the fair value option, entities will be required to record changes in fair value caused by a change in instrument-specific credit risk (own credit risk) separately in other comprehensive income. The accounting for other financial instruments, such as loans and

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
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investments in debt securities is largely unchanged. The classification and measurement guidance is effective for public entities in fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. This update will be effective for us in the first quarter of fiscal year 2019. We are in the process of evaluating the impact of this update on our financial condition, results of operations or liquidity.

Amendments to the Consolidation Analysis

In February 2015, the FASB issued ASU 2015-02, *Amendments to the Consolidation Analysis*, which is intended to improve upon and simplify the consolidation assessment required to evaluate whether organizations should consolidate certain legal entities such as limited partnerships, limited liability corporations, and securitization structures. This update is effective for us in the first quarter of fiscal year 2017. We do not expect the adoption of the update to have a material impact on our financial condition, results of operations or liquidity.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue from contracts with customers. The new accounting guidance, which does not apply to financial instruments, is effective for us beginning in the first quarter of fiscal year 2018. On April 1, 2015, the FASB voted to propose to defer the effective date of the new revenue recognition standard by one year. We do not expect the new guidance to have a material impact on our financial condition, results of operations or liquidity, as CFC's primary business and source of revenue is from lending.

NOTE 2—INVESTMENT SECURITIES

Our investment securities consist of holdings of Federal Agricultural Mortgage Corporation ("Farmer Mac") preferred and common stock. The following tables present the amortized cost, gross unrealized gains and losses and fair value of our investment securities, all of which are classified as available for sale, as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Farmer Mac—Series A Non-Cumulative Preferred Stock ..	\$ 30,000	\$ 1,500	\$ —	\$ 31,500
Farmer Mac—Series B Non-Cumulative Preferred Stock ..	25,000	2,050	—	27,050
Farmer Mac—Series C Non-Cumulative Preferred Stock ..	25,000	1,760	—	26,760
Farmer Mac—Class A Common Stock	538	1,510	—	2,048
Total available-for-sale investment securities	\$ 80,538	\$ 6,820	\$ —	\$ 87,358

(Dollars in thousands)	May 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Farmer Mac—Series A Non-Cumulative Preferred Stock ..	\$ 30,000	\$ 264	\$ —	\$ 30,264
Farmer Mac—Series B Non-Cumulative Preferred Stock ..	25,000	1,250	—	26,250
Farmer Mac—Series C Non-Cumulative Preferred Stock ..	25,000	900	—	25,900
Farmer Mac—Class A Common Stock	538	1,520	—	2,058
Total available-for-sale investment securities	\$ 80,538	\$ 3,934	\$ —	\$ 84,472

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We did not have any investment securities in an unrealized loss position as of November 30, 2015 and May 31, 2015. For additional information regarding the unrealized gains (losses) recorded on our available-for-sale investment securities, see “Note 9—Equity—Accumulated Other Comprehensive Income”.

NOTE 3—LOANS AND COMMITMENTS

The table below presents the outstanding principal balance of loans to members, including deferred loan origination costs, and unadvanced loan commitments, by loan type and member class, as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015		May 31, 2015	
	Loans Outstanding	Unadvanced Commitments ⁽¹⁾	Loans Outstanding	Unadvanced Commitments ⁽¹⁾
Loan type: ⁽²⁾				
Long-term fixed-rate loans.....	\$ 20,601,694	\$ —	\$ 19,543,274	\$ —
Long-term variable-rate loans.....	712,955	4,762,678	698,495	4,835,623
Loans guaranteed by RUS.....	176,425	—	179,241	—
Line of credit loans.....	1,172,574	9,282,238	1,038,210	9,294,127
Total loans outstanding ⁽³⁾	22,663,648	14,044,916	21,459,220	14,129,750
Deferred loan origination costs.....	9,881	—	9,797	—
Loans to members.....	\$ 22,673,529	\$ 14,044,916	\$ 21,469,017	\$ 14,129,750
Member class: ⁽²⁾				
CFC:				
Distribution.....	\$ 17,153,380	\$ 9,583,769	\$ 16,095,043	\$ 9,474,568
Power supply.....	4,380,665	3,224,200	4,181,481	3,273,501
Statewide and associate.....	60,061	141,025	65,466	127,473
CFC total.....	21,594,106	12,948,994	20,341,990	12,875,542
RTFC.....	364,739	281,141	385,709	288,810
NCSC.....	704,803	814,781	731,521	965,398
Total loans outstanding ⁽³⁾	\$ 22,663,648	\$ 14,044,916	\$ 21,459,220	\$ 14,129,750

⁽¹⁾ The interest rate on unadvanced commitments is not set until drawn; therefore, the long-term unadvanced loan commitments have been classified in this table as variable-rate unadvanced commitments. However, at the time of the advance, the borrower may select a fixed or a variable rate on the new loan.

⁽²⁾ Includes nonperforming and restructured loans.

⁽³⁾ Represents the unpaid principal balance excluding deferred loan origination costs.

Unadvanced Loan Commitments

A total of \$2,644 million and \$2,765 million of unadvanced commitments as of November 30, 2015 and May 31, 2015, respectively, related to committed lines of credit loans that are not subject to a material adverse change clause at the time of each loan advance. As such, we will be required to advance amounts on these committed facilities as long as the borrower is in compliance with the terms and conditions of the facility.

The following table summarizes the available balance under unconditional committed lines of credit, and the related maturities by fiscal year and thereafter, as of November 30, 2015.

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(Dollars in thousands)	Available Balance	Notional Maturities of Unconditional Committed Lines of Credit					
		2016	2017	2018	2019	2020	Thereafter
Committed lines of credit .	\$2,643,810	\$61,000	\$199,257	\$727,065	\$854,128	\$605,110	\$197,250

The remaining unadvanced commitments totaling \$11,401 million and \$11,365 million as of November 30, 2015 and May 31, 2015, respectively, were generally subject to material adverse change clauses. Prior to making an advance on these facilities, we confirm that there has been no material adverse change in the business or condition, financial or otherwise, of the borrower since the time the loan was approved and confirm that the borrower is currently in compliance with loan terms and conditions. In some cases, the borrower's access to the full amount of the facility is further constrained by the designated purpose, imposition of borrower-specific restrictions or by additional conditions that must be met prior to advancing funds.

The following table summarizes the available balance under unadvanced commitments as of November 30, 2015 and the related maturities by fiscal year and thereafter by loan type:

(Dollars in thousands)	Available Balance	Notional Maturities of Unadvanced Commitments					
		2016	2017	2018	2019	2020	Thereafter
Line of credit loans	\$ 9,282,238	\$ 506,565	\$5,261,366	\$1,152,930	\$1,074,118	\$ 776,995	\$ 510,264
Long-term loans.....	4,762,678	277,585	1,144,251	784,664	1,061,634	1,006,845	487,699
Total.....	<u>\$14,044,916</u>	<u>\$ 784,150</u>	<u>\$6,405,617</u>	<u>\$1,937,594</u>	<u>\$2,135,752</u>	<u>\$1,783,840</u>	<u>\$ 997,963</u>

Unadvanced commitments related to line of credit loans are typically for periods not to exceed five years and are generally revolving facilities used for working capital and backup liquidity purposes. Historically, we have experienced a very low utilization rate on line of credit loan facilities, whether or not there is a material adverse change clause. Since we generally do not charge a fee on the unadvanced portion of the majority of our loan facilities, our borrowers will typically request long-term facilities to fund construction work plans and other capital expenditures for periods of up to five years and draw down on the facility over that time. In addition, borrowers will typically request an amount in excess of their immediate estimated loan requirements to avoid the expense related to seeking additional loan funding for unexpected items. These factors contribute to our expectation that the majority of the unadvanced commitments will expire without being fully drawn upon and that the total unadvanced amount does not necessarily represent future cash funding requirements.

Loan Sales

We account for the transfer of loans resulting from direct loan sales to third parties by removing the loans from our condensed consolidated balance sheets when control has been surrendered. We retain the servicing performance obligations on these loans and recognize related servicing fees on an accrual basis over the period for which servicing activity is provided, as we believe the servicing fee represents adequate compensation. Because the loans are sold at par, we record immaterial losses on the sale of these loans for unamortized deferred loan origination costs. We do not hold any continuing interest in the loans sold to date other than servicing performance obligations. We have no obligation to repurchase loans from the purchaser, except in the case of breaches of representations and warranties.

We sold CFC loans with outstanding balances totaling \$64 million and \$14 million, at par for cash, during the six months ended November 30, 2015 and 2014, respectively.

Credit Quality

We closely monitor loan performance trends to manage and evaluate our credit risk exposure. Our goal is to provide a balance between the credit needs of our members while also ensuring sound credit quality of our loan portfolio. Payment status and internal risk rating trends are indicators, among others, of the level of credit risk within our loan portfolios. As part of our strategy to reduce our credit risk exposure, we entered into a long-term standby purchase commitment agreement with Farmer Mac on August 31, 2015. Under this agreement, we may designate certain loans, as approved by Farmer Mac,

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and in the event any such loan later goes into material default for at least 90 days, upon request by us, Farmer Mac must purchase such loan at par value. We have designated, and Farmer Mac has approved an initial tranche of loans with an aggregate outstanding principal balance of \$520 million as of August 31, 2015, which were reduced by subsequent loan principal payments to \$515 million as of November 30, 2015. We are paying Farmer Mac a monthly fee based on the unpaid principal balance of the loans in the tranche(s) for the commitment to purchase loans under the agreement.

Payment Status of Loans

The tables below present the payment status of loans outstanding by member class as of November 30, 2015 and May 31, 2015.

November 30, 2015						
(Dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due ⁽¹⁾	Total Past Due	Total Financing Receivables	Nonaccrual Loans
CFC:						
Distribution	\$ 17,153,380	\$ —	\$ —	\$ —	\$17,153,380	\$ —
Power supply	4,380,665	—	—	—	4,380,665	—
Statewide and associate...	60,061	—	—	—	60,061	—
CFC total	21,594,106	—	—	—	21,594,106	—
RTFC	361,224	—	3,515	3,515	364,739	14,044
NCSC	704,803	—	—	—	704,803	—
Total loans outstanding ...	<u>\$ 22,660,133</u>	<u>\$ —</u>	<u>\$ 3,515</u>	<u>\$ 3,515</u>	<u>\$22,663,648</u>	<u>\$ 14,044</u>
As a % of total loans	99.98%	—%	0.02%	0.02%	100.00%	0.06%

May 31, 2015						
(Dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due ⁽¹⁾	Total Past Due	Total Financing Receivables	Nonaccrual Loans
CFC:						
Distribution	\$ 16,095,043	\$ —	\$ —	\$ —	\$ 16,095,043	\$ 7,221
Power supply	4,181,481	—	—	—	4,181,481	—
Statewide and associate...	65,466	—	—	—	65,466	—
CFC total	20,341,990	—	—	—	20,341,990	7,221
RTFC	385,709	—	—	—	385,709	4,221
NCSC	731,521	—	—	—	731,521	294
Total loans outstanding ...	<u>\$ 21,459,220</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 21,459,220</u>	<u>\$ 11,736</u>
As a % of total loans	100.00%	—%	—%	—%	100.00%	0.05%

⁽¹⁾ All loans 90 days or more past due are on nonaccrual status.

Internal Risk Ratings of Loans

We evaluate the credit quality of our loans using an internal risk rating system that employs similar criteria for all member classes. Our internal risk rating system is based on a determination of a borrower's risk of default utilizing both quantitative and qualitative measurements. We have grouped our risk ratings into the categories of pass and criticized based on the criteria below.

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- (i) Pass: Borrowers that are not experiencing difficulty and/or not showing a potential or well-defined credit weakness.
- (ii) Criticized: Includes borrowers categorized as special mention, substandard and doubtful as described below:
- Special mention: Borrowers that may be characterized by a potential credit weakness or deteriorating financial condition that is not sufficiently serious to warrant a classification of substandard or doubtful.
 - Substandard: Borrowers that display a well-defined credit weakness that may jeopardize the full collection of principal and interest.
 - Doubtful: Borrowers that have a well-defined weakness and the full collection of principal and interest is questionable or improbable.

Borrowers included in the pass, special mention, and substandard categories are generally reflected in the general portfolio of loans. Borrowers included in the doubtful category are reflected in the impaired portfolio of loans. Each risk rating is reassessed annually based on the receipt of the borrower's audited financial statements; however, interim downgrades and upgrades may take place at any time as significant events or trends occur.

The following table presents our loan portfolio by risk rating category and member class based on available data as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015			May 31, 2015		
	Pass	Criticized	Total	Pass	Criticized	Total
CFC:						
Distribution	\$ 17,121,804	\$ 31,576	\$ 17,153,380	\$ 16,062,516	\$ 32,527	\$ 16,095,043
Power supply	4,380,665	—	4,380,665	4,181,481	—	4,181,481
Statewide and associate	59,801	260	60,061	65,200	266	65,466
CFC total	<u>21,562,270</u>	<u>31,836</u>	<u>21,594,106</u>	20,309,197	32,793	20,341,990
RTFC	350,696	14,043	364,739	373,087	12,622	385,709
NCSC	701,104	3,699	704,803	727,159	4,362	731,521
Total loans outstanding	<u>\$ 22,614,070</u>	<u>\$ 49,578</u>	<u>\$ 22,663,648</u>	<u>\$ 21,409,443</u>	<u>\$ 49,777</u>	<u>\$ 21,459,220</u>

Allowance for Loan Losses

We maintain an allowance for loan losses at a level estimated by management to provide for probable losses inherent in the loan portfolio as of each balance sheet date. The tables below summarize changes, by company, in the allowance for loan losses as of and for the six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30, 2015			
	CFC	RTFC	NCSC	Total
Balance as of August 31, 2015	\$ 27,151	\$ 5,552	\$ 5,604	\$ 38,307
Provision for loan losses	496	366	378	1,240
Recoveries	53	—	—	53
Balance as of November 30, 2015	<u>\$ 27,700</u>	<u>\$ 5,918</u>	<u>\$ 5,982</u>	<u>\$ 39,600</u>

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Three Months Ended November 30, 2014				
(Dollars in thousands)	CFC	RTFC	NCSC	Total
Balance as of August 31, 2014	\$ 40,461	\$ 4,288	\$ 4,962	\$ 49,711
Provision for loan losses	670	739	(417)	992
Recoveries.....	54	—	—	54
Balance as of November 30, 2014.....	<u>\$ 41,185</u>	<u>\$ 5,027</u>	<u>\$ 4,545</u>	<u>\$ 50,757</u>

Six Months Ended November 30, 2015				
(Dollars in thousands)	CFC	RTFC	NCSC	Total
Balance as of May 31, 2015	\$ 23,716	\$ 4,533	\$ 5,441	\$ 33,690
Provision for loan losses	3,876	1,385	541	5,802
Recoveries.....	108	—	—	108
Balance as of November 30, 2015.....	<u>\$ 27,700</u>	<u>\$ 5,918</u>	<u>\$ 5,982</u>	<u>\$ 39,600</u>

Six Months Ended November 30, 2014				
(Dollars in thousands)	CFC	RTFC	NCSC	Total
Balance as of May 31, 2014	\$ 45,600	\$ 4,282	\$ 6,547	\$ 56,429
Provision for loan losses	(4,522)	745	(2,002)	(5,779)
Recoveries.....	107	—	—	107
Balance as of November 30, 2014.....	<u>\$ 41,185</u>	<u>\$ 5,027</u>	<u>\$ 4,545</u>	<u>\$ 50,757</u>

Our allowance for loan losses consists of a specific allowance for loans individually evaluated for impairment and a collective allowance for loans collectively evaluated for impairment. The tables below present, by company, the components of our allowance for loan losses and the recorded investment of the related loans as of November 30, 2015 and May 31, 2015.

November 30, 2015				
(Dollars in thousands)	CFC	RTFC	NCSC	Total
Ending balance of the allowance:				
Collectively evaluated.....	\$ 27,700	\$ 2,291	\$ 5,982	\$ 35,973
Individually evaluated.....	—	3,627	—	3,627
Total ending balance of the allowance	<u>\$ 27,700</u>	<u>\$ 5,918</u>	<u>\$ 5,982</u>	<u>\$ 39,600</u>
Recorded investment in loans:				
Collectively evaluated.....	\$ 21,587,390	\$ 350,695	\$ 704,803	\$ 22,642,888
Individually evaluated.....	6,716	14,044	—	20,760
Total recorded investment in loans.....	<u>\$ 21,594,106</u>	<u>\$ 364,739</u>	<u>\$ 704,803</u>	<u>\$ 22,663,648</u>
Loans to members, net ⁽¹⁾	\$ 21,566,406	\$ 358,821	\$ 698,821	\$ 22,624,048

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(Dollars in thousands)	May 31, 2015			
	CFC	RTFC	NCSC	Total
Ending balance of the allowance:				
Collectively evaluated.....	\$ 23,716	\$ 4,138	\$ 5,441	\$ 33,295
Individually evaluated.....	—	395	—	395
Total ending balance of the allowance.....	<u>\$ 23,716</u>	<u>\$ 4,533</u>	<u>\$ 5,441</u>	<u>\$ 33,690</u>
Recorded investment in loans:				
Collectively evaluated.....	\$ 20,334,769	\$ 381,488	\$ 731,227	\$ 21,447,484
Individually evaluated.....	7,221	4,221	294	11,736
Total recorded investment in loans.....	<u>\$ 20,341,990</u>	<u>\$ 385,709</u>	<u>\$ 731,521</u>	<u>\$ 21,459,220</u>
Loans to members, net ⁽¹⁾	\$ 20,318,274	\$ 381,176	\$ 726,080	\$ 21,425,530

⁽¹⁾ Excludes deferred origination costs of \$10 million as of November 30, 2015 and May 31, 2015.

Impaired Loans

Our recorded investment in individually-impaired loans, which consists of the unpaid principal balance, and the related specific valuation allowance, by member class, as of November 30, 2015 and May 31, 2015 are summarized below.

(Dollars in thousands)	November 30, 2015		May 31, 2015	
	Recorded Investment	Related Allowance	Recorded Investment	Related Allowance
With no specific allowance recorded:				
CFC/Distribution.....	\$ 6,716	\$ —	\$ 7,221	\$ —
NCSC.....	—	—	294	—
Total.....	<u>6,716</u>	<u>—</u>	<u>7,515</u>	<u>—</u>
With a specific allowance recorded:				
RTFC.....	<u>14,044</u>	<u>3,627</u>	4,221	395
Total.....	<u>14,044</u>	<u>3,627</u>	<u>4,221</u>	<u>395</u>
Total impaired loans.....	<u>\$ 20,760</u>	<u>\$ 3,627</u>	<u>\$ 11,736</u>	<u>\$ 395</u>

The tables below represent the average recorded investment in impaired loans and the interest income recognized, by member class, for the three and six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30,			
	2015	2014	2015	2014
	Average Recorded Investment		Interest Income Recognized	
CFC/Distribution.....	\$ 6,716	\$ 7,221	\$ 130	\$ —
NCSC.....	—	325	—	10
RTFC.....	<u>9,746</u>	<u>1,695</u>	<u>29</u>	<u>—</u>
Total impaired loans.....	<u>\$ 16,462</u>	<u>\$ 9,241</u>	<u>\$ 159</u>	<u>\$ 10</u>

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(Dollars in thousands)	Six Months Ended November 30,			
	2015		2014	
	Average Recorded Investment		Interest Income Recognized	
CFC/Distribution.....	\$ 6,969	\$ 7,403	\$ 130	\$ —
NCSC	—	344	—	10
RTFC	6,956	1,695	29	—
Total impaired loans.....	<u>\$ 13,925</u>	<u>\$ 9,442</u>	<u>\$ 159</u>	<u>\$ 10</u>

Troubled Debt Restructured (“TDR”) and Nonperforming Loans

The table below summarizes modified loans accounted for and reported as TDRs and nonperforming, the performance status of the loan, and the related unadvanced commitments, by loan type and by company, as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015		May 31, 2015	
	Loans Outstanding	Unadvanced Commitments ⁽¹⁾	Loans Outstanding	Unadvanced Commitments ⁽¹⁾
TDR loans:				
Nonperforming TDR loans:				
RTFC:				
Long-term variable-rate loans	\$ 3,515	\$ —	\$ —	\$ —
Total nonperforming TDR loans.....	<u>3,515</u>	<u>—</u>	<u>—</u>	<u>—</u>
Performing TDR loans:				
CFC:				
Long-term fixed-rate loans ⁽²⁾	6,716	—	7,221	—
NCSC:				
Line of credit loans	—	—	294	—
RTFC:				
Long-term variable-rate loans	—	—	4,221	—
Total performing TDR loans.....	<u>6,716</u>	<u>—</u>	<u>11,736</u>	<u>—</u>
Total TDR loans	<u>\$ 10,231</u>	<u>\$ —</u>	<u>\$ 11,736</u>	<u>\$ —</u>
Percent of total loans outstanding	<u>0.05%</u>	<u>—%</u>	<u>0.05%</u>	<u>—%</u>
Nonperforming loans:				
RTFC:				
Long-term fixed-rate loans	\$ 8,559	\$ —	\$ —	\$ —
Line of credit loans	1,970	—	—	—
Total nonperforming loans.....	<u>\$ 10,529</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Percent of total loans outstanding.....	<u>0.05%</u>	<u>—%</u>	<u>—%</u>	<u>—%</u>

⁽¹⁾ The interest rate on unadvanced commitments is not set until drawn; therefore, the long-term unadvanced loan commitments have been classified in this table as variable-rate unadvanced commitments. However, at the time of the advance, the borrower may select a fixed or a variable rate on the new loan.

⁽²⁾ A borrower in this category also had a line of credit loan outstanding that was classified as performing as of November 30, 2015 and May 31, 2015. Unadvanced commitments related to this line of credit loan totaled \$3 million and \$2 million as of November 30, 2015 and May 31, 2015, respectively.

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The following table shows foregone interest income as a result of holding loans on nonaccrual status for the three and six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Nonperforming loans	\$ 12	\$ 25	\$ 12	\$ 51
Performing TDR loans	—	127	166	264
Nonperforming TDR loans	33	—	46	—
Total.....	\$ 45	\$ 152	\$ 224	\$ 315

Pledging of Loans and Loans on Deposit

We are required to pledge eligible mortgage notes in an amount at least equal to the outstanding balance of our secured debt.

The following table summarizes our loans outstanding as collateral pledged to secure our collateral trust bonds, Clean Renewable Energy Bonds and notes payable to Farmer Mac and the amount of the corresponding debt outstanding as of November 30, 2015 and May 31, 2015, See “Note 5—Short-Term Debt and Credit Arrangements” and “Note 6—Long-Term Debt”) for information on our borrowings.

(Dollars in thousands)	November 30, 2015	May 31, 2015
Collateral trust bonds:		
2007 indenture:		
Distribution system mortgage notes	\$ 7,335,182	\$ 6,551,836
RUS guaranteed loans qualifying as permitted investments	154,215	156,665
Total pledged collateral	\$ 7,489,397	\$ 6,708,501
Collateral trust bonds outstanding	6,347,711	6,197,711
1994 indenture:		
Distribution system mortgage notes	\$ 873,976	\$ 905,656
Collateral trust bonds outstanding	800,000	855,000
Farmer Mac:		
Distribution and power supply system mortgage notes	\$ 2,343,470	\$ 2,160,805
Notes payable outstanding	2,072,040	1,910,688
Clean Renewable Energy Bonds Series 2009A:		
Distribution and power supply system mortgage notes	\$ 18,150	\$ 19,260
Cash	1,488	485
Total pledged collateral	\$ 19,638	\$ 19,745
Notes payable outstanding	16,529	16,529

We are required to maintain collateral on deposit in an amount at least equal to the balance of debt outstanding to the Federal Financing Bank (“FFB”) of the United States Treasury issued under the Guaranteed Underwriter Program of the USDA (the “Guaranteed Underwriter Program”). See “Note 5—Short-Term Debt and Credit Arrangements” and “Note 6—Long-Term Debt.”

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The following table shows the collateral on deposit and the amount of the corresponding debt outstanding as of November 30, 2015 and May 31, 2015.

<u>(Dollars in thousands)</u>	<u>November 30, 2015</u>	<u>May 31, 2015</u>
FFB:		
Distribution and power supply system mortgage notes on deposit.....	\$ 5,460,626	\$ 4,943,746
Notes payable outstanding	4,644,097	4,406,785

NOTE 4—FORECLOSED ASSETS

CAH is the only entity in which we held foreclosed assets as of November 30, 2015. CAH had total assets, which consisted primarily of property, plant and equipment and goodwill and other intangible assets of \$167 million as of November 30, 2015. CAH had total liabilities of \$242 million as of November 30, 2015 and an equity deficit of \$75 million. CAH's total liabilities included loans and interest payable to CFC, which have been eliminated in consolidation, of \$188 million as of November 30, 2015.

Sale of CAH

On September 30, 2015, CFC entered into a Purchase Agreement with CAH, ATN VI Holdings, LLC (“Atlantic”) and Atlantic Tele-Network, Inc., the parent corporation of Atlantic, to sell all of the issued and outstanding membership interests of CAH to Atlantic for a purchase price of \$145 million, subject to certain adjustments. We expect to complete the transaction during the second half of calendar year 2016, subject to the satisfaction or waiver of various closing conditions under the Purchase Agreement, including, among other things, the receipt of required communications regulatory approvals in the United States, United States Virgin Islands, British Virgin Islands and St. Maarten, the expiration or termination of applicable waiting periods under applicable competition laws, and the absence of a material adverse effect or material adverse regulatory event.

Foreclosed Asset Activity

The table below summarizes amounts recorded in our consolidated financial statements for CAH as of and for the six months ended November 30, 2015. The balance of \$117 million as of November 30, 2015 reflects the expected net proceeds, including estimated adjustments to the selling price and selling costs, from the completion of the CAH sales transaction.

<u>(Dollars in thousands)</u>	<u>Six Months Ended November 30, 2015</u>
Balance as of May 31, 2015	\$ 116,507
Change in estimated net proceeds ⁽¹⁾	432
Balance as of November 30, 2015	<u>\$ 116,939</u>

⁽¹⁾Included as a component of results of foreclosed assets on our consolidated statements of operations.

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NOTE 5—SHORT-TERM DEBT AND CREDIT ARRANGEMENTS

The following is a summary of short-term debt outstanding as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015	May 31, 2015
Short-term debt:		
Commercial paper sold through dealers, net of discounts ⁽¹⁾	\$ 1,020,287	\$ 984,954
Commercial paper sold directly to members, at par ⁽¹⁾⁽²⁾	759,815	736,162
Select notes	809,298	671,635
Daily liquidity fund notes	740,142	509,131
Medium-term notes sold to members	213,260	225,872
Total short-term debt.....	<u>\$ 3,542,802</u>	<u>\$ 3,127,754</u>

⁽¹⁾ Backup liquidity is provided by our revolving credit agreements.

⁽²⁾ Includes commercial paper sold directly to associates and affiliates.

Revolving Credit Agreements

We had \$3,420 million of commitments under revolving credit agreements as of November 30, 2015 and May 31, 2015. Under our current revolving credit agreements, we have the ability to request up to \$300 million of letters of credit, which would result in a reduction in the remaining available under the facilities. On November 19, 2015, we amended and restated the \$1,665 million three-year and \$1,645 million five-year revolving credit agreements to extend the maturity dates to November 19, 2018 and November 19, 2020, respectively, from October 28, 2017 and October 28, 2019, respectively. Commitments of \$25 million under the three-year agreement will expire at the prior maturity date of October 28, 2017. Commitments of \$45 million under the five-year agreement will expire at the prior maturity date of October 28, 2019. Also, as part of the amendment, the commitments from three banks were increased by \$45 million.

Prior to this amendment, NCSC assumed \$155 million in commitments from one of the banks, which was reduced to \$110 million as part of the amendment on November 19, 2015. Although the total commitment amount under our new revolving credit agreements is unchanged from the previous total of \$3,420 million, NCSC's commitment amount is excluded from the commitment amount from third parties of \$3,310 million because NCSC receives all of its funding from CFC and NCSC's financial results are consolidated with CFC. The NCSC assumption of \$110 million of commitments under the revolving credit agreements also reduces the total letters of credit from third parties, to \$290 million.

The following table presents the total commitment, the net amount available for use and the outstanding letters of credit under our revolving credit agreements as of November 30, 2015 and May 31, 2015.

(Dollars in millions)	November 30, 2015			May 31, 2015			Maturity	Annual Facility Fee ⁽²⁾
	Total Commitment	Letters of Credit Outstanding	Net Available for Use ⁽¹⁾	Total Commitment	Letters of Credit Outstanding	Net Available for Use ⁽¹⁾		
Three-year agreement	\$ 25	\$ —	\$ 25	\$ 1,720	\$ —	\$ 1,720	October 28, 2017	7.5 bps
Five-year agreement..	45	—	45	1,700	1	1,699	October 28, 2019	10 bps
Three-year agreement	1,640	—	1,640	—	—	—	November 19, 2018	7.5 bps
Five-year agreement..	1,600	1	1,599	—	—	—	November 19, 2020	10 bps
Total	<u>\$ 3,310</u>	<u>\$ 1</u>	<u>\$ 3,309</u>	<u>\$ 3,420</u>	<u>\$ 1</u>	<u>\$ 3,419</u>		

⁽¹⁾ Reflects amounts available from unaffiliated third parties that are not consolidated by CFC.

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⁽²⁾ Facility fee determined by CFC's senior unsecured credit ratings based on the pricing schedules put in place at the inception of the related agreement.

The following represents our required and actual financial ratios under the revolving credit agreements as of November 30, 2015 and May 31, 2015.

	Requirement	Actual	
		November 30, 2015	May 31, 2015
Minimum average adjusted TIER over the six most recent fiscal quarters ⁽¹⁾	1.025	1.28	1.28
Minimum adjusted TIER for the most recent fiscal year ⁽¹⁾⁽²⁾	1.05	1.30	1.30
Maximum ratio of adjusted senior debt to total equity ⁽¹⁾	10.00	6.18	5.93

⁽¹⁾ In addition to the adjustments made to the leverage ratio set forth in "Item 7. MD&A—Non-GAAP Financial Measures," senior debt excludes guarantees to member systems that have certain investment-grade ratings by Moody's and S&P. The TIER and debt-to-equity calculations include the adjustments set forth in "Item 7. MD&A—Non-GAAP Financial Measures" and exclude the results of operations and other comprehensive income for CAH.

⁽²⁾ We must meet or exceed the required ratios in order to retire patronage capital.

We were in compliance with all covenants and conditions under our revolving credit agreements and there were no borrowings outstanding under these agreements as of November 30, 2015 and May 31, 2015

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NOTE 6—LONG-TERM DEBT

The following is a summary of long-term debt outstanding as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015	May 31, 2015
Unsecured long-term debt:		
Medium-term notes sold through dealers	\$ 2,878,577	\$ 2,749,894
Medium-term notes sold to members	383,594	392,298
Subtotal medium-term notes	<u>3,262,171</u>	<u>3,142,192</u>
Unamortized discount	(622)	(706)
Debt issuance costs	(16,572)	(15,335)
Total unsecured medium-term notes	<u>3,244,977</u>	<u>3,126,151</u>
Guaranteed Underwriter Program notes payable	4,644,097	4,406,785
Debt issuance costs	(307)	(320)
Total Guaranteed Underwriter Program notes payable	<u>4,643,790</u>	<u>4,406,465</u>
Other unsecured notes payable	31,167	31,168
Unamortized discount	(557)	(626)
Debt issuance costs	(138)	(155)
Total other unsecured notes payable	<u>30,472</u>	<u>30,387</u>
Total unsecured notes payable	<u>4,674,262</u>	<u>4,436,852</u>
Total unsecured long-term debt	<u>7,919,239</u>	<u>7,563,003</u>
Secured long-term debt:		
Collateral trust bonds	7,147,711	7,052,711
Unamortized discount	(268,775)	(271,201)
Debt issuance costs	(28,276)	(26,443)
Total collateral trust bonds	<u>6,850,660</u>	<u>6,755,067</u>
Farmer Mac notes payable	2,072,040	1,910,688
Other secured notes payable	16,529	16,529
Debt issuance costs	(444)	(493)
Total other secured notes payable	<u>16,085</u>	<u>16,036</u>
Total secured notes payable	<u>2,088,125</u>	<u>1,926,724</u>
Total secured long-term debt	<u>8,938,785</u>	<u>8,681,791</u>
Total long-term debt	<u>\$ 16,858,024</u>	<u>\$ 16,244,794</u>

Collateral Trust Bonds

In October 2015, we issued \$350 million of 2.30% collateral trust bonds due 2020 and \$400 million of 3.25% collateral trust bonds due 2025.

Unsecured Notes Payable

As of November 30, 2015 and May 31, 2015, we had unsecured notes payable totaling \$4,644 million and \$4,407 million, respectively, outstanding under bond purchase agreements with the FFB and a bond guarantee agreement with RUS issued under the Guaranteed Underwriter Program, which provides guarantees to the FFB. We pay RUS a fee of 30 basis points per year on the total amount borrowed. As of November 30, 2015, \$4,644 million of unsecured notes payable outstanding under the Guaranteed Underwriter Program require us to place mortgage notes on deposit in an amount at least equal to the principal balance of the notes outstanding. See “Note 3—Loans and Commitments” for additional information on the mortgage notes held on deposit and the triggering events that result in these mortgage notes becoming pledged as collateral. During the six months ended November 30, 2015, we borrowed \$250 million under the Guaranteed Underwriter Program.

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As of November 30, 2015, we had up to \$500 million available under committed loan facilities from the Federal Financing Bank as part of this program. We are required to maintain collateral on deposit in an amount at least equal to the balance of debt outstanding to the FFB under this program. On September 28, 2015, we received a commitment from RUS to guarantee a loan from the Federal Financing Bank for additional funding of \$250 million as part of the Guaranteed Underwriter Program. As a result, we will have an additional \$250 million available under the Guaranteed Underwriter Program with a 20-year maturity repayment period during the three-year period following the date of closing.

Secured Notes Payable

As of November 30, 2015 and May 31, 2015, secured notes payable include \$2,072 million and \$1,911 million, respectively, in debt outstanding to Farmer Mac under a note purchase agreement totaling \$4,500 million. Under the terms of the note purchase agreement, we can borrow up to \$4,500 million at any time through January 11, 2020, and thereafter automatically extend the agreement on each anniversary date of the closing for an additional year, unless prior to any such anniversary date, Farmer Mac provides CFC with a notice that the draw period would not be extended beyond the remaining term. During the six months ended November 30, 2015, we borrowed a total of \$180 million under the note purchase agreement with Farmer Mac. The agreement with Farmer Mac is a revolving credit facility that allows us to borrow, repay and re-borrow funds at any time through maturity or from time to time as market conditions permit, provided that the principal amount at any time outstanding is not more than the total available under the agreement.

On July 31, 2015, we entered into a new revolving note purchase agreement with Farmer Mac totaling \$300 million. Under the terms of the new agreement, we can borrow up to \$300 million at any time through July 31, 2018. This agreement with Farmer Mac is a revolving credit facility that allows us to borrow, repay and re-borrow funds at any time through maturity or from time to time, provided that the principal amount at any time outstanding is not more than the total available under the agreement.

We are required to pledge eligible distribution system or power supply system loans as collateral in an amount at least equal to the total principal amount of notes outstanding under the Farmer Mac agreements. See “Note 3—Loans and Commitments” for additional information on the collateral pledged to secure notes payable under these programs.

As of November 30, 2015 and May 31, 2015, we were in compliance with all covenants and conditions under our senior debt indentures.

NOTE 7—SUBORDINATED DEFERRABLE DEBT

As of both November 30, 2015 and May 31, 2015, we had \$396 million of 4.75% subordinated deferrable debt outstanding due in 2043. The outstanding balance is presented net of \$4 million in unamortized debt issuance costs for both periods. Subordinated deferrable debt currently outstanding is callable at par on or after April 30, 2023.

NOTE 8—DERIVATIVE FINANCIAL INSTRUMENTS

Use of Derivatives

We are an end user of derivative financial instruments and do not engage in derivative trading. We use derivatives, primarily interest rate swaps and treasury rate locks, to manage interest rate risk. Derivatives may be privately negotiated contracts, which are often referred to as over-the-counter (“OTC”) derivatives, or they may be listed and traded on an exchange. We generally engage in OTC derivative transactions.

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Accounting for Derivatives

In accordance with the accounting standards for derivatives and hedging activities, we record derivative instruments at fair value as either a derivative asset or derivative liability on our condensed consolidated balance sheets. We report derivative asset and liability amounts on a gross basis based on individual contracts, which does not take into consideration the effects of master netting agreements or collateral netting. Derivatives in a gain position are reported as derivative assets on our condensed consolidated balance sheets, while derivatives in a loss position are reported as derivative liabilities. Accrued interest related to derivatives is reported on our condensed consolidated balance sheets as a component of either accrued interest and other receivables or accrued interest payable.

If we do not elect hedge accounting treatment, changes in the fair value of derivative instruments, which consist of periodic derivative cash settlements and derivative forward value amounts, are recognized in our consolidated statements of operations under derivative gains (losses). If we elect hedge accounting treatment for derivatives, we formally document, designate and assess the effectiveness of the hedge relationship. Changes in the fair value of derivatives designated as qualifying fair value hedges are recorded in earnings together with offsetting changes in the fair value of the hedged item and any related ineffectiveness. Changes in the fair value of derivatives designated as qualifying cash flow hedges are recorded as a component of other comprehensive income (“OCI”), to the extent that the hedge relationships are effective, and reclassified AOCI to earnings using the effective interest method over the term of the forecasted transaction. Any ineffectiveness in the hedging relationship is recognized as a component of derivative gains (losses) in our consolidated statement of operations.

We generally do not designate interest rate swaps, which represent the substantial majority of our derivatives, for hedge accounting. Accordingly, changes in the fair value of interest rate swaps are reported in our consolidated statements of operations under derivative gains (losses). Cash settlements related to interest rate swaps are classified as an operating activity in our consolidated statements of cash flows.

We typically designate treasury rate locks as cash flow hedges of forecasted debt issuances. Accordingly, changes in the fair value of the derivative instruments are recorded as a component of OCI and reclassified to interest expense when the forecasted transaction occurs using the effective interest method. Any ineffectiveness in the hedging relationship is recognized as a component of derivative gains (losses) in our consolidated statements of operations. We did not have any derivatives designated as accounting hedges as of November 30, 2015 and May 31, 2015.

Outstanding Notional Amount of Derivatives

The notional amount provides an indication of the volume of our derivatives activity, but this amount is not recorded on our condensed consolidated balance sheets. The notional amount is used only as the basis on which interest payments are determined and is not the amount exchanged. The following table shows the outstanding notional amounts and the weighted-average rate paid and received for our interest rate swaps, by type, as of November 30, 2015 and May 31, 2015. The substantial majority of our interest rate exchange agreements use an index based on the London Interbank Offered Rate (“LIBOR”) for either the pay or receive leg of the swap agreement.

(Dollars in thousands)	November 30, 2015			May 31, 2015		
	Notional Amount	Weighted-Average Rate Paid	Weighted-Average Rate Received	Notional Amount	Weighted-Average Rate Paid	Weighted-Average Rate Received
Pay-fixed swaps.....	\$ 6,215,910	3.06%	0.34%	\$ 5,776,533	3.15%	0.28%
Receive-fixed swaps.....	3,799,000	0.82	2.98	3,849,000	0.79	3.09
Total interest rate swaps.....	<u>\$10,014,910</u>	2.21	1.34	<u>\$ 9,625,533</u>	2.21	1.40

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Impact of Derivatives on Condensed Consolidated Balance Sheets

The following table displays the fair value of the derivative assets and derivative liabilities recorded on our condensed consolidated balance sheets and the related outstanding notional amount of our interest rate swaps as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015		May 31, 2015	
	Fair Value	Notional Balance	Fair Value	Fair Value
Derivative assets	\$ 81,687	\$ 2,694,338	\$ 115,276	\$ 3,448,615
Derivative liabilities	(445,537)	7,320,572	(408,382)	6,176,918
Total	<u>\$ (363,850)</u>	<u>\$ 10,014,910</u>	<u>\$ (293,106)</u>	<u>\$ 9,625,533</u>

All of our master swap agreements include legally enforceable netting provisions that allow for offsetting of all contracts with a given counterparty in the event of default by one of the two parties. However, as indicated above, we report derivative asset and liability amounts on a gross basis based on individual contracts. The following table presents the gross fair value of derivative assets and liabilities reported on our condensed consolidated balance sheets as of November 30, 2015 and May 31, 2015, and provides information on the impact of netting provisions and collateral pledged.

(Dollars in thousands)	November 30, 2015					
	Gross Amount of Recognized Assets/ Liabilities	Gross Amount Offset in the Balance Sheet	Net Amount of Assets/ Liabilities Presented in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet		
				Financial Instruments	Cash Collateral Pledged	Net Amount
Derivative assets:						
Interest rate swaps.....	\$ 81,687	\$ —	\$ 81,687	\$ 81,687	\$ —	\$ —
Derivative liabilities:						
Interest rate swaps.....	445,537	—	445,537	81,687	—	363,850
	May 31, 2015					
(Dollars in thousands)	Gross Amount of Recognized Assets/ Liabilities	Gross Amount Offset in the Balance Sheet	Net Amount of Assets/ Liabilities Presented in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet		
				Financial Instruments	Cash Collateral Pledged	Net Amount
Derivative assets:						
Interest rate swaps.....	\$ 115,276	\$ —	\$ 115,276	\$ 115,276	\$ —	\$ —
Derivative liabilities:						
Interest rate swaps.....	408,382	—	408,382	115,276	—	293,106

Impact of Derivatives on Condensed Consolidated Statements of Operations

Derivative gains (losses) reported in our condensed consolidated statements of operations consist of derivative cash settlements and derivative forward value. Derivative cash settlements represent net contractual interest expense accruals on interest rate swaps during the period. The derivative forward value represents the change in fair value of our interest rate swaps during the reporting period due to changes in the estimate of future interest rates over the remaining life of our derivative contracts.

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The following table presents the components of the derivative gains (losses) reported in our condensed consolidated statements of operations for our interest rate swaps for the three and six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30,		Six Months Ended November 30,	
	2015	2014	2015	2014
Derivative cash settlements.....	\$ (22,573)	\$ (21,764)	\$ (42,729)	\$ (41,865)
Derivative forward value.....	(78,611)	(52,797)	(70,472)	(82,574)
Derivative losses.....	<u>\$ (101,184)</u>	<u>\$ (74,561)</u>	<u>\$ (113,201)</u>	<u>\$ (124,439)</u>

Credit-Risk-Related Contingent Features in Derivatives

The majority of our interest rate swap agreements have credit risk-related contingent features referred to as rating triggers. Under these rating triggers, if the credit rating for either counterparty falls to the level specified in the agreement, the other counterparty may, but is not obligated to, terminate the agreement. Our senior unsecured credit ratings from Moody's and S&P were A2 and A, respectively, as of November 30, 2015. Moody's had our ratings on stable outlook as of November 30, 2015, while S&P had our ratings on negative outlook as of November 30, 2015.

The table below displays the notional amounts of our derivative contracts with rating triggers as of November 30, 2015 and the payments that would be required if the contracts were terminated as of that date because of a downgrade of our unsecured credit ratings or the counterparty's unsecured credit ratings to or below Baa1/BBB+, Baa3/BBB- or Ba2/BB+ by Moody's or S&P, respectively. In calculating the payment amounts that would be required upon termination of the derivative contracts, we assumed that the amounts for each counterparty would be netted in accordance with the provisions of the master netting agreements for each counterparty. The net payment amounts are based on the fair value of the underlying derivative instrument, excluding the credit risk valuation adjustment, plus any unpaid accrued interest amounts.

(Dollars in thousands)	Notional Amount	Payment Required by CFC	Payment Due to CFC	Net (Payable) Due
Impact of mutual rating downgrade trigger:				
Falls below Baa1/BBB+	\$ 5,629,362	\$ (218,630)	\$ —	\$ (218,630)
Falls to or below Baa3/BBB-.....	1,696,699	(33,362)	—	(33,362)
Falls below Baa3/BBB-	572,011	(26,702)	—	(26,702)
Falls to or below Ba2/BB+(¹)	102,009	(335)	—	(335)
Total.....	<u>\$ 8,000,081</u>	<u>\$ (279,029)</u>	<u>\$ —</u>	<u>\$ (279,029)</u>

⁽¹⁾ Rating trigger for counterparty falls to or below Ba2/BB+, while rating trigger for CFC falls to or below Baa2/BBB by Moody's or S&P, respectively.

The aggregate amount, including the credit risk valuation adjustment, of all interest rate swaps with rating triggers that were in a net liability position was \$283 million as of November 30, 2015. There were no interest rate swaps with rating triggers that were in a net asset position as of November 30, 2015.

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NOTE 9—EQUITY

Total equity decreased by \$18 million during the six months ended November 30, 2015 to \$894 million as of November 30, 2015. The decrease in total equity was primarily attributable to our net income of \$19 million for the period, which was partially offset by patronage capital retirement of \$39 million.

In July 2015, the CFC Board of Directors authorized the allocation of the fiscal year 2015 net earnings as follows: \$1 million to the Cooperative Educational Fund, \$16 million to the members' capital reserve and \$78 million to members in the form of patronage.

In July 2015, the CFC Board of Directors authorized the retirement of allocated net earnings totaling \$39 million, representing 50% of the fiscal year 2015 allocation. This amount was returned to members in cash in September 2015. Future allocations and retirements of net earnings may be made annually as determined by the CFC Board of Directors with due regard for its financial condition. The CFC Board of Directors has the authority to change the current practice for allocating and retiring net earnings at any time, subject to applicable laws and regulations.

Accumulated Other Comprehensive Income

The activity in the accumulated other comprehensive income account is summarized below by component as of and for the three and six months ended November 30, 2015 and 2014.

Three Months Ended November 30, 2015					
(Dollars in thousands)	Unrealized Gains (Losses) AFS Securities	Unrealized Gains Derivatives	Unrealized Losses Foreclosed Assets	Unrealized Losses Defined Benefit Plan	Total
Beginning balance	\$ 3,270	\$ 5,137	\$ (4,248)	\$ (933)	\$ 3,226
Unrealized gains	3,550	—	—	—	3,550
Losses reclassified into earnings	—	—	—	44	44
Gains reclassified into earnings	—	(235)	—	—	(235)
Other comprehensive income	3,550	(235)	—	44	3,359
Ending balance	<u>\$ 6,820</u>	<u>\$ 4,902</u>	<u>\$ (4,248)</u>	<u>\$ (889)</u>	<u>\$ 6,585</u>
Three Months Ended November 30, 2014					
(Dollars in thousands)	Unrealized Gains (Losses) AFS Securities	Unrealized Gains Derivatives	Unrealized Losses Foreclosed Assets	Total	
Beginning balance	\$ 2,339	\$ 6,082	\$ (2,310)	\$ 6,111	
Unrealized gains	902	—	—	902	
Gains reclassified into earnings	—	(240)	—	(240)	
Other comprehensive income	902	(240)	—	662	
Ending balance	<u>\$ 3,241</u>	<u>\$ 5,842</u>	<u>\$ (2,310)</u>	<u>\$ 6,773</u>	

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Six Months Ended November 30, 2015					
(Dollars in thousands)	Unrealized Gains (Losses) AFS Securities	Unrealized Gains Derivatives	Unrealized Losses Foreclosed Assets	Unrealized Losses Defined Benefit Plan	Total
Beginning balance	\$ 3,934	\$ 5,371	\$ (4,248)	\$ (977)	\$ 4,080
Unrealized gains	2,886	—	—	—	2,886
Losses reclassified into earnings	—	—	—	88	88
Gains reclassified into earnings	—	(469)	—	—	(469)
Other comprehensive income	2,886	(469)	—	88	2,505
Ending balance	\$ 6,820	\$ 4,902	\$ (4,248)	\$ (889)	\$ 6,585

Six Months Ended November 30, 2014				
(Dollars in thousands)	Unrealized Gains (Losses) AFS Securities	Unrealized Gains Derivatives	Unrealized Losses Foreclosed Assets	Total
Beginning balance	\$ (361)	\$ 6,320	\$ (2,310)	\$ 3,649
Unrealized gains	3,602	—	—	3,602
Gains reclassified into earnings	—	(478)	—	(478)
Other comprehensive income	3,602	(478)	—	3,124
Ending balance	\$ 3,241	\$ 5,842	\$ (2,310)	\$ 6,773

NOTE 10—GUARANTEES

The following table summarizes total guarantees by type of guarantee and member class as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015	May 31, 2015
Total by type:		
Long-term tax-exempt bonds	\$ 483,730	\$ 489,520
Letters of credit	363,441	382,233
Other guarantees	114,079	114,747
Total	\$ 961,250	\$ 986,500
Total by member class:		
CFC:		
Distribution	\$ 156,276	\$ 172,104
Power supply	747,669	763,746
Statewide and associate	17,048	17,025
CFC total	920,993	952,875
RTFC	1,574	1,574
NCSC	38,683	32,051
Total	\$ 961,250	\$ 986,500

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The maturities for the long-term tax-exempt bonds and the related guarantees run through calendar year 2042. Amounts in the table represent the outstanding principal amount of the guaranteed bonds. As of November 30, 2015, our maximum potential exposure for the \$70 million of fixed-rate tax-exempt bonds is \$100 million, representing principal and interest. Of the amounts shown in the table above for long-term tax-exempt bonds, \$413 million and \$418 million as of November 30, 2015 and May 31, 2015, respectively, are adjustable or floating-rate bonds that may be converted to a fixed rate as specified in the applicable indenture for each bond offering. We are unable to determine the maximum amount of interest that we could be required to pay related to the remaining adjustable and floating-rate bonds. Many of these bonds have a call provision that in the event of a default allow us to trigger the call provision. This would limit our exposure to future interest payments on these bonds. Our maximum potential exposure is secured by mortgage liens on all of the systems' assets and future revenue. If a system's debt is accelerated because of a determination that the interest thereon is not tax-exempt, the system's obligation to reimburse us for any guarantee payments will be treated as a long-term loan.

The maturities for letters of credit run through calendar year 2024. The amounts shown in the table above represent our maximum potential exposure, of which \$134 million is secured as of November 30, 2015. As of November 30, 2015 and May 31, 2015, the letters of credit include \$76 million to provide the standby liquidity for adjustable and floating-rate tax-exempt bonds issued for the benefit of our members, respectively. Security provisions include a mortgage lien on substantially all of the system's assets, future revenue and the system's investment in our commercial paper.

In addition to the letters of credit listed in the table above, under master letter of credit facilities in place as of November 30, 2015, we may be required to issue up to an additional \$85 million in letters of credit to third parties for the benefit of our members. As of November 30, 2015, all of our master letter of credit facilities were subject to material adverse change clauses at the time of issuance. Prior to issuing a letter of credit, we would confirm that there has been no material adverse change in the business or condition, financial or otherwise, of the borrower since the time the loan was approved and confirm that the borrower is currently in compliance with the letter of credit terms and conditions.

The maturities for other guarantees listed in the table run through calendar year 2025. The maximum potential exposure for these other guarantees is \$115 million, all of which is unsecured.

As of November 30, 2015 and May 31, 2015, we had \$343 million and \$434 million of guarantees, respectively, representing 36% and 44%, respectively, of total guarantees, under which our right of recovery from our members was not secured.

In addition to the guarantees described above, as of November 30, 2015, we were the liquidity provider for a total of \$489 million of variable-rate tax-exempt bonds issued for our member cooperatives. While the bonds are in variable-rate mode, in return for a fee, we have unconditionally agreed to purchase bonds tendered or put for redemption if the remarketing agents are unable to sell such bonds to other investors. During the six months ended November 30, 2015, we were not required to perform as liquidity provider pursuant to these obligations.

Guarantee Liability

As of November 30, 2015 and May 31, 2015, we recorded a guarantee liability of \$19 million and \$20 million respectively, which represents the contingent and non-contingent exposures related to guarantees and liquidity obligations associated with our members' debt. The contingent guarantee liability as of November 30, 2015 and May 31, 2015 was \$1 million based on management's estimate of exposure to losses within the guarantee portfolio. The remaining balance of the total guarantee liability of \$18 million and \$19 million as of November 30, 2015 and May 31, 2015, respectively, relates to our non-contingent obligation to stand ready to perform over the term of our guarantees and liquidity obligations that we have entered into or modified since January 1, 2003.

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NOTE 11—FAIR VALUE MEASUREMENTS

We use fair value measurements to record fair value adjustments for certain assets and liabilities and to determine fair value disclosures. Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date (also referred to as an exit price). Assets and liabilities accounted for and reported at fair value in our consolidated financial statements on a recurring basis each reporting period include our available-for-sale investment securities and derivative instruments. Assets that are not measured at fair value each reporting period but are subject to fair value measurements on a nonrecurring basis in certain circumstances include impaired loans and long-lived assets classified as held for sale. The adjustments related to assets measured at fair value on a nonrecurring basis usually result from the application of lower-of-cost-market accounting or impairment of individual assets.

Fair Value Hierarchy

The fair value accounting guidance provides a three-level fair value hierarchy for classifying financial instruments. This hierarchy is based on the markets in which the assets or liabilities trade and whether the inputs to the valuation techniques used to measure fair value are observable or unobservable. Fair value measurement of a financial asset or liability is assigned a level based on the lowest level of any input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are summarized below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs, other than quoted prices in active markets for identical assets or liabilities
- Level 3: Unobservable inputs

For additional information regarding the fair value hierarchy and a description of the methodologies we use to measure fair value, see “Note 13—Fair Value Measurements” and “Note 14—Fair Value of Financial Instruments” to the Consolidated Financial Statements in our 2015 Form 10-K.

Recurring Fair Value Measurements

The table below presents the carrying value and fair value of financial instruments reported in our condensed consolidated financial statements at fair value on a recurring basis as of November 30, 2015 and May 31, 2015, and the classification level of the fair value methodology within the fair value measurement hierarchy.

(Dollars in thousands)	November 30, 2015			May 31, 2015		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Investment securities, available for sale..	\$ 87,358	\$ —	\$ 87,358	\$ 84,472	\$ —	\$ 84,472
Deferred compensation investments.....	4,401	—	4,401	4,294	—	4,294
Derivative assets.....	—	81,687	81,687	—	115,276	115,276
Derivative liabilities	—	445,537	445,537	—	408,382	408,382

Transfers Between Levels

We monitor the availability of observable market data to assess the appropriate classification of financial instruments within the fair value hierarchy and transfer between Level 1, Level 2, and Level 3 accordingly. Observable market data includes but is not limited to quoted prices and market transactions. Changes in economic conditions or market liquidity generally will drive changes in availability of observable market data. Changes in availability of observable market data, which also may result in changing the valuation technique used, are generally the cause of transfers between levels. We did not have any transfers between levels for financial instruments measured at fair value on a recurring basis for the six months ended November 30, 2015 and 2014.

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Nonrecurring Fair Value

The table below presents the carrying value and fair value of assets reported in our condensed consolidated financial statements at fair value on a nonrecurring basis as of November 30, 2015 and May 31, 2015, and unrealized losses for the three and six months ended November 30, 2015 and 2014.

(Dollars in thousands)	Level 3 Fair Value		Unrealized Losses Three Months Ended November 30,		Unrealized Losses Six Months Ended November 30,	
	November 30, 2015	May 31, 2015	2015	2014	2015	2014
Impaired loans, net of specific reserves.....	\$ 10,417	\$ —	\$ (1,190)	\$ (724)	\$ (2,011)	\$ (950)

Significant Unobservable Level 3 Inputs

Impaired Loans

We utilize the fair value of the collateral underlying the loan or the estimated cash flows to determine the fair value and specific allowance for impaired loans. In estimating the fair value of the collateral, we may use third-party valuation specialists, internal estimates or a combination of both. The valuation technique used to determine fair value of the impaired loans provided by both our internal staff and third-party specialists includes market multiples (i.e., comparable companies). The significant unobservable inputs used in the determination of fair value for the specific impaired loans is a multiple of earnings before interest, taxes, depreciation and amortization of 4.0x. The significant unobservable inputs for estimating the fair value of impaired collateral-dependent loans are reviewed by our Credit Risk Management group to assess the reasonableness of the assumptions used and the accuracy of the work performed. In cases where we rely on third-party inputs, we use the final unadjusted third-party valuation analysis as support for any adjustments to our consolidated financial statements and disclosures.

Because of the limited amount of impaired loans as of November 30, 2015 and May 31, 2015, we do not believe that potential changes in the significant unobservable inputs used in the determination of the fair value for impaired loans will have a material impact on the fair value measurement of these assets or our results of operations.

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NOTE 12—FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying value and fair value, and the classification level within the fair value measurement hierarchy, of our financial instruments as of November 30, 2015 and May 31, 2015.

(Dollars in thousands)	November 30, 2015		Fair Value Measurements Using		
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents.....	\$ 242,619	\$ 242,619	\$ 242,619	\$ —	\$ —
Restricted cash	6,175	6,175	6,175	—	—
Time deposits	340,000	340,000	—	340,000	—
Investment securities, available for sale	87,358	87,358	87,358	—	—
Deferred compensation investments	4,401	4,401	4,401	—	—
Loans to members, net	22,633,929	22,529,568	—	—	22,529,568
Debt service reserve funds	25,602	25,602	25,602	—	—
Derivative assets	81,687	81,687	—	81,687	—
Liabilities:					
Short-term debt	3,542,802	3,542,517	1,760,494	1,782,023	—
Long-term debt.....	16,858,024	17,760,009	—	10,929,779	6,830,230
Guarantee liability	18,747	21,188	—	—	21,188
Derivative liabilities	445,537	445,537	—	445,537	—
Subordinated deferrable debt	395,736	397,124	—	397,124	—
Members' subordinated certificates	1,479,562	1,479,586	—	—	1,479,586

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(Dollars in thousands)	May 31, 2015		Fair Value Measurements Using		
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents.....	\$ 248,836	\$ 248,836	\$ 248,836	\$ —	\$ —
Restricted cash	485	485	485	—	—
Time deposits	485,000	485,000	—	485,000	—
Investment securities, available for sale	84,472	84,472	84,472	—	—
Deferred compensation investments	4,294	4,294	4,294	—	—
Loans to members, net	21,435,327	21,961,048	—	—	21,961,048
Debt service reserve funds	25,602	25,602	25,602	—	—
Derivative instruments	115,276	115,276	—	115,276	—
Liabilities:					
Short-term debt	3,127,754	3,127,541	1,494,131	1,633,410	—
Long-term debt.....	16,244,794	17,356,223	—	10,878,302	6,477,921
Guarantee liability	19,917	22,545	—	—	22,545
Derivative instruments	408,382	408,382	—	408,382	—
Subordinated deferrable debt	395,699	406,000	—	406,000	—
Members' subordinated certificates	1,505,420	1,505,444	—	—	1,505,444

We consider observable prices in the principal market in our valuations where possible. Fair value estimates were developed at the reporting date and may not necessarily be indicative of amounts that could ultimately be realized in a market transaction at a future date. For additional information regarding the fair value hierarchy and a description of the methodologies we use to measure fair value, see “Note 13—Fair Value Measurements” and “Note 14—Fair Value of Financial Instruments” to the Consolidated Financial Statements in our 2015 Form 10-K. See “Note 11—Fair Value Measurement” for additional information on assets and liabilities reported at fair value on a recurring and nonrecurring basis on our condensed consolidated balance sheets.

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NOTE 13—SEGMENT INFORMATION

The following tables display segment results for the three and six months ended November 30, 2015 and 2014, and assets attributable to each segment as of November 30, 2015 and 2014.

(Dollars in thousands)	Three Months Ended November 30, 2015			
	CFC	Other	Elimination	Consolidated Total
Statement of operations:				
Interest income.....	\$ 253,625	\$ 11,476	\$ (8,776)	\$ 256,325
Interest expense	(166,807)	(9,093)	8,776	(167,124)
Net interest income.....	86,818	2,383	—	89,201
Provision for loan losses.....	(1,240)	—	—	(1,240)
Net interest income after provision for loan losses	85,578	2,383	—	87,961
Non-interest income:				
Fee and other income.....	6,080	2,096	(1,145)	7,031
Derivative losses	(99,963)	(1,221)	—	(101,184)
Results of operations of foreclosed assets	2,054	—	—	2,054
Total non-interest income.....	(91,829)	875	(1,145)	(92,099)
Non-interest expense:				
General and administrative expenses.....	(17,877)	(2,609)	255	(20,231)
Other	(9)	(890)	890	(9)
Total non-interest expense.....	(17,886)	(3,499)	1,145	(20,240)
Loss before income taxes.....	(24,137)	(241)	—	(24,378)
Income tax expense.....	—	(110)	—	(110)
Net loss	\$ (24,137)	\$ (351)	\$ —	\$ (24,488)

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(Dollars in thousands)	Three Months Ended November 30, 2014			
	CFC	Other	Elimination	Consolidated Total
Statement of operations:				
Interest income.....	\$ 232,168	\$ 11,328	\$ (8,261)	\$ 235,235
Interest expense	(157,918)	(8,618)	8,261	(158,275)
Net interest income.....	74,250	2,710	—	76,960
Provision for loan losses.....	(992)	—	—	(992)
Net interest income after provision for loan losses	73,258	2,710	—	75,968
Non-interest income:				
Fee and other income.....	9,646	1,369	(1,143)	9,872
Derivative losses	(73,061)	(1,500)	—	(74,561)
Results of operations from foreclosed assets.....	(28,991)	—	—	(28,991)
Total non-interest income.....	(92,406)	(131)	(1,143)	(93,680)
Non-interest expense:				
General and administrative expenses.....	(16,553)	(1,940)	256	(18,237)
Other	(4)	(887)	887	(4)
Total non-interest expense.....	(16,557)	(2,827)	1,143	(18,241)
Loss before income taxes.....	(35,705)	(248)	—	(35,953)
Income tax benefit	—	41	—	41
Net loss	\$ (35,705)	\$ (207)	\$ —	\$ (35,912)

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(Dollars in thousands)	Six Months Ended November 30, 2015			
	CFC	Other	Elimination	Consolidated Total
Statement of operations:				
Interest income.....	\$ 496,676	\$ 23,326	\$ (17,561)	\$ 502,441
Interest expense	(332,189)	(18,196)	17,561	(332,824)
Net interest income.....	164,487	5,130	—	169,617
Provision for loan losses.....	(5,802)	—	—	(5,802)
Net interest income after provision for loan losses	158,685	5,130	—	163,815
Non-interest income:				
Fee and other income.....	10,679	2,914	(1,861)	11,732
Derivative losses	(111,790)	(1,411)	—	(113,201)
Results of operations of foreclosed assets	133	—	—	133
Total non-interest income.....	(100,978)	1,503	(1,861)	(101,336)
Non-interest expense:				
General and administrative expenses.....	(38,153)	(5,421)	508	(43,066)
Other	(366)	(1,353)	1,353	(366)
Total non-interest expense.....	(38,519)	(6,774)	1,861	(43,432)
Income (loss) before income taxes	19,188	(141)	—	19,047
Income tax expense.....	—	(440)	—	(440)
Net income (loss).....	<u>\$ 19,188</u>	<u>\$ (581)</u>	<u>\$ —</u>	<u>\$ 18,607</u>

	November 30, 2015			
Assets:				
Total loans outstanding.....	\$ 22,621,617	\$ 1,069,542	\$ (1,027,511)	\$ 22,663,648
Deferred loan origination costs.....	9,881	—	—	9,881
Less: Allowance for loan losses	(39,600)	—	—	(39,600)
Loans to members, net.....	22,591,898	1,069,542	(1,027,511)	22,633,929
Other assets.....	1,203,916	119,388	(106,251)	1,217,053
Total assets.....	<u>\$ 23,795,814</u>	<u>\$ 1,188,930</u>	<u>\$ (1,133,762)</u>	<u>\$ 23,850,982</u>

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(Dollars in thousands)	Six Months Ended November 30, 2014			
	CFC	Other	Elimination	Consolidated Total
Statement of operations:				
Interest income.....	\$ 466,308	\$ 23,135	\$ (16,917)	\$ 472,526
Interest expense	(314,146)	(17,598)	16,917	(314,827)
Net interest income.....	152,162	5,537	—	157,699
Provision for loan losses.....	5,779	—	—	5,779
Net interest income after provision for loan losses	157,941	5,537	—	163,478
Non-interest income:				
Fee and other income.....	13,872	1,731	(1,374)	14,229
Derivative losses	(122,232)	(2,207)	—	(124,439)
Results of operations from foreclosed assets.....	(31,690)	—	—	(31,690)
Total non-interest income.....	(140,050)	(476)	(1,374)	(141,900)
Non-interest expense:				
General and administrative expenses.....	(33,252)	(4,015)	487	(36,780)
Other	57	(887)	887	57
Total non-interest expense.....	(33,195)	(4,902)	1,374	(36,723)
Income (loss) before income taxes	(15,304)	159	—	(15,145)
Income tax expense.....	—	(155)	—	(155)
Net income (loss).....	<u>\$ (15,304)</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ (15,300)</u>

	November 30, 2014			
Assets:				
Total loans outstanding.....	\$ 20,739,565	\$ 1,098,127	\$ (1,064,412)	\$ 20,773,280
Deferred loan origination costs.....	9,706	—	—	9,706
Less: Allowance for loan losses	(50,757)	—	—	(50,757)
Loans to members, net.....	20,698,514	1,098,127	(1,064,412)	20,732,229
Other assets	1,818,603	137,686	(115,415)	1,840,874
Total assets	<u>\$ 22,517,117</u>	<u>\$ 1,235,813</u>	<u>\$ (1,179,827)</u>	<u>\$ 22,573,103</u>

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk, see “Part I—Item 2. MD&A—Market Risk” and “Note 8—Derivatives.”

Item 4. Controls and Procedures

As of the end of the period covered by this report, senior management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. Based on this evaluation process, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting that occurred during the three months ended November 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, CFC is subject to certain legal proceedings and claims in the ordinary course of business, including litigation with borrowers related to enforcement or collection actions. Management presently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, liquidity, or results of operations. CFC establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Accordingly, no reserve has been recorded with respect to any legal proceedings at this time. In June 2015, RTFC received a notice of deficiency from the Virgin Islands Bureau of Internal Revenue (“BIR”) alleging that RTFC owes tax or other amounts, plus interest, in connection with tax years 1996 and 1997, and 1999 through 2005. On September 4, 2015, RTFC filed a petition with the District Court of the Virgin Islands in response to the BIR's notice of deficiency. The BIR filed an answer to RTFC's petition with the District Court of the Virgin Islands on December 11, 2015. RTFC believes that these allegations are without merit and will continue to contest this determination.

Item 1A. Risk Factors

Refer to “Part I—Item 1A. Risk Factors” in our 2015 Form 10-K for information regarding factors that could affect our results of operations, financial condition and liquidity. We are not aware of any material changes in the risk factors set forth under “Part I—Item 1A. Risk Factors” in our 2015 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are incorporated by reference or filed as part of this Report.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1*	— Amended and Restated Revolving Credit Agreement dated November 19, 2015 maturing on November 19, 2018.
10.2*	— Amended and Restated Revolving Credit Agreement dated November 19, 2015 maturing on November 19, 2020.
12*	— Computation of Ratio of Earnings to Fixed Charges
31.1*	— Certification of the Chief Executive Officer required by Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	— Certification of the Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	— Certification of the Chief Executive Officer required by Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	— Certification of the Chief Financial Officer required by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	— XBRL Instance Document
101.SCH*	— XBRL Taxonomy Extension Schema Document
101.CAL*	— XBRL Taxonomy Calculation Linkbase Document
101.LAB*	— XBRL Taxonomy Label Linkbase Document
101.PRE*	— XBRL Taxonomy Presentation Linkbase Document
101.DEF*	— XBRL Taxonomy Definition Linkbase Document

*Indicates a document being filed with this Report.

^ Identifies a management contract or compensatory plan or arrangement.

†Indicates a document that is furnished with this Report, which shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Date: January 13, 2016

By: /s/ J. ANDREW DON

J. Andrew Don

Senior Vice President and Chief Financial Officer

By: /s/ ROBERT E. GEIER

Robert E. Geier

Controller (Principal Accounting Officer)

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

dated as of

November 19, 2015

among

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION,

THE BANKS LISTED HEREIN,
MIZUHO BANK, LTD.,
as Administrative Agent and Initial Issuing Bank,

JPMORGAN CHASE BANK, N.A.,
as Syndication Agent,

and

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
KEYBANK NATIONAL ASSOCIATION,

and

ROYAL BANK OF CANADA
as Co-Documentation Agents

MIZUHO BANK, LTD.,

J.P. MORGAN SECURITIES LLC,

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
KEYBANK NATIONAL ASSOCIATION,

and

RBC CAPITAL MARKETS
as Co-Lead Arrangers and Joint Bookrunners

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- Exhibit C - Money Market Quote Request
- Exhibit D - Invitation for Money Market Quotes
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- Exhibit F - Opinion of General Counsel for the Borrower
 - Annex A - Legal Actions
 - Annex B - Subsidiaries and Joint Ventures
- Exhibit G - Assignment and Assumption Agreement
- Exhibit H - U.S. Tax Certificates

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT dated as of November 19, 2015, is made by and among NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, a not-for-profit cooperative association incorporated under the laws of the District of Columbia, as Borrower, the BANKS listed on the signature pages hereof, MIZUHO BANK, LTD., as Administrative Agent and as Initial Issuing Bank for the Letters of Credit issued or to be issued pursuant to this Agreement, JPMORGAN CHASE BANK, N.A., as Syndication Agent, and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., KEYBANK NATIONAL ASSOCIATION and ROYAL BANK OF CANADA, as Co-Documentation Agents.

WHEREAS, the Borrower, the several Banks, the Administrative Agent, the Syndication Agent and Co-Documentation Agents (as each is defined hereinafter) entered into a Revolving Credit Agreement dated as of October 21, 2011, as amended by Amendment No. 1 dated as of March 28, 2013, Amendment No. 2 dated as of October 28, 2013, Amendment No. 3 dated as of October 28, 2014 and Amendment No. 4 dated as of October 9, 2015 (collectively, the “Existing Credit Agreement”); and

WHEREAS, the Borrower has requested that the Banks, the Administrative Agent, the Syndication Agent and the Co-Documentation Agents agree, on the terms and conditions set forth herein, to amend and restate the Existing Credit Agreement. The Banks, Administrative Agent, Syndication Agent and Co-Documentation Agents have indicated their willingness to amend and restate the Existing Credit Agreement on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby amend and restate the Existing Credit Agreement in its entirety and the parties hereto hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. *Definitions.* The following terms, as used herein, have the following meanings:

“**1994 Indenture**” means the Indenture dated as of February 15, 1994 and as amended as of September 16, 1994 between the Borrower and U.S. Bank National Association, as trustee, as amended and supplemented from time to time, providing for the issuance in series of certain collateral trust bonds of the Borrower.

“**2007 Indenture**” means the Indenture dated as of October 25, 2007 between the Borrower and U.S. Bank National Association, as trustee, as

amended and supplemented from time to time, providing for the issuance in series of certain collateral trust bonds of the Borrower.

“**2015 Fee Letters**” means those certain Fee Letters dated October 13, 2015 among the Borrower, the Administrative Agent and the Syndication Agent.

“**2017 Aggregate Commitment**” means the aggregate amount that is equal to the sum of the amounts of each of the 2017 Commitments.

“**2017 Bank**” means at any time, any Bank that has a 2017 Commitment specified on the 2017 Commitment Schedule hereto or any Assignee thereof and any subsequent Assignee of such Assignee.

“**2017 Commitment Schedule**” means the commitment schedule attached hereto under the heading, 2017 Commitment Schedule.

“**2017 Commitment Termination Date**” means October 28, 2017 or, if such day is not a Euro-Dollar Business Day, the immediately preceding Euro-Dollar Business Day.

“**2017 Commitment**” means (i) with respect to any Bank, the amount, if any, set forth opposite the name of such Bank on the 2017 Commitment Schedule and (ii) with respect to any Bank that is an Assignee pursuant to Section 9.06(c), the amount of the transferor Bank’s commitment specified on the 2017 Commitment Schedule that is assigned to such Bank, and further, any subsequent assignment made by an Assignee to another Assignee of such amounts pursuant to Section 9.06(c), in each case as such amount may from time to time be increased or decreased from time to time in accordance with the terms and conditions of this Agreement.

“**2017 Conversion**” has the meaning set forth in Section 2.21.

“**2017 Conversion Offer**” has the meaning set forth in Section 2.21.

“**2017 Credit Exposure**” means with respect to any 2017 Bank at any time, such Bank’s Pro Rata Share of each of (i) the aggregate principal amount of the 2017 Loans outstanding at such time and (ii) the Outstanding Amount of all L/C Obligations at such time (for the avoidance of doubt, the aggregate amount of such 2017 Bank’s participation in L/C Obligations are deemed to be “held” by such 2017 Bank for purposes of this definition).

“**2017 Loan**” means a Loan made by a 2017 Bank.

“**2018 Aggregate Commitment**” means the aggregate amount that is equal to the sum of the amounts of each of the 2018 Commitments.

“**2018 Bank**” means at any time, any Bank that has a 2018 Commitment specified on the 2018 Commitment Schedule hereto and any Bank that pursuant to

the terms herein consummates a 2017 Conversion or any Assignee thereof and any subsequent Assignee of such Assignee.

“**2018 Commitment Schedule**” means the commitment schedule attached hereto under the heading, 2018 Commitment Schedule.

“**2018 Commitment Termination Date**” means November 19, 2018 or, if such day is not a Euro-Dollar Business Day, the immediately preceding Euro-Dollar Business Day.

“**2018 Commitment**” means (i) with respect to any Bank, the amount, if any, set forth opposite the name of such Bank on the 2018 Commitment Schedule and (ii) with respect to any Bank that is an Assignee pursuant to Section 9.06(c), the amount of the transferor Bank’s commitment specified on the 2018 Commitment Schedule that is assigned to such Bank, and further, any subsequent assignment made by an Assignee to another Assignee of such amounts pursuant to Section 9.06(c), in each case as such amount may from time to time be increased or decreased from time to time in accordance with the terms and conditions of this Agreement.

“**2018 Credit Exposure**” means with respect to any 2018 Bank at any time, such Bank’s Pro Rata Share of each of (i) the aggregate principal amount of the 2018 Loans outstanding at such time and (ii) the Outstanding Amount of all L/C Obligations at such time (for the avoidance of doubt, the aggregate amount of such 2018 Bank’s participation in L/C Obligations are deemed to be “held” by such 2018 Bank for purposes of this definition).

“**2018 Loan**” means a Loan made by a 2018 Bank.

“**Absolute Rate Auction**” means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

“**Adjusted London Interbank Offered Rate**” has the meaning set forth in Section 2.07(b).

“**Administrative Agent**” means Mizuho Bank, Ltd., in its capacity as administrative agent for the Banks hereunder, and its successors in such capacity.

“**Administrative Questionnaire**” means, with respect to each Bank, the administrative questionnaire in the form submitted to such Bank by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Bank.

“**Aggregate Commitment**” means the amount equal to the sum of the 2017 Aggregate Commitment and the 2018 Aggregate Commitment.

“**Agreement**” means this Amended and Restated Revolving Credit Agreement, as the same may be amended from time to time.

“**Amendment Effective Date**” means the date this Agreement becomes effective in accordance with Section 3.01.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Applicable Law**” means, with respect to any Person, any and all laws, statutes, regulations, rules, orders, injunctions, decrees, judgments, writs determinations or awards having the force or effect of binding such Person at law and issued by any Governmental Authority, applicable to such Person, including all Environmental Laws.

“**Applicable Lending Office**” means, with respect to any Bank, (i) in the case of its Base Rate Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

“**ASC 815**” means Accounting Standards Codification No. 815 Derivatives and Hedging, as amended from time to time (or any successor provision thereto).

“**ASC 830**” means Accounting Standards Codification No. 830 Foreign Currency Matters, as amended from time to time (or any successor provision thereto).

“**Assignee**” has the meaning set forth in Section 9.06(c).

“**Auto-Extension Letter of Credit**” has the meaning specified in Section 2.20(a) (iii).

“**Back-Up Letter of Credit**” has the meaning set forth in Section 2.01(b).

“**Bank**” means each bank listed on the signature pages hereof, each Assignee which becomes a Bank pursuant to Section 9.06(c), and their respective successors in interest from time to time.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided, further*, that such ownership interest does not result in or provide such Person with immunity from the

jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“**Bank Parties**” mean the Banks and the Issuing Banks.

“**Base Rate**” means, for any day, a rate per annum equal to the highest of (i) the Prime Rate for such day, (ii) the Federal Funds Rate for such day plus 0.50% and (iii) the Adjusted London Interbank Offered Rate for a one month Interest Period on such day (or if such day is not a Euro-Dollar Business Day, the immediately preceding Euro-Dollar Business Day) plus 1.00%.

“**Base Rate Loan**” means a Committed Loan that bears interest at the Base Rate pursuant to the applicable Notice of Committed Borrowing or Notice of Interest Rate Election or the last sentence of Section 2.08(a) or Article 8.

“**Base Rate Margin**” means a rate per annum determined in accordance with the Pricing Schedule.

“**Bonds**” means any bonds issued pursuant to any of the Indentures, as the context may require.

“**Borrower**” means the National Rural Utilities Cooperative Finance Corporation, a not-for-profit cooperative association incorporated under the laws of the District of Columbia, and its successors.

“**Borrowing**” has the meaning set forth in Section 1.03.

“**Cash Collateral Account**” means a deposit account or a non-interest bearing securities account (as contemplated by Section 2.20(e)) opened, or to be opened, by the Administrative Agent and in which a Lien has been granted to the Administrative Agent for the benefit of each Bank and each Issuing Bank pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and each Issuing Bank (which documents are hereby consented to by the Banks) to the extent that any Letter of Credit is required to be Cash Collateralized in accordance with this Agreement.

“**Cash Collateralize**” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of each Issuing Bank and each Bank, as collateral for the L/C Obligations, cash or deposit account balances, and “Cash Collateral” shall refer to such cash or deposit account balances.

“**Central Banking Authority**” means any central bank, reserve bank or monetary authority that is principally engaged in the regulation of the currency, money supply or commercial banking system of any given sovereign state or states.

“**Change in Law**” means (a) the adoption of any law, rule, regulation or treaty after the Effective Date, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the Effective Date or (c) compliance by any Bank Party (or, for purposes of Section 8.03(b), by its Applicable Lending Office or by such Bank Party’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Effective Date; *provided however*, that notwithstanding anything therein to the contrary, (i) any requirements imposed under the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or enacted, adopted or issued in connection therewith and (ii) any requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States financial regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law”, regardless of the date adopted, issued, promulgated or implemented, but only if any such requirements are generally applicable to (and for which reimbursement is generally being sought by the Banks in respect of) credit transactions similar to this transaction from borrowers similarly situated to the Borrower.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Co-Documentation Agents**” means The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, each in their respective capacity as documentation agent hereunder, and their respective successors in such capacity.

“**Co-Lead Arrangers**” means Mizuho Bank, Ltd., J.P. Morgan Securities LLC, The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association, and RBC Capital Markets, each in their capacity as co-lead arranger and joint bookrunner.

“**Commitment**” means (i) with respect to each 2017 Bank, such Bank’s 2017 Commitment and (ii) with respect to each 2018 Bank, such Bank’s 2018 Commitment.

“**Committed Borrowing**” means a Borrowing under Section 2.01(a).

“**Committed Loan**” means a Revolving Loan; *provided that*, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term “Committed Loan” shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

“**Commitment Termination Date**” means (i) with respect to 2017 Commitments and any 2017 Loans and any participations purchased in L/C Obligations by any 2017 Bank, the 2017 Commitment Termination Date and (ii) with respect to 2018

Commitments and any 2018 Loans and any participations purchased in L/C Obligations by any 2018 Bank, the 2018 Commitment Termination Date.

“**Confidential Information**” has the meaning set forth in Section 9.12.

“**Consolidated Entity**” means at any date any Subsidiary, and any other entity the accounts of which would be combined or consolidated with those of the Borrower in its combined or consolidated financial statements if such statements were prepared as of such date.

“**Credit Documentation**” has the meaning set forth in Section 9.15.

“**Credit Exposure**” means (i) with respect to each 2017 Bank, each such 2017 Bank’s 2017 Credit Exposure and (ii) with respect to each 2018 Bank, each such 2018 Bank’s 2018 Credit Exposure.

“**Default**” means any occurrence or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both (as specified in Section 6.01) would, unless cured or waived, become an Event of Default.

“**Defaulting Bank**” means any Bank that (a) has failed, within two Domestic Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to the Administrative Agent or any Bank Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Bank notifies the Administrative Agent and the Borrower, in writing that such failure is the result of such Bank’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower, the Administrative Agent or any Bank Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Bank’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Domestic Business Days after request by the Administrative Agent (the Administrative Agent hereby agreeing to make any such written request upon a request from the Borrower) or any Bank Party, acting in good faith, to provide a certification in writing from an authorized officer of such Bank (with a copy of such certification to be provided to the Borrower) that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, *provided* that such Bank shall cease to be a Defaulting Bank pursuant to this clause (c) upon such Bank Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or has a Parent, that has become the subject of a Bankruptcy Event.

“**Derivative Cash Settlements**” means, for any period, the line item “derivative cash settlements” as it appears on the statement of operations of the Borrower and its Consolidated Entities (or any notes thereto) for such period delivered to the Banks pursuant to Section 5.03(b), calculated in accordance with U.S. GAAP as in effect from time to time.

“**Derivatives Obligations**” of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

“**Determination Date**” has the meaning set forth in Section 5.09.

“**Dollars**” or “**\$**” refers to lawful money of the United States of America.

“**Domestic Business Day**” means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

“**Domestic Lending Office**” means, as to each Bank Party, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank Party may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent.

“**Effective Date**” means October 21, 2011.

“**Environmental Laws**” means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and governmental restrictions relating to the environment, the effect of the environment on human health or to emissions, discharges or releases of pollutants, contaminants, Hazardous Substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, Hazardous Substances or wastes or the clean-up or other remediation thereof.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“**ERISA Group**” means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not

incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414(b) or (c) of the Code or, for purposes of Section 412 of the Code, under Section 414(b), (c), (m) or (o) of the Code.

“**Euro-Dollar Business Day**” means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

“**Euro-Dollar Lending Office**” means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Administrative Agent.

“**Euro-Dollar Loan**” means a Committed Loan that bears interest at a Euro-Dollar Rate pursuant to the applicable Notice of Committed Borrowing or Notice of Interest Rate Election.

“**Euro-Dollar Margin**” means a rate per annum determined in accordance with the Pricing Schedule.

“**Euro-Dollar Rate**” means, for any day, a rate per annum determined in accordance with Section 2.07(b).

“**Euro-Dollar Reserve Percentage**” has the meaning set forth in Section 2.07(b).

“**Event of Default**” has the meaning set forth in Section 6.01.

“**Excluded Taxes**” means, with respect to any payment made by the Borrower under this Agreement or the Notes, any of the following Taxes imposed on or with respect to a Recipient:

(a) income Taxes imposed on (or measured by) net income and franchise Taxes by the United States of America, or by the jurisdiction under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Bank Party, in which its applicable lending office is located or are Other Connection Taxes, (b) any branch profits Taxes imposed by the United States of America or any similar Taxes imposed by any other jurisdiction in which the Borrower is located or are Other Connection Taxes, (c) in the case of a Non U.S. Bank Party (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any U.S. Federal withholding Taxes resulting from any law in effect on the date such Non U.S. Bank Party becomes a party to this Agreement (or designates a new lending office) or is attributable to such Non U.S. Bank Party’s failure to comply with Section 2.16(f), except to the extent that such Non U.S. Bank Party (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from

the Borrower with respect to such withholding Taxes pursuant to Section 2.16(a) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“**Existing Credit Agreement**” has the meaning set forth in first WHEREAS clause above.

“**Existing Letters of Credit**” means the letters of credit issued and outstanding under the Existing Credit Agreement as of the Amendment Effective Date and set forth in the Existing Letters of Credit Schedule hereto.

“**Facility Fee Rate**” means a rate per annum determined in accordance with the Pricing Schedule.

“**Farmer Mac**” means the Federal Agricultural Mortgage Corporation, a corporation organized and existing under the laws of the United States of America and a federally-chartered instrumentality of the United States of America and an institution of the Farm Credit System.

“**Farmer Mac Master Note Purchase Agreement**” means that certain Master Note Purchase Agreement, dated as of July 31, 2015, among Farmer Mac Mortgage Securities Corporation, a wholly owned subsidiary of Farmer Mac, Farmer Mac and the Borrower.

“**Farmer Mac Master Note Purchase Agreement Liens**” means Liens on any assets of the Borrower required to be pledged as collateral to support obligations of the Borrower with respect to any notes issued pursuant to the Farmer Mac Master Note Purchase Agreement.

“**Farmer Mac Master Note Purchase Agreement Limit**” shall be the lesser of (i) the aggregate purchase amount of notes available for purchase at any such time, without regards to whether any such notes have been purchased, pursuant to one or more supplemental note purchase agreements to the Farmer Mac Master Note Purchase Agreement in effect at such time or (ii) \$1,000,000,000.

“**Farmer Mac Master Note Purchase Agreement Obligations**” means notes issued pursuant to the Farmer Mac Master Note Purchase Agreement.

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, and any applicable intergovernmental agreements and related legislation and official administrative rules or practices with respect thereto.

“**Federal Funds Rate**” means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on

overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day; *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

“**Fixed Rate Borrowing**” means either a Euro-Dollar Borrowing or a Money Market LIBOR Borrowing.

“**Fixed Rate Loans**” means Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01) or any combination of the foregoing.

“**Foreclosed Asset**” has the meaning set forth in Section 5.12.

“**Fronting Fee**” has the meaning specified in Section 2.09(d).

“**Governmental Authority**” means any national, state, county, city, town, village, municipal or other government department, commission, board, bureau, agency, authority or instrumentality of a country or any political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative powers or functions of or pertaining to government.

“**Group of Loans**” means, at any time, a group of Loans consisting of (i) all Committed Loans which are Base Rate Loans at such time or (ii) all Euro-Dollar Loans having the same Interest Period at such time; *provided* that if a Committed Loan of any particular Bank is converted to or made as a Base Rate Loan pursuant to Article 8, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been in if it had not been so converted or made.

“**Guarantee**” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness or lease payments of any other Person or otherwise in any manner assuring the holder of any Indebtedness of, or the obligee under any lease of, any other Person through an agreement, contingent or otherwise, to purchase Indebtedness or the property subject to such lease, or to purchase goods, supplies or services primarily for the purpose of enabling the debtor or obligor to make payment of the Indebtedness or under such lease or of assuring such Person against loss, or to supply funds to or in any other manner invest in the debtor or obligor, or otherwise; *provided* that the term “**Guarantee**” shall not include endorsements for collection or deposit in the ordinary course of business. The term “**Guarantee**” when used as a verb has a correlative meaning.

“**Guaranteed Portion**” has the meaning set forth in the definition of RUS Guaranteed Loan.

“**Hazardous Substances**” means any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics.

“**Honor Date**” has the meaning specified in Section 2.20(b)(i).

“**Increased Amount Date**” has the meaning set forth in Section 2.17(b).

“**Incremental Bank**” has the meaning set forth in Section 2.17(b).

“**Incremental Commitments**” has the meaning set forth in Section 2.17(b).

“**Indebtedness**” with respect to any Person means:

(1) all indebtedness which would appear as indebtedness on a balance sheet of such Person prepared in accordance with U.S. GAAP (i) for money borrowed, (ii) which is evidenced by securities sold for money or (iii) which constitutes purchase money indebtedness;

(2) all indebtedness of others Guaranteed by such Person;

(3) all indebtedness secured by any Lien upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and

(4) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement (including any lease in the nature of a title retention agreement) with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession of such property), but only if such property is included as an asset on the balance sheet of such Person;

provided that, in computing the “**Indebtedness**” of such Person, there shall be excluded any particular indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust money (or evidences of such indebtedness) in the amount necessary to pay, redeem or satisfy such indebtedness, and thereafter such money and evidences of indebtedness so deposited shall not be included in any computation of the assets of such Person; and *provided further* that no provision of this definition shall be construed to include as “**Indebtedness**” of the Borrower or its Consolidated Entities any indebtedness by virtue of any agreement by the Borrower or its Consolidated Entities to advance or supply funds to Members.

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by the Borrower under this Agreement or the Notes and (b) to the extent not described in clause (a), Other Taxes.

“**Indenture**” means either the 1994 Indenture, the 2007 Indenture or any other Indenture that provides for borrowing on terms not materially more disadvantageous to the Borrower’s unsecured creditors than the borrowings under the 1994 Indenture or the 2007 Indenture, and “**Indentures**” means all such Indentures.

“**Initial Issuing Bank**” means Mizuho Bank, Ltd., in its capacity as initial issuing bank for the letters of credit issued or to be issued pursuant to this Agreement, and its successors in such capacity as provided in Section 2.20.

“**Initial Issuing Bank Sublimit**” means \$25,000,000. The Initial Issuing Bank Sublimit is part of, and not in addition to, the Commitment of the Initial Issuing Bank.

“**Interest Expense**” means, for any period, the line item “interest expense” as it appears on the statement of operations of the Borrower and its Consolidated Entities for such period delivered to the Banks pursuant to Section 5.03(b), calculated in accordance with U.S. GAAP as in effect from time to time.

“**Interest Period**” means: (1) with respect to each Euro-Dollar Borrowing, the period commencing on the date of such Borrowing and ending one, two, three or six months thereafter, as the Borrower may elect in the applicable Notice of Borrowing; *provided that*:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period of any Euro-Dollar Loan included in such Borrowing which would otherwise end after the Maturity Date shall, with respect to such Euro-Dollar Loan, end on such Maturity Date;

(2) with respect to each Base Rate Borrowing, the period commencing on the date of such Borrowing and ending 30 days thereafter; *provided that*:

(a) any Interest Period which would otherwise end on a day which is not a Domestic Business Day shall be extended to the next succeeding Domestic Business Day; and

(b) any Interest Period of any Base Rate Loan included in such Borrowing which would otherwise end after the Maturity Date shall, with respect to such Base Rate Loan, end on such Maturity Date;

(3) with respect to each Money Market LIBOR Borrowing, the period commencing on the date of such Borrowing and ending any whole number of months thereafter (but not less than one month) as the Borrower may elect in the applicable Notice of Borrowing; *provided* that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Commitment Termination Date shall end on the Commitment Termination Date; and

(4) with respect to each Money Market Absolute Rate Borrowing, the period commencing on the date of such Borrowing and ending such number of days thereafter (but not less than 30 days) as the Borrower may elect in the applicable Notice of Borrowing; *provided* that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Commitment Termination Date shall end on the Commitment Termination Date.

“**Interpolated Rate**” has the meaning set forth in Section 2.07(b).

“**Investments**” has the meaning set forth in Section 5.12.

“**IRS**” means the United States Internal Revenue Service.

“**ISP**” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or

such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

“**Issuer Documents**” means, with respect to any Letter of Credit, the Letter of Credit Application and any other document, agreement and instrument entered into by any Issuing Bank and the Borrower (or any Consolidated Entity of the Borrower) or in favor of any Issuing Bank and relating to any such Letter of Credit.

“**Issuing Bank**” means the Initial Issuing Bank and any Bank appointed by the Borrower (with the consent of the Administrative Agent) as such and each Person that shall become an Issuing Bank hereunder pursuant to Section 2.20(l) or Section 9.06(f). Each Issuing Bank may, with the consent of the Borrower (such consent not to be unreasonably withheld), arrange for one or more Letters of Credit to be issued by affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such affiliate with respect to Letters of Credit issued by such affiliate.

“**Joint Venture**” means any corporation, partnership, association, joint venture or other entity in which the Borrower, directly or indirectly through Subsidiaries or Joint Ventures, has an equity interest at the time of 10% or more but which is not a Subsidiary; *provided* that no Person whose only assets are RUS Guaranteed Loans and investments incidental thereto shall be deemed a Joint Venture; *provided further* that any investment by the Borrower, directly or indirectly through Subsidiaries or Joint Ventures, in (or any of their other interests in) any equity securities of Farmer Mac shall not be deemed a Joint Venture.

“**L/C Advance**” means, with respect to each Bank, such Bank’s funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

“**L/C Borrowing**” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

“**L/C Credit Extension**” means, with respect to any Letter of Credit, the issuance thereof, the extension of the expiry date thereof or the increase of the amount thereof.

“**L/C Obligations**” means, as at any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“**Letter of Credit Application**” means an application and agreement for the issuance or amendment of a Letter of Credit to be issued hereunder by any Issuing Bank in the form from time to time in use by such Issuing Bank.

“**Letter of Credit Expiration Date**” means the day that is five Domestic Business Days prior to the 2018 Commitment Termination Date.

“**Letter of Credit Fee**” has the meaning specified in Section 2.09(c).

“**Letter of Credit Sublimit**” means \$150,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the aggregate Commitments.

“**Letters of Credit**” means letters of credit issued by any Issuing Bank pursuant to Section 2.01(b) and any Existing Letters of Credit.

“**LIBOR Auction**” means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“**Lien Exception Amount**” means \$10,000,000,000 plus an amount equal to the incremental increase in the allocated amount of REDLG Obligations from the Amendment Effective Date; *provided* that the Lien Exception Amount shall at no time exceed \$12,500,000,000.

“**Loan**” means a Base Rate Loan or a Euro-Dollar Loan or a Money Market Loan in each case, made by any 2017 Bank or any 2018 Bank, as applicable and “**Loans**” means Base Rate Loans or Euro-Dollar Loans or Money Market Loans or any combination of the foregoing in each case, made hereunder by a 2017 Bank or a 2018 Bank.

“**London Interbank Offered Rate**” has the meaning set forth in Section 2.07(b).

“**Maturity Date**” means (i) with respect to any Revolving Loan, the Commitment Termination Date and (ii) with respect to any Money Market Loan, the last day of the Interest Period applicable thereto.

“**Member**” means any Person which is a member or a patron of the Borrower.

“**Members’ Subordinated Certificate**” means a note of the Borrower or its Consolidated Entities substantially in the form of the membership subordinated subscription certificates and the loan and guarantee subordinated certificates outstanding on the date of the execution and delivery of this Agreement and any other Indebtedness of the Borrower or its Consolidated Entities having substantially similar provisions as to

subordination as those contained in said outstanding membership subordinated subscription certificates and loan and guarantee subordinated certificates.

“**Money Market Absolute Rate**” has the meaning set forth in Section 2.03(d)(ii) (D).

“**Money Market Absolute Rate Loan**” means a loan to be made to the Borrower by a Bank pursuant to an Absolute Rate Auction.

“**Money Market Lending Office**” means, as to each Bank, its Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Administrative Agent; *provided* that any Bank may from time to time by notice to the Borrower and the Administrative Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

“**Money Market LIBOR Loan**” means a loan to be made to the Borrower by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Prime Rate pursuant to Section 8.01(a)).

“**Money Market Loan**” means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

“**Money Market Margin**” has the meaning set forth in Section 2.03(d).

“**Money Market Quote**” means an offer by a Bank to make a Money Market Loan in accordance with Section 2.03.

“**Moody’s**” means Moody’s Investors Service, Inc., and its successors.

“**Multiple Employer Plan**” means a single employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, which has two or more contributing sponsors, one of whom is the Borrower or a Subsidiary of the Borrower or any member of the ERISA Group, at least two of whom are not under common control, within the meaning of Section 4063 of ERISA.

“**Net Income**” means, for any period, the line item “net income” on the consolidated statement of operations of the Borrower and its Consolidated Entities, as it appears in the financial statements for such period delivered to the Banks pursuant to Section 5.03(b), and each calculated in accordance with U.S. GAAP as in effect from time to time; *provided* that non-cash adjustments (whether positive or negative) required to be made pursuant to ASC 815 and ASC 830 on each such line item shall be excluded from the calculation thereof to the extent otherwise included therein.

“**Non-Extension Notice Date**” has the meaning specified in Section 2.20(a)(iii).

“**Non-U.S. Bank Party**” means a Bank Party that is not a U.S. Person.

“**Notes**” means, to the extent requested by Bank, promissory notes of the Borrower, substantially in the form of Exhibit A hereto, evidencing the obligation of the Borrower to repay the Loans, and “**Note**” means any one of such promissory notes issued hereunder.

“**Notice of Borrowing**” means a Notice of Committed Borrowing or a Notice of Money Market Borrowing.

“**Notice of Committed Borrowing**” has the meaning set forth in Section 2.02.

“**Notice of Interest Rate Election**” has the meaning set forth in Section 2.08(a).

“**Notice of Money Market Borrowing**” has the meaning set forth in Section 2.03 (f).

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, this Agreement or the Notes, or sold or assigned an interest in this Agreement or the Notes).

“**Other Taxes**” means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or the Notes, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.18).

“**Outstanding Amount**” means with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any relevant L/C Credit Extension occurring on such date and any other changes in the aggregate amount of such L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any relevant Letters of Credit or any reductions in the maximum amount available for drawing under any relevant Letters of Credit taking effect on such date.

“**Parent**” means, with respect to any Bank, any Person as to which such Bank is, directly or indirectly, a subsidiary.

“**Participant**” has the meaning set forth in Section 9.06(b).

“**Participant Register**” has the meaning set forth in Section 9.06(b).

“**Patronage Capital Certificates**” means those certificates that evidence the portion of Net Income allocated by the Borrower among its Members in accordance with applicable cooperative principles.

“**PBGC**” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“**Performance Letter of Credit**” means any Existing Letter of Credit issued under the Existing Credit Agreement or any Letter of Credit issued under this Agreement, in each case, in order to guarantee performance under a contract.

“**Person**” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“**Plan**” means any multiemployer plan or single employer plan (including any Multiple Employer Plan), as defined in Section 4001 and subject to Title IV of ERISA, which is maintained or contributed to by, or at any time during the five calendar years preceding the date of this Agreement was maintained or contributed to by, the Borrower or a Subsidiary of the Borrower or any member of the ERISA Group.

“**Pricing Schedule**” means the Pricing Schedule attached hereto.

“**Prime Rate**” means the rate of interest announced to all of its borrowers by the Administrative Agent as its prime rate in effect at such time at its principal office; provided that if the Administrative Agent does not or ceases to announce such rate of interest, then the Prime Rate shall mean the rate of interest published by the Wall Street Journal from time to time as the “Prime Rate”.

“**Pro Rata Share**” means, with respect to each Bank at any time, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitment of such Bank and the denominator of which is the total amount of the Commitments, subject to adjustment as provided in Section 2.19 (a)(iv); *provided* that if the commitment of each Bank to make Revolving Loans and the obligation of each Issuing Bank to make L/C Credit Extensions have been terminated pursuant to Sections 2.10 or 6.01, then the Pro Rata Share of each Bank shall be determined based on the Pro Rata Share of such Bank immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

“**Qualified Subordinated Indebtedness**” means the Borrower’s (i) 4.75% Subordinated Deferrable Interest Notes due 2043 and (ii) any other Indebtedness of the Borrower having substantially similar terms as to subordination as those contained in the instruments and documents relating to the foregoing Indebtedness or that would be junior

to any of the foregoing; *provided* that such Indebtedness (a) will not mature prior to the Maturity Date and (b) does not require payments of principal prior to the Commitment Termination Date, except pursuant to acceleration or at the option of the Borrower.

“**Recipient**” means, as applicable, (a) the Administrative Agent, (b) any Bank and (c) the Issuing Bank.

“**REDLG Program Liens**” means Liens on any asset of the Borrower required to be pledged as collateral to support obligations of the Borrower with respect to any government Guarantee provided pursuant to regulations issued under the Rural Electrification Act of 1936, 7 U.S.C. 901 et. seq., and the Food, Conservation and Energy Act of 2008, Pub. L. 110-234 Stat. 923 (“**REDLG Obligations**”) so long as such Guarantee supports long-term Indebtedness issued by the Borrower and permitted by Section 5.09.

“**REDLG Obligations**” has the meaning set forth in the definition of REDLG Program Liens.

“**Regulation U**” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Regulation X**” means Regulation X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Reportable Event**” means an event described in Section 4043(c) of ERISA or regulations promulgated by the Department of Labor thereunder (with respect to which the 30 day notice requirement has not been waived by the PBGC).

“**Required Banks**” means, subject to Section 2.19, at any time Banks having at least 51% of the sum of (i) the aggregate amount of the unused Commitments, (ii) the aggregate principal outstanding amount of the Loans and (iii) the Outstanding Amount of all L/C Obligations (with the aggregate amount of each Bank’s participation in L/C Obligations deemed “held” by such Bank for purposes of this definition).

“**Responsible Officer**” means (i) with respect to the Borrower, the Chief Financial Officer, the Chief Executive Officer, the Chief Operating Officer, an Assistant Secretary-Treasurer, the Controller, the Vice President, Capital Markets Relations or, in each case, an authorized signatory of such Person and (ii) with respect to any other Person, the president, any vice-president, the chief financial officer, any assistant-treasurer or, in each case, an authorized signatory of such Person.

“**Revolving Credit Period**” means the period from and including the Effective Date to but excluding (x) in the case of the 2017 Commitments, the 2017 Commitment Termination Date and (y) in the case of the 2018 Commitments, the 2018 Commitment Termination Date.

“**Revolving Loan**” means a loan made by a Bank pursuant to Section 2.01(a).

“**RUS**” means the Rural Utilities Service of the Department of Agriculture of the United States of America (as successor to the Rural Electrification Administration of the Department of Agriculture of the United States of America) or any other regulatory body which succeeds to its functions.

“**RUS Guaranteed Loan**” means any loan made by any Person, which loan is guaranteed, in whole or in part, as to principal and interest by the United States of America through the RUS pursuant to a guarantee, which guarantee contains provisions no less favorable to the holder thereof than the provisions set forth in the form of Exhibit B-1 or Exhibit B-2 hereto; and “**Guaranteed Portion**” of any RUS Guaranteed Loan means that portion of principal of, and interest on, such RUS Guaranteed Loan which is guaranteed by the United States of America through the RUS.

“**S&P**” means Standard and Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

“**Sanctioned Country**” means, at any time, a country or territory which is the subject or target of any Sanctions.

“**Sanctioned Person**” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or any other U.S. Governmental Authority, as may be amended, supplemented or substituted from time to time, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“**Securities and Exchange Commission**” means the Securities and Exchange Commission or any other U.S. federal governmental authority succeeding to any or all of the functions of the Securities and Exchange Commission.

“**Special Purpose Subsidiary**” has the meaning set forth in Section 5.12.

“**Standby Letter of Credit**” means any Letter of Credit issued under this Agreement, other than (i) a Trade Letter of Credit, (ii) a Performance Letter of Credit or (iii) a Backup Letter of Credit in support of either a performance letter of credit or a trade letter of credit issued by the Borrower.

“**Start-up Investments**” has the meaning set forth in Section 5.12.

“**Subsidiary**” of any Person means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through its Subsidiaries, and (ii) any other Person in which such Person directly or indirectly through Subsidiaries has more than a 50% voting and equity interest; *provided* that no Person whose only assets are RUS Guaranteed Loans and investments incidental thereto shall be deemed a Subsidiary.

“**Superior Indebtedness**” means all Indebtedness of the Borrower and its Consolidated Entities (other than Members’ Subordinated Certificates and Qualified Subordinated Indebtedness), but excluding (i) Indebtedness of the Borrower or any of its Consolidated Entities to the extent that the proceeds of such Indebtedness are used to fund Guaranteed Portions of RUS Guaranteed Loans and (ii) any indebtedness of any Member Guaranteed by the Borrower or any of its Consolidated Entities (“**Guaranteed Indebtedness**”), to the extent that either (x) the long-term unsecured debt of such Member is rated at least BBB+ by S&P or Baal by Moody’s, (y) the long-term secured debt of such Member is rated at least A- by S&P or A3 by Moody’s or (z) the payment of principal and interest by the Borrower or any of its Consolidated Entities in respect of such Guaranteed Indebtedness is covered by insurance or reinsurance provided by an insurer having an insurance financial strength rating of AAA by S&P or a financial strength rating of Aaa by Moody’s.

“**Syndication Agent**” means JPMorgan Chase Bank, N.A., in its capacity as Syndication Agent hereunder, and its successors in such capacity.

“**Taxes**” means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**TIER**” means, for any period, the ratio of (x) Net Income *plus* Interest Expense *plus* Derivative Cash Settlements to (y) Interest Expense *plus* Derivative Cash Settlements, in each case for such period.

“**Trade Letter of Credit**” means any Existing Letter of Credit issued under the Existing Credit Agreement or any Letter of Credit issued under this Agreement, in each case, for the benefit of a supplier of goods or services to effect payment for such goods or services.

“**Type**” refers to whether a Loan is a Base Rate Loan, a Euro-Dollar Loan, a Money Market Absolute Rate Loan or a Money Market LIBOR Loan.

“**Unreimbursed Amount**” has the meaning specified in Section 2.20(b)(i).

“**U.S. GAAP**” means the generally accepted accounting principles as promulgated, from time to time, by the Financial Accounting Standards Board.

“**U.S. Person**” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“**U.S. Tax Certificate**” has the meaning assigned to such term in Section 2.16(f)(ii)(D)(2).

“**Withholding Agent**” means the Borrower and the Administrative Agent.

Section 1.02. *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made and all financial statements required to be delivered hereunder shall be prepared in accordance with U.S. GAAP as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower’s independent public accountants) with the most recent audited financial statements of the Borrower and its Consolidated Entities delivered to the Bank Parties.

Section 1.03. *Types of Borrowings.* The term “**Borrowing**” denotes the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article 2 on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (*e.g.*, a “**Euro-Dollar Borrowing**” is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article 2 under which participation therein is determined (*i.e.*, a “**Revolving Borrowing**” is a Borrowing under Section 2.01(a) in which all Banks participate in proportion to their Commitments, while a “**Money Market Borrowing**” is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith). All Loans and all Borrowings, including with respect to their respective Interest Periods, under the Existing Credit Agreement, if any, are listed on the Existing Commitment Schedule, that are outstanding on the Amendment Effective Date shall become Loans and Borrowings with the same Interest Period under this Agreement.

Section 1.04. *Letter of Credit.* Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the stated face amount of such Letter of Credit in effect at such time; *provided, however,* that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed the maximum stated amount of such Letter of Credit after giving effect to all increases or decreases, as applicable, thereof, whether or not such maximum face amount is in effect at such time. All Existing Letters of Credit issued and outstanding on the Amendment Effective Date shall be deemed to be Letters of

Credit under this Agreement and from and after the Amendment Effective Date shall be subject to and governed by the terms and conditions hereof.

ARTICLE 2
THE CREDITS

Section 2.01. *Commitments to Lend and Issue Letters of Credit.* (a) *Revolving Loans.* During the Revolving Credit Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that the sum of (x) the aggregate principal amount of Revolving Loans by such Bank at any one time outstanding *plus* (y) such Bank's Pro Rata Share of the Outstanding Amount of all L/C Obligations shall not exceed the amount of its Commitment. Each Borrowing shall be in an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the maximum aggregate amount available in accordance with Section 3.03(d)) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, repay or, to the extent permitted by Section 2.12, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section. All Loans will be made by all Banks (pro rata between the 2017 Banks and 2018 Banks) in accordance with their Pro Rata Share of the Aggregate Commitments until the 2017 Commitment Termination Date; thereafter, all Loans will be made by the 2018 Banks in accordance with their Pro Rata Share of the 2018 Aggregate Commitments until the 2018 Commitment Termination Date, and in each case subject to the limitations set forth in Section 3.03(d).

(b) *Letters of Credit.* Subject to the terms and conditions set forth herein, (i) each Issuing Bank agrees, in reliance upon the agreements of the other Banks set forth in Section 2.20, (A) from time to time on any Domestic Business Day during the period from the Amendment Effective Date until the Letter of Credit Expiration Date, to make L/C Credit Extensions either (i) for the account of the Borrower, its Consolidated Entities, its Members or members of its Consolidated Entities or (ii) in support of a letter of credit issued by the Borrower as a back-up confirmation or backup credit support of such letter of credit ("**Back-Up Letter of Credit**"), and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.20(a)(i) and (ii), and (B) to honor drawings under the Letters of Credit issued by it; and (ii) the Banks severally agree to participate in Letters of Credit issued for the account of the Borrower, its Consolidated Entities, its Members or members of its Consolidated Entities and any L/C Borrowings thereunder; *provided* that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (1) the sum of (x) the aggregate principal amount of Revolving Loans of any Bank, *plus* (y) such Bank's Pro Rata Share of the Outstanding Amount of all L/C Obligations shall not exceed such Bank's Commitment, (2) the Outstanding Amount of all L/C Obligations shall not exceed the Letter of Credit Sublimit and (3) the Outstanding Amount of all L/C Obligations of each Initial Issuing Bank shall not exceed the

Initial Issuing Bank Sublimit of such Initial Issuing Bank unless otherwise agreed by such Initial Issuing Bank; *provided, further* that the 2017 Banks agreement to purchase participations in Letters of Credit shall be limited to their Pro Rata Share of any Letters of Credit with an expiration date that is no later than five Domestic Business Days prior to the 2017 Commitment Termination Date and is otherwise subject to the limitations set forth in Section 3.03(d). Each request by the Borrower for the issuance of, or an amendment to increase the amount of, any Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the condition set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. Notwithstanding anything to the contrary herein, no Issuing Bank shall issue any Letter of Credit other than a Standby Letter of Credit.

(c) *Letters of Credit Generally.* (i) No Issuing Bank shall issue any Letter of Credit if the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Banks have approved such expiry date; provided that in no event shall the expiry date of any requested Letter of Credit occur on or after the Domestic Business Day immediately preceding the Commitment Termination Date.

(ii) No Issuing Bank shall be under any obligation to make any L/C Credit Extension if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any Applicable Law applicable to such Issuing Bank or any request or directive (whether or not having the force of law, but if not having the force of law, being a request or directive which is generally complied with by comparable financial institutions) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that the Issuing Bank refrain from the issuance of Letters of Credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Amendment Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Amendment Effective Date and which such Issuing Bank in good faith reasonably deems material to it; *provided, however*, that in the

event a Bank Party participating in the Letters of Credit is not affected by any such restriction, requirement or imposition, and is able to issue such Letter of Credit and expressly agrees in its sole discretion to issue such Letter of Credit, such Bank Party, subject to the consent of the Administrative Agent, such consent not to be unreasonably withheld, conditioned or delayed, shall issue such Letter of Credit and shall be deemed the Issuing Bank with regard to such Letter of Credit for all purposes of this Agreement;

(B) the making of such L/C Credit Extension would violate any Applicable Laws;

(C) except as otherwise agreed by the Administrative Agent and such Issuing Bank, such Letter of Credit is in an initial face amount less than \$25,000;

(D) such L/C Credit Extension is to be denominated in a currency other than Dollars;

(E) such L/C Credit Extension contains any provisions for automatic reinstatement of the stated amount after any L/C Borrowing thereunder; or

(F) a default of any Bank's obligations to fund under Section 2.20 exists, or any Bank is then a Defaulting Bank, unless, after giving effect to Section 2.19(a)(iv)) with respect to such Bank, such Issuing Bank has entered into satisfactory arrangements, including the delivery of Cash Collateral satisfactory to the Issuing Bank (in its sole discretion) with the Borrower or such Bank to eliminate such Issuing Bank's risk.

(iii) No Issuing Bank shall be under the obligation to amend any Letter of Credit if (A) such Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

Section 2.02. *Notice of Committed Borrowings.* The Borrower shall give the Administrative Agent notice (a “**Notice of Committed Borrowing**”) not later than 12:00 noon (New York City time) on (x) the date of such Borrowing, in the case of each Base Rate Borrowing, and (y) the third Euro-Dollar Business Day before such Borrowing, in the case of each Euro-Dollar Borrowing, specifying:

(a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Base Rate Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

- (b) the aggregate principal amount of such Borrowing,
- (c) whether the Loans comprising such Borrowing are to bear interest initially at the Base Rate or a Euro-Dollar Rate, and
- (d) in the case of a Euro-Dollar Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

Notwithstanding the foregoing, no more than 15 Fixed Rate Borrowings shall be outstanding at any one time, and any Borrowing which would exceed such limitation shall be made as a Base Rate Borrowing.

Section 2.03. *Money Market Borrowings.* (a) In addition to Committed Borrowings pursuant to Section 2.01(a), the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) *Money Market Quote Request.* When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Administrative Agent by facsimile transmission or other electronic submission a Money Market Quote Request substantially in the form of Exhibit C hereto so as to be received no later than 10:00 A.M. (New York City time) on (x) the fourth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

- (i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,
- (ii) the aggregate amount of such Borrowing, which shall be \$10,000,000 or any larger multiple of \$1,000,000,
- (iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and
- (iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within four Euro-Dollar Business Days (or such other number of days as the Borrower and the Administrative Agent may agree) of any other Money Market Quote Request.

(c) *Invitation for Money Market Quotes.* Promptly upon receipt of a Money Market Quote Request, the Administrative Agent shall send to the Banks by facsimile transmission or other electronic submission an Invitation for Money Market Quotes substantially in the form of Exhibit D hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) *Submission and Contents of Money Market Quotes.* (i) Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by facsimile transmission or other electronic submission at its offices specified in or pursuant to Section 9.01 not later than (x) 9:30 A.M. (New York City time) on the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); *provided* that Money Market Quotes submitted by the Administrative Agent (or any affiliate of the Administrative Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Administrative Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than (x) 8:30 A.M. (New York City time) on the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:15 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction. Subject to Articles 3 and 6, any Money Market Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit E hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount

(w) may be greater than or less than the Commitment of the quoting Bank, (x) must be \$1,000,000 or any larger multiple thereof, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the “**Money Market Margin**”) offered for each such Money Market Loan, expressed as a percentage (rounded to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (rounded to the nearest 1/10,000th of 1%) (the “**Money Market Absolute Rate**”) offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit E hereto or does not specify all of the information required by subsection (d)(ii),

(B) contains qualifying, conditional or similar language,

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes, or

(D) arrives after the time set forth in subsection (d)(i).

(e) *Notice to Borrower.* The Administrative Agent shall promptly notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Administrative Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote.

The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) *Acceptance and Notice by Borrower.* Not later than 10:30 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a "**Notice of Money Market Borrowing**") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; *provided* that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request,

(ii) the aggregate principal amount of each Money Market Borrowing must be \$10,000,000 or any larger multiple of \$1,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) *Allocation by Agent.* If offers are made by two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Banks as nearly as possible (in such multiples, not greater than \$100,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers.

Determinations by the Administrative Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

Section 2.04. *Notice to Banks; Funding of Loans.* (a) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Bank on the same Domestic Business Day of the contents thereof and of such Bank's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 2:00 P.M. (New York City time) on the date of each Borrowing, each Bank participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will thereafter make the funds so received from the Banks available to the Borrower at the Administrative Agent's aforesaid address, *provided, however*, that the Administrative Agent shall first make a portion of such funds equal to the aggregate principal amount of any L/C Borrowings made by any Issuing Bank and by any Bank, as the case may be, and outstanding on the date of such Borrowing, *plus* interest accrued and unpaid thereon to and as of such date, available to such Issuing Bank or such other Bank, as the case may be, for repayment of such L/C Borrowing.

(c) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Administrative Agent as provided in subsection (b), or remitted by the Borrower to the Administrative Agent as provided in Section 2.13, as the case may be.

(d) Unless the Administrative Agent shall have been notified by any Bank prior to the date of Borrowing (or prior to 2:00 P.M. (New York City time) on the date of Borrowing in the case of a Base Rate Borrowing) that such Bank does not intend to make available to the Administrative Agent such Bank's portion of the Borrowing to be made on such date, the Administrative Agent may assume that such Bank has made such amount available to the Administrative Agent on such date and the Administrative Agent may (but shall have no obligation to), in reliance upon such assumption, make available to the Borrower a corresponding amount, subject to the provisions of subsection (c). If such corresponding amount is not in fact made available to the Administrative Agent by such Bank, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Bank. If such Bank does not pay such corresponding amount

forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall promptly pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Bank or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (x) in the case of a Bank, the Federal Funds Rate for each such day and (y) in the case of the Borrower, the then applicable rate for Base Rate Loans, Euro-Dollar Loans or Money Market Loans, as appropriate. Nothing herein shall be deemed to relieve any Bank from its obligation to fulfill its Commitment hereunder or to prejudice any rights which the Borrower may have against any Bank as a result of any default by such Bank hereunder. For purposes of this subsection (d), no amount paid to the Administrative Agent hereunder shall be considered to have been recovered by the Administrative Agent on the date of payment unless such amount shall have been received by the Administrative Agent by 2:30 P.M. (New York City time) on such date.

Section 2.05. *Notes.* (a) Any Bank Party may request that the Loans and/or L/C Borrowings of such Bank be evidenced by a single Note payable to the order of such Bank Party for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank Party's Loans and/or L/C Borrowings.

(b) Each Bank Party that has requested that its Loans and/or L/C Borrowings be evidenced by a Note may, by notice to the Borrower and the Administrative Agent, request that its Loans and/or L/C Borrowings of a particular Type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans and/or L/C Borrowings. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans and/or L/C Borrowings of the relevant Type. Each reference in this Agreement to the "Note" of such Bank Party shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon the Administrative Agent's receipt of each Note that was requested by a Bank Party pursuant to Section 3.01(b), the Administrative Agent shall forward such Note to such Bank Party. Each Bank Party shall record the date, amount, type and maturity of each Loan and/or L/C Borrowings made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank Party so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan and/or L/C Borrowings then outstanding; *provided* that the failure of

any Bank Party to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank Party is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

(d) Any Note evidencing a Loan (as such term is defined in the Existing Credit Agreement) made prior to the Amendment Effective Date may be exchanged upon request of the relevant Bank, made through the Administrative Agent, and simultaneous surrender of such Note to the Borrower through the Administrative Agent in exchange for one or more new Notes evidencing the 2017 Loans and the 2018 Loans, respectively, outstanding hereunder, if any, as of the Amendment Effective Date.

Section 2.06. *Maturity of Loans.* Each Loan hereunder shall mature, and the principal amount thereof shall be due and payable on the Maturity Date with respect to such Loan.

Section 2.07. *Interest Rates.* (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate plus the applicable Base Rate Margin for such day. Such interest shall be payable for each Interest Period on the last day thereof and, with respect to the principal amount of any Base Rate Loan that is prepaid or converted to a Euro-Dollar Loan, on the date of such prepayment or conversion. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, three months after the first day thereof and, with respect to the principal amount of any Euro-Dollar Loan that is prepaid or converted to a Base Rate Loan, on the date of such prepayment or conversion.

The “**Adjusted London Interbank Offered Rate**” applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The “**London Interbank Offered Rate**” applicable to any Interest Period means the rate appearing on pages LIBOR01 or LIBOR02 of the Reuters screen

that displays such rate (or on any successor or substitute page of such Reuters Service, or if the Reuters Service ceases to be available, any successor to or substitute for such Reuters Service, providing rate quotations comparable to those currently provided on such page of such Reuters Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days prior to the commencement of such Interest Period, as the rate for the offering of dollar deposits with a maturity comparable to such Interest Period; *provided*, that if such rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; *provided further*, that if the London Interbank Offered Rate is not available for such Interest Period, then the applicable London Interbank Offered Rate shall be the Interpolated Rate. “**Interpolated Rate**” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the London Interbank Offered Rate) reasonably determined by the Administrative Agent (which determination shall be conclusive absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the London Interbank Offered Rate for the longest period (for which the London Interbank Offered Rate is available) that is shorter than the Interest Period and (b) the London Interbank Offered Rate for the shortest period (for which the London Interbank Offered Rate is available) that exceeds the Interest Period; *provided* that, if the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means still do not exist for ascertaining the Interpolated Rate, then the Administrative Agent shall give written notice thereof to the Borrower and the Banks as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i) any interest election request that requests the conversion of any Base Rate Loan to, or continuation of any Euro-Dollar Loan as, a Euro-Dollar Loan shall be ineffective and (ii) if any Loan requests a Euro-Dollar Loan, such Borrowing shall be made as a Base Rate Loan.

“**Euro-Dollar Reserve Percentage**” means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion Dollars in respect of “Eurocurrency liabilities” (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(c) Any overdue principal of or interest on any Euro-Dollar Loan and any other overdue amount payable hereunder (other than in respect of any Money Market Loan as provided in the following paragraph) shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 2% plus (i) in the case of principal, the rate otherwise applicable to Euro-Dollar Loans for such day or (ii) in the case of interest and any other overdue amount payable hereunder (other than in respect of any Money Market Loan as provided in the following paragraph), the sum of the Base Rate plus the applicable Base Rate Margin for such day.

(d) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07 (b)) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Prime Rate for such day.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

Section 2.08. *Method of Electing Interest Rates.* (a) The Loans included in each Committed Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Committed Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject to Section 2.08(d) and the provisions of Article 8), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day;

(ii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans as of any Domestic

Business Day, subject to Section 2.14 if any such conversion is effective on any day other than the last day of an Interest Period applicable to such Loans, or may elect to continue such Loans as Euro-Dollar Loans, as of the end of any Interest Period applicable thereto, for an additional Interest Period.

Each such election shall be made by delivering a notice (a “**Notice of Interest Rate Election**”) to the Administrative Agent not later than 10:30 A.M. (New York City time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; *provided* that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) such portion, and the remaining portion to which such Notice does not apply, are each at least \$10,000,000 (unless such portion is comprised of Base Rate Loans). If no such notice is timely received before the end of an Interest Period for any Group of Euro-Dollar Loans, the Borrower shall be deemed to have elected that such Group of Loans be converted to Base Rate Loans at the end of such Interest Period.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of Section 2.08(a);

(iii) if the Loans comprising such Group are to be converted to Euro-Dollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Promptly after receiving a Notice of Interest Rate Election from the Borrower pursuant to Section 2.08(a), the Administrative Agent shall notify each Bank of the contents thereof and such notice shall not thereafter be revocable by the Borrower.

(d) The Borrower shall not be entitled to elect to convert any Committed Loans to, or continue any Committed Loans for an additional Interest Period as, Euro-Dollar Loans if (i) the aggregate principal amount of any Group of Euro-Dollar Loans created or continued as a result of such election would be less than \$10,000,000 or (ii) a Default shall have occurred and be continuing when the Borrower delivers notice of such election to the Administrative Agent.

(e) If any Committed Loan is converted to a different Type of Loan, the Borrower shall pay, on the date of such conversion, the interest accrued to such date on the principal amount being converted.

Section 2.09. *Fees.* (a) *Facility Fee.* Subject to Section 2.19(a)(i), the Borrower shall pay to the Administrative Agent for the account of each Bank facility fees accruing at the Facility Fee Rate on the daily average amount of such Bank's Commitment (whether used or unused), for the period from and including the Amendment Effective Date to but excluding the date such Bank's Commitment is terminated; *provided* that, if such Bank continues to have any Committed Loans outstanding after its Commitment terminates, then such facility fee shall continue to accrue on the daily outstanding principal amount of such Bank's Committed Loans from and including the date on which its Commitment terminates to but excluding the date on which such Bank ceases to have any Committed Loans outstanding. Accrued facility fees shall be payable on each January 1, April 1, July 1, and October 1 and on the date the Commitment of such Bank is terminated (and, if later, on the date the Loans of such Bank shall be repaid in their entirety); *provided* that any facility fees accruing after the first anniversary of the Commitment Termination Date shall be payable on demand.

(b) *Agents' Fees.* The Borrower shall pay to the Administrative Agent and the Syndication Agent, each for its own account, one or more fees in such amounts and at such times as has been previously agreed in writing between the Borrower and each of them.

(c) *Letter of Credit Fees.* Upon the issuance of each Letter of Credit pursuant to Section 2.01(b) and until termination, cancellation or expiration of such Letter of Credit, subject to Section 2.19(a)(iv), the Borrower agrees to pay to the Administrative Agent for the account of each Bank in accordance with its Pro Rata Share a Letter of Credit fee (the "**Letter of Credit Fee**") for each Letter of Credit equal to a rate per annum equal to the Euro-Dollar Margin in effect from time to time. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears on the basis of the actual number of days elapsed in a year of 360 days (including the first day but excluding the last day), as pro-rated for any partial quarter, as applicable, and (ii) subject to Section 2.19(a)(ii), due and payable on each January 1, April 1, July 1 and October 1, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. Notwithstanding anything to the

contrary contained herein, upon the request of the Required Banks, while any payment-related Event of Default exists, all Letter of Credit Fees shall accrue at a rate per annum equal to the Euro-Dollar Margin plus 2%.

(d) *Fronting Fee and Documentary and Processing Charges Payable to Issuing Banks, Etc.* The Borrower shall pay directly to the relevant Issuing Bank for its own account a fronting fee with respect to each Letter of Credit issued hereunder on the average daily maximum amount available to be drawn under such Letter of Credit in an amount to be agreed between the Borrower and the applicable Issuing Bank of the L/C Obligations (whether or not such maximum amount is then in effect under such Letter of Credit) (the “**Fronting Fee**”). The Fronting Fee shall be computed on a quarterly basis in arrears on the basis of the actual number of days elapsed in a year of 360 days (including the first day but excluding the last day), as pro-rated for any partial quarter, as applicable, and shall be due and payable on each January 1, April 1, July 1 and October 1, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. In addition, the Borrower shall, with respect to all Letters of Credit issued at its request, pay directly to each Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(e) *Amendment Fees.* The Borrower agrees to pay to the Administrative Agent for the account of each 2018 Bank on the Amendment Effective Date the upfront fees required to be paid on such date, as set forth in the 2015 Fee Letters.

Section 2.10. *Optional Termination or Reduction of Commitments.* During the Revolving Credit Period, the Borrower may, upon at least three Domestic Business Days’ notice to the Administrative Agent (which notice the Administrative Agent will promptly deliver to the Banks), (i) terminate all 2017 Commitments at any time, if no 2017 Loans are outstanding at such time, (ii) terminate all Commitments at any time, if no Loans are outstanding at such time or (iii) ratably reduce from time to time by an aggregate amount of \$10,000,000 or any larger multiple of \$1,000,000, the aggregate amount of the 2017 Commitments, the 2018 Commitments or the Commitments in excess of the aggregate outstanding principal amount of the Loans.

Section 2.11. *Mandatory Termination of Commitments.* The Commitments shall terminate on the Commitment Termination Date.

Section 2.12. *Optional Prepayments.* (a) Subject in the case of Euro-Dollar Loans to Section 2.14, the Borrower may (i) on any Domestic Business Day, upon notice to the Administrative Agent, prepay any Group of Base Rate

Loans (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a) or (ii) upon at least three Euro-Dollar Business Days' notice to the Administrative Agent, prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$10,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment; provided that prior to the 2017 Commitment Termination Date, to the extent an applicable Group of Loans contains both 2017 Loans and 2018 Loans, any such optional prepayment shall be applied to the 2017 Loans and 2018 Loans in such Group of Loans on a pro rata basis; and provided further if the Borrower desires to terminate all 2017 Commitments in accordance with Section 2.10(i), the Borrower may prepay all 2017 Loans outstanding at such time and upon such prepayment, terminate the 2017 Commitments in accordance with 2.10 (i). Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Group of Loans (or such Money Market Borrowing).

(b) Except as provided in Section 2.12(a), the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

Section 2.13. *General Provisions as to Payments.* (a) The Borrower shall make each payment of principal of, and interest on, the Loans or L/C Obligations and of fees hereunder, not later than 1:00 P.M. (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01. The Administrative Agent will promptly distribute to each Bank Party its ratable share of each such payment received by the Administrative Agent for the account of the Bank Parties. Whenever any payment of principal of, or interest on, the Base Rate Loans or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or interest on, the Euro-Dollar Loans or Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Bank Parties hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall have no obligation to), in reliance upon such assumption, cause to be distributed to each Bank Party on such due date an amount equal to the amount then due such Bank Party. If and to the extent that the Borrower shall not have so made such payment, each Bank Party shall repay to the Administrative Agent forthwith on demand such amount distributed to such Bank Party together with interest thereon, for each day from the date such amount is distributed to such Bank Party until the date such Bank Party repays such amount to the Administrative Agent, at the Federal Funds Rate.

Section 2.14. *Funding Losses.* If the Borrower makes any payment of principal with respect to any Fixed Rate Loan or any Fixed Rate Loan is converted to a different type of Loan (whether such payment or conversion is pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of the Interest Period applicable thereto, or the end of an applicable period fixed pursuant to Section 2.07(c), or if the Borrower fails to borrow, prepay, convert or continue any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.04(a), 2.08(c) or 2.12(c) the Borrower shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by it (or by an existing Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue; *provided* that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, setting forth in reasonable detail the calculation thereof, which certificate shall be conclusive in the absence of manifest error.

Section 2.15. *Computation of Interest and Fees.* Interest based on the Prime Rate and fees pursuant to Section 2.09(a) hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.16. *Taxes.* (a) *Withholding of Taxes; Gross-Up.* Each payment by the Borrower under this Agreement or the Notes shall be made without withholding for any Taxes, unless such withholding is required by any law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant

Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by the Borrower shall be increased as necessary so that, net of such withholding (including withholding applicable to additional amounts payable under this Section), the applicable Recipient receives the amount it would have received had no such withholding been made.

(b) *Payment of Other Taxes by the Borrower.* The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) *Indemnification by the Borrower.* The Borrower shall indemnify each Recipient for any Indemnified Taxes that are paid or payable by such Recipient in connection with this Agreement or the Notes (including amounts paid or payable under this Section 2.16(d)) and any reasonable expenses arising therefrom or with respect thereto (other than penalties and interest incurred as a result of the gross negligence or willful misconduct of the Administrative Agent or Bank Party), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.16(d) shall be paid within 10 days after the Recipient delivers to the Borrower a certificate stating the amount of any Indemnified Taxes so paid or payable by such Recipient and describing, in reasonable detail, the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Administrative Agent.

(e) *Indemnification by the Bank Parties.* Each Bank Party shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so) attributable to such Bank Party that are paid or payable by the Administrative Agent in connection with this Agreement and the Notes and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.16(e) shall be paid within 10 days after the Administrative Agent delivers to the applicable Bank Party a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(f) *Status of Bank Parties.* (i) Any Bank Party that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under this Agreement or the Notes shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Bank Party, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Bank Party is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(f)(ii)(A) through (E) below) shall not be required if in the Bank Party's judgment such completion, execution or submission would subject such Bank Party to any material unreimbursed cost or expense (or, in the case of a Change in Law, any incremental material unreimbursed cost or expense) or would materially prejudice the legal or commercial position of such Bank Party. Upon the reasonable request of such Borrower or the Administrative Agent, any Bank Party shall update any form or certification previously delivered pursuant to this Section 2.16(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Bank Party, such Bank Party shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Bank Party with respect to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Bank Party becomes a party hereto and from time to time thereafter as reasonably requested by Borrower or the Administrative Agent, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Bank Party that is a U.S. Person, IRS Form W-9 certifying that such Bank Party is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Bank Party claiming the benefits of an income tax treaty to which the United States is a

party (1) with respect to payments of interest under any this Agreement or the Notes, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (2) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(C) in the case of a Non-U.S. Bank Party for whom payments under this Agreement constitute income that is effectively connected with such Bank Party’s conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Bank Party claiming the benefits of the exemption for portfolio interest under Section 881 (c) of the Code both (1) IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, and (2) a certificate substantially in the form of Exhibit H (a “**U.S. Tax Certificate**”) to the effect that such Bank Party is not (a) a “bank” within the meaning of Section 881 (c)(3)(A) of the Code, (b) a member of the Borrower does not exercise voting power over Borrower or is not a “10 percent shareholder” of the Borrower within the meaning of Section 881(c) (3)(B) of the Code (c) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Bank Party that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Bank Party) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f) (ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Bank Party; provided, however, that if the Bank Party is a partnership and one or more of its direct or indirect partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Bank Party may provide a U.S. Tax Certificate on behalf of such direct or indirect partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation

necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Bank Party under this Agreement or the Notes would be subject to U.S. Federal withholding Tax imposed by FATCA if such Bank Party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank Party shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Bank Party has or has not complied with such Bank Party's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.16(f)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.16 (including additional amounts paid pursuant to this Section 2.16), it shall pay the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made, under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.16(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.16(g) if such payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.16(g) shall not be construed to require indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(h) *FATCA*. For purposes of determining withholding Taxes imposed under FATCA, from and after the Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Banks hereby authorize the Administrative Agent to treat) the Agreement as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(i) *Survival*. Each party’s obligations under this Section 2.16 shall survive any assignment of rights by, or the replacement of, a Bank Party, the termination of the Commitments and the repayment, satisfaction or discharge of all other obligations under this Agreement or the Notes.

Section 2.17. *Increase of Commitments*. (a) Upon at least five days’ prior notice to the Administrative Agent (which notice the Administrative Agent shall promptly transmit to each of the Banks), the Borrower shall have the right, subject to the terms and conditions set forth below, to increase the aggregate amount of the Commitments in multiples of \$5,000,000; *provided* that (i) such increase may be effected by increasing the 2017 Commitment, the 2018 Commitment or any combination of the foregoing, so long as such increase satisfies all terms and conditions herein, including, but not limited to, this Section 2.17, (ii) the amount of such increase when added to the aggregate amount of all such prior increases in the Commitments hereunder (including by way of creating new Commitments), on or after the Amendment Effective Date, does not exceed the sum of \$500,000,000 and the amount of any Commitments terminated by the Borrower pursuant to Section 2.19(c) and (iii) the total aggregate amount of Commitments hereunder does not, at any time, exceed \$2,200,000,000.

(b) Any such increase in the Commitments (the “**Incremental Commitments**”) hereunder shall apply, at the option of the Borrower, (x) to the Commitment of one or more Banks; *provided* that (i) the Administrative Agent, each Issuing Bank and each Bank the Commitment of which is to be increased shall consent to such increase, (ii) the amount set forth on the Commitment Schedule opposite the name of each Bank the Commitment of which is being so increased shall be amended to reflect the increased Commitment of such Bank and (iii) if any Committed Loans are outstanding at the time of such an increase, the Borrower will, notwithstanding anything to the contrary contained in this Agreement, on the date of such increase, incur and repay or prepay one or more Committed Loans from the Banks in such amounts so that after giving effect thereto the Committed Loans shall be outstanding on a *pro rata* basis (based on the Commitments of the Banks after giving effect to the changes made pursuant to this Section 2.17 on such date) from all the Banks or (y) to the creation of a new Commitment of one or more institutions not then a Bank hereunder; *provided* that (i) such institution becomes a party to this Agreement as a Bank by execution and delivery to the Borrower and the Administrative Agent of counterparts of this Agreement, (ii) the Commitment Schedule shall be amended to reflect the

Commitment of such new Bank, (iii) if requested by such new Bank, the Borrower shall issue a Note to such new Bank in conformity with the provisions of Section 2.05, (iv) if any Committed Loans are outstanding at the time of the creation of such Commitment of such Bank, the Borrower will, notwithstanding anything to the contrary contained in this Agreement, on the date of the creation of such Commitment, incur and repay or prepay one or more Committed Loans from the Banks in such amounts so that after giving effect thereto the Committed Loans shall be outstanding on a *pro rata* basis (based on the Commitments of the Banks after giving effect to the changes made pursuant to this Section 2.17 on such date) from all the Banks and (v) if such institution is neither a banking institution nor an affiliate of a Bank, such institution must be consented to by the Administrative Agent and the Issuing Bank. The date on which the conditions set forth in this paragraph are satisfied is the “**Increased Amount Date**” and each such Bank providing an Incremental Commitment, an “**Incremental Bank**”.

(c) On any Increased Amount Date on which any Incremental Commitments are effective, subject to the satisfaction of the foregoing conditions, each Incremental Bank shall become a Bank hereunder with respect to its Incremental Commitment and the incremental loans made pursuant thereto.

(d) The Administrative Agent shall notify the Banks promptly upon receipt of the Borrower’s notice of the Increased Amount Date and in respect thereof of Incremental Commitments and the Incremental Banks.

(e) The terms and provisions of the Incremental Commitments and any Borrowing in respect of such Incremental Commitments shall be, except as otherwise set forth herein, identical to the Commitments on the Amendment Effective Date and any other Loans made under this Agreement.

(f) It is understood that any increase in the amount of the Commitments pursuant to this Section 2.17 shall not constitute an amendment of this Agreement or the Notes and that no Bank shall have any obligation to participate in such increase except in its absolute and sole discretion.

Section 2.18. *Replacement of Banks.* (a) If (i) any Bank requests payment of, or the Borrower is otherwise required to pay to any Bank, any amount pursuant to Section 8.01(b) or Section 8.03, (ii) any Bank becomes a Defaulting Bank or (iii) any Bank notifies the Administrative Agent pursuant to Section 8.02 of its inability to make, maintain or fund Euro-Dollar Loans, then the Borrower may, at its sole expense and effort, upon notice to such Bank and the Administrative Agent, require such Bank to assign and delegate, without recourse, all its interests, rights and obligations under this Agreement to an Assignee (which Assignee may be another Bank, if such other Bank agrees to accept such assignment) that shall assume such obligations pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto which shall be executed by such Assignee and (except as otherwise provided in this) Section

2.18(a) such transferor Bank; *provided*, that (A) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, conditioned or delayed, (B) such transferor Bank shall have received payment of an amount equal to the outstanding principal of its Loans and participations in L/C Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (in each case, if any), from the Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), which amounts shall be the only amounts payable to such transferor Bank in respect of such assignment and delegation, (C) any Bank being replaced pursuant to this Section 2.18(a) shall be deemed to have granted to the Administrative Agent the authority to act as its attorney-in-fact solely for the purpose of executing such Assignment and Assumption Agreement, and (D) in the case of any such assignment and delegation resulting from a request or claim for payment under Section 8.03, such assignment will result in a reduction in any payments due to such transferor Bank on a dollar-for-dollar basis to the extent that such assignment eliminates or reduces the amount that such transferor Bank is entitled to receive under Section 8.03. A Bank shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Bank or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Upon execution and delivery by the Assignee and (except as otherwise provided in this Section 2.18(a)) the transferor Bank of the Assignment and Assumption Agreement referred to above and payment by such Assignee to such transferor Bank of the amount (if any) payable by such Assignee pursuant to clause (B) above: (1) such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment equal to such transferor Bank's Commitment immediately prior to the effectiveness of such assignment and delegation (or, if there is more than one Assignee, the respective portion of such Commitment agreed to be assumed by each such Assignee). Upon the consummation of any such assignment and delegation, the transferor Bank, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 2.16. In connection with any assignment pursuant to this Section 2.18(a), (I) the Borrower shall cause to be paid to the Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500, and (II) notwithstanding anything to the contrary set forth herein, and without limiting the authority set forth in the immediately preceding clause (C), if the transferor Bank does not execute and deliver to the Administrative Agent a duly completed Assignment and Assumption Agreement reflecting such assignment within five Domestic Business

Days of the date on which the Assignee executes and delivers such Assignment and Assumption Agreement to the transferor Bank, then such transferor Bank shall be deemed to have executed and delivered such Assignment and Assumption Agreement.

(b) If (i) any Bank requests payment of, or the Borrower is otherwise required to pay to any Bank, any amount pursuant to Section 8.01(b) or Section 8.03 or (ii) any Bank becomes a Defaulting Bank, the Borrower may, upon at least two Domestic Business Days' written notice to the Administrative Agent, and provided that no Default or Event of Default has occurred and is continuing, terminate the Commitment of such Bank (without affecting the Commitment of any other Bank) and, in connection therewith, prepay the outstanding Loans and L/C Advances of such Bank in full at par, together with accrued interest thereon, accrued fees and any other amounts payable hereunder for the account of such Bank; *provided that* in connection with such termination, the parties hereto shall comply with the procedures set forth in Section 2.19(a)(iv) (it being understood that for purposes of this proviso, such Bank shall be deemed to be a Defaulting Bank). Any such prepayment pursuant to this Section 2.18(b) shall be subject to the provisions of Section 2.14 hereof.

(c) With respect to a demand for compensation from a Bank pursuant to Section 8.03(a), the Borrower's rights under Section 2.18(a) shall be an alternative to the Borrower's rights under Section 8.04.

Section 2.19. *Defaulting Banks.* (a) Notwithstanding any provision of this Agreement to the contrary, if any Bank becomes a Defaulting Bank, then the following provisions shall apply for so long as such Bank is a Defaulting Bank:

(i) facility fees shall cease to accrue, or to be payable by the Borrower, on the unfunded portion of the Commitment of such Defaulting Bank pursuant to Section 2.09(a) for the account of such Defaulting Bank or otherwise; provided, for the avoidance of doubt, that, to the extent Loans made by such Defaulting Bank are repaid by the Borrower, no facility fees shall accrue or be payable on that portion of such Defaulting Bank's Commitment corresponding to such repaid amount;

(ii) Letter of Credit Fees shall cease to accrue, or to be payable by the Borrower, on the Pro Rata Share of a Letter of Credit of such Defaulting Bank pursuant to Section 2.09(c) for the account of such Defaulting Bank or otherwise;

(iii) the Commitment or Credit Exposure of such Defaulting Bank shall not be included in determining whether all Banks or the Required Banks have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.05); *provided, however*, that this clause (iii) shall not (subject to

Section 9.05) apply to the vote of a Defaulting Bank in the case of an amendment, waiver or other modification specifically requiring the consent of such Bank or each Bank affected thereby (and in circumstances where the consent of “all Banks” is required, such Defaulting Bank’s vote shall not be included except (A) such Defaulting Bank’s Commitment may not be increased or extended without its consent and (B) the principal amount of, or interest or fees payable on, Loans or L/C Borrowings may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Bank without such Defaulting Bank’s consent); and

(iv) if any L/C Obligation exists at the time such Bank becomes a Defaulting Bank then:

(A) provided that no Default or Event of Default exists, all or any part of such Defaulting Bank’s Pro Rata Share of the Outstanding Amount of all L/C Obligations shall be reallocated among the non-Defaulting Banks in accordance with their respective Pro Rata Shares but only to the extent the aggregate principal amount of Revolving Loans of all non-Defaulting Bank’s plus such Defaulting Bank’s Pro Rata Share of the Outstanding Amount of all L/C Obligations do not exceed the total of all non-Defaulting Banks’ Commitments;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrower shall within one Domestic Business Day following notice by the Administrative Agent Cash Collateralize for the benefit of the Issuing Bank such Defaulting Bank’s Pro Rata Share of the Outstanding Amount of all L/C Obligations (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.20(e)(i) for so long as such L/C Obligations are outstanding;

(C) if the Borrower Cash Collateralizes any portion of such Defaulting Bank’s L/C Obligations pursuant to clause (B) above, the Borrower shall not be required to pay any fees to such Defaulting Bank pursuant to Section 2.09(c) with respect to such L/C Obligations during the period such Defaulting Bank’s L/C Obligations are Cash Collateralized;

(D) if the L/C Obligations of the non-Defaulting Banks are reallocated pursuant to clause (A) above, then the fees payable to the Banks pursuant to Section 2.09(a) and Section 2.09(c) shall be adjusted in accordance with such non-Defaulting Banks’ Pro Rata Shares; and

(E) if all or any portion of such Defaulting Bank's L/C Obligations are neither reallocated nor Cash Collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Bank hereunder, all facility fees that otherwise would have been payable to such Defaulting Bank (solely with respect to the portion of such Defaulting Bank's Commitment that was utilized by such L/C Obligations) and Letter of Credit Fees payable under Section 2.09 (c) with respect to such Defaulting Bank's L/C Obligations shall be payable to the Issuing Bank until and to the extent that such L/C Obligations are reallocated and/or Cash Collateralized; and

(b) So long as any Bank is a Defaulting Bank, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the Defaulting Bank's related exposure and its then outstanding L/C Advance will be 100% covered in accordance with the terms of this Agreement by the Commitments of the non-Defaulting Banks and/or cash collateral will be provided by the Borrower in accordance with Section 2.19(a)(iv), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Banks in a manner consistent with Section 2.19 (a)(iv)(A) (and such Defaulting Bank shall not participate therein).

In the event that the Administrative Agent, the Borrower, and the Issuing Bank each agrees that a Defaulting Bank has adequately remedied all matters that caused such Bank to be a Defaulting Bank, then the L/C Obligations of the Banks shall be readjusted to reflect the inclusion of such Bank's Commitment and on such date such Bank shall purchase at par such of the Loans of the other Banks as the Administrative Agent shall determine may be necessary in order for such Bank to hold such Loans in accordance with its Pro Rata Share.

(c) At the Borrower's option, the Borrower may elect to terminate the Commitment of any Defaulting Bank upon notice to such Defaulting Bank and the Administrative Agent (irrespective of whether such Defaulting Bank holds any outstanding Loans) and such notice shall be effective upon receipt by both the Defaulting Bank and the Administrative Agent; *provided* that, for the avoidance of doubt, if such Defaulting Bank holds any Loans, and such Loans are not assigned pursuant to Section 2.18 or otherwise, then such Defaulting Bank shall continue to hold such Loans until such time as such Loans are repaid by the Borrower or assigned pursuant to this Agreement. Upon termination of a Bank's Commitment under this Section 2.19, the Borrower shall (x) to the extent applicable after giving effect to Section 2.19(a)(iv) and any Cash Collateral provided by the Defaulting Bank, Cash Collateralize such Defaulting Bank's Pro Rata Share of the aggregate undrawn amount of all outstanding Letters of Credit, (y) subject to Section 2.19(a), pay or cause to be paid all accrued facility fees or Letter of Credit Fees payable to such Bank and all other amounts due and payable to such Bank

hereunder and (z) if such Bank is an Issuing Bank, the Borrower shall pay to the Administrative Agent for deposit an amount equal to the available amount of all Letters of Credit issued by such Issuing Bank, and upon such payments, the obligations of such Bank hereunder with respect to such unused Commitment which have been terminated shall, by the provisions hereof, be released and discharged.

Section 2.20. Issuance of Letters of Credit; Drawings and Reimbursements; Auto-Extension Letters of Credit; Funding of Participations.

(a) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit. (i) Each Letter of Credit shall be issued or amended, as the case may be, from time to time upon the request of the Borrower delivered to an Issuing Bank (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower and may, at the request of the Borrower, include the issuance of a Letter of Credit confirming a letter of credit issued by the Borrower. For the avoidance of doubt, the Borrower shall be the sole party to any Letter of Credit Application notwithstanding that any Letter of Credit may be issued or amended, as the case may be, for the account of the Borrower, its Consolidated Entities, its Members or any member of its Consolidated Entities. Such Letter of Credit Application must be received by such Issuing Bank and the Administrative Agent not later than 2:00 p.m. (New York City time) at least one (1) Domestic Business Day (or such later date and time as the Administrative Agent and the Issuing Bank may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the respective Issuing Bank: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Domestic Business Day); (B) the amount thereof; (C) the expiry date thereof (which date shall be not later than the earlier of (1) the date which is twelve (12) months after the proposed issuance date and (2) the Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)); (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as such Issuing Bank may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the respective Issuing Bank (w) the Letter of Credit to be amended; (x) the proposed date of amendment thereof (which shall be a Domestic Business Day); (y) the nature of the proposed amendment; and (z) such other matters as such Issuing Bank may require. Additionally, the Borrower shall furnish to the Issuing Bank and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or

amendment, including any Issuer Documents, as the Issuing Bank or the Administrative Agent may reasonably require; *provided* that furnishing such documents shall not adversely affect the timing of such Letter of Credit issuance or amendment.

(ii) Promptly after receipt of any Letter of Credit Application, the Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, such Issuing Bank will provide the Administrative Agent with a copy thereof. Unless such Issuing Bank has received written notice from any Bank, the Administrative Agent or the Borrower, at least one (1) Domestic Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article 3 shall not then be satisfied, then, subject to the terms and conditions hereof, such Issuing Bank shall, on the requested date, make an L/C Credit Extension for the account of the Borrower, its Consolidated Entities, its Members or any member of its Consolidated Entities, or enter into the applicable amendment, as the case may be, in each case in accordance with such Issuing Bank's usual and customary business practices. Immediately upon the making of each L/C Credit Extension, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such Issuing Bank a risk participation in such L/C Credit Extension in an amount equal to the product of such Bank's Pro Rata Share times the amount of such L/C Credit Extension.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, (i) upon the expiration of the initial term of each Letter of Credit, such Letter of Credit shall terminate or (ii) upon the expiration of the initial and each successive term of each Letter of Credit, such Letter of Credit shall then be automatically extended for successive one-year terms (each such automatically extending Letter of Credit, an "**Auto-Extension Letter of Credit**"), except that the last term in each case shall in any event expire not later than the Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)); *provided* that any such Auto-Extension Letter of Credit must permit such Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) or upon notice to such Issuing Bank by the Administrative Agent or the Borrower of an Event of Default pursuant to Section 6.01(i), by giving prior notice to the beneficiary thereof not later than a Domestic Business Day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by such Issuing Bank, the Borrower shall not be required to make a specific request to such Issuing

Bank for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Banks shall be deemed to have authorized (but may not require) such Issuing Bank to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)); *provided, however*, that such Issuing Bank shall not permit any such extension if such Issuing Bank has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of Section 2.01(c)(i), or otherwise), or it has received notice (which may be by telephone or in writing) on or before the day that is five Domestic Business Days before the Non-Extension Notice Date from the Administrative Agent that the Required Banks have elected not to permit such extension or from the Administrative Agent or any Bank that one or more of the applicable conditions specified in Section 3.03 is not then satisfied, and in each such case directing such Issuing Bank not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, such Issuing Bank will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment thereof.

(b) *Drawings and Reimbursements; Funding of Participations.* (i) On the date of receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Bank shall notify the Administrative Agent and the Borrower thereof (and simultaneously deliver a copy of the applicable site draft/drawing notice to the Borrower and the Administrative Agent thereof). Not later than (A) the Domestic Business Day the Borrower receives notice from the Issuing Bank that payment under a Letter of Credit will be made on such date, if the Borrower shall have received such notice on or prior to 11:00 a.m. (New York City time) on such date, or (B) on the immediately following Domestic Business Day, if the Borrower shall have received such notice after 11:00 a.m. (New York City time) (either of such dates, as applicable, the “**Honor Date**”), the Borrower shall reimburse such Issuing Bank through the Administrative Agent whether with its own funds or with the proceeds of Loans in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse such Issuing Bank by such time, the Administrative Agent shall promptly notify each Bank of the Honor Date, the amount of the unreimbursed drawing (the “**Unreimbursed Amount**”), and the amount of such Bank’s Pro Rata Share thereof. In such an event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, and, so long as no Default has occurred and is continuing, such disbursement shall

be deemed to occur automatically without further act and without regard to the minimum and multiples specified in Section 2.01 for the principal amount of Base Rate Loans (but subject to the other conditions set forth in Section 2.01) and without need to satisfy the conditions set forth in Section 3.03. Any notice given by such Issuing Bank or the Administrative Agent pursuant to this Section 2.20(b) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Bank (including the Bank acting as Issuing Bank) shall upon any notice pursuant to Section 2.20(b)(i) make funds available to the Administrative Agent for the account of such Issuing Bank in an amount equal to its Pro Rata Share of the Unreimbursed Amount with respect to such Letter of Credit not later than 1:00 p.m. (New York City time) on the Domestic Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.20(b)(iii), each Bank that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to such Issuing Bank.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 2.20(b)(i) have not been satisfied or for any other reason, the Borrower shall be deemed to have incurred from the Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate equal to the sum of (A) the Base Rate in effect from time to time, *plus* (B) the Base Rate Margin in effect from time to time, *plus* (C) *2% per annum*. In such an event, each Bank's payment to the Administrative Agent for the account of such Issuing Bank pursuant to Section 2.20(b)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Bank in satisfaction of its participation obligation under this Section 2.20.

(iv) Until each Bank funds its Loan or L/C Advance pursuant to this Section 2.20(b) to reimburse such Issuing Bank for any Unreimbursed Amount in respect of such Letter of Credit, interest in respect of such Bank's Pro Rata Share of the related Unreimbursed Amount shall be solely for the account of such Issuing Bank.

(v) Each Bank's obligation to make Loans or L/C Advances to reimburse any Issuing Bank for Unreimbursed Amounts in respect of such Letter of Credit, as contemplated by this Section 2.20(b), shall be

irrevocable, absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Bank may have against the Issuing Bank, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse any Issuing Bank for the amount of any payment made by the Issuing Bank under any Letter of Credit, together with interest as provided herein.

(vi) If any Bank fails to make available to the Administrative Agent for the account of any Issuing Bank any amount required to be paid by such Bank pursuant to the foregoing provisions of this Section 2.20(b) by the time specified in Section 2.20(b)(ii), such Issuing Bank shall be entitled to recover from such Bank (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. A certificate of such Issuing Bank submitted to any Bank (through the Administrative Agent) with respect to any amounts owing under this Section 2.20(b)(vi) shall be conclusive absent manifest error.

(c) *Repayment of Participations.* (i) At any time after an Issuing Bank has made a payment under any Letter of Credit and has received from any Bank such Bank's L/C Advance in respect of such payment in accordance with Section 2.20(b), if the Administrative Agent receives for the account of such Issuing Bank any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including the proceeds of Cash Collateral, if any, applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Bank its Pro Rata Share thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Bank's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an Issuing Bank pursuant to Section 2.20(b)(i) is required to be returned under any circumstances (including pursuant to any settlement entered into by such Issuing Bank in its discretion), each Bank shall pay to the Administrative Agent for the account of such Issuing Bank its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Bank, at a rate *per annum* equal to the Federal Funds Rate from time to time in effect.

(d) *Role of Issuing Bank.* Each Bank and the Borrower agree that, in paying any drawing under a Letter of Credit, each Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by any Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuing Bank, the Administrative Agent nor any of the respective correspondents, participants or assignees of such Issuing Bank, nor any of their respective officers, directors, agents, employees, attorneys and advisors, shall be liable to any Bank for (i) any action taken or omitted in connection herewith at the request or with the approval of the Banks or the Required Banks, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application.

(e) *Cash Collateral.* (i) Upon the occurrence and during the continuance of any Event of Default, at the request of the Administrative Agent or the Required Banks, if, as of the Letter of Credit Expiration Date (or, if the expiry date of such Letter of Credit is after the Letter of Credit Expiration Date (as may be agreed by the Banks in accordance with Section 2.01(c)(i)), as of such later expiry date), any Letter of Credit for any reason remains outstanding and partially or wholly undrawn, the Borrower shall immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)), as the case may be).

(ii) The Borrower, and to the extent provided by any Bank, such Bank hereby grants to the Administrative Agent, for the benefit of each Issuing Bank and the Banks, a security interest in all such cash, deposit accounts, securities accounts and all balances held in the Cash Collateral Account and all proceeds of the foregoing. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under Applicable Law, to reimburse each Issuing Bank and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Banks with L/C Obligations representing at least 51% of the total L/C Obligations), be applied to satisfy other obligations of the Borrower under this Agreement.

(iii) The Administrative Agent shall invest for the account of the Borrower the funds from time to time held by it in the Cash Collateral

Account in such overnight U.S. treasury or similar short-term instruments as are selected by the Borrower and approved by the Administrative Agent, and shall maintain records adequate to determine the interest from time to time earned on such funds. The Administrative Agent shall have no responsibility for any loss on any investments made by it with respect to the funds in such Cash Collateral Account.

(f) *Applicability of ISP.* Unless otherwise expressly agreed by an Issuing Bank and the Borrower upon issuing an L/C Credit Extension, the rules of the ISP shall apply to each Letter of Credit.

(g) *Conflict with Issuer Documents.* In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(h) *Letters of Credit Issued for Consolidated Entities, Members, members of Consolidated Entities or Beneficiaries of Letter of Credit Issued by the Borrower.* Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Consolidated Entity, Member or member of a Consolidated Entity, the Borrower shall be obligated to reimburse the Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the L/C Credit Extensions for the account of Consolidated Entities, Members or members of the Consolidated Entities inure to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Consolidated Entities, Members and members of such Consolidated Entities.

(i) *Letter of Credit Reports.* Each Issuing Bank shall furnish (A) to the Administrative Agent (with a copy to the Borrower) on the first Domestic Business Day of each month a written report summarizing issuance and expiration dates of L/C Credit Extensions issued during the preceding month and drawings during such month under each Letter of Credit and (B) to the Administrative Agent and each Bank (with a copy to the Borrower) on the first Domestic Business Day of each calendar quarter a written report setting forth the average daily aggregate L/C Obligations during the preceding calendar quarter of all Letters of Credit.

(j) *Obligations Absolute.* The obligation of the Borrower to reimburse each Issuing Bank for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, the Notes, the Issuer Documents or any other instrument in connection herewith;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), such Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by such Issuing Bank under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit (so long as such draft or certificate substantially complies with such terms); or any payment made by such Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it pursuant to Section 2.20(a)(iv) and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will notify the Issuing Bank promptly upon becoming aware thereof. The Borrower shall be conclusively deemed to have waived any such claim against the Issuing Bank and its correspondents unless such notice is given as aforesaid.

(k) *Liability.* The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to such Letter of Credit; *provided, however,* that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Neither any Issuing Bank, any of its affiliates, nor any of its respective officers, directors, agents, employees, attorneys and advisors shall be liable or responsible for: (i) the use that may be made of any Letter of Credit or any acts or omissions of any

beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by such Issuing Bank against presentation of documents that do not comply with the terms of any Letter of Credit (so long as such draft or certificate substantially complies with such terms); or (iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that, anything in such clauses (i) through (iv) to the contrary notwithstanding, the Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to the Borrower, to the extent of any direct (but not special, indirect, consequential or punitive) damages suffered by the Borrower that the Borrower proves were caused by (A) such Issuing Bank's willful misconduct or gross negligence as determined in a final, non-appealable judgment by a court of competent jurisdiction in determining whether documents presented under any Letter of Credit comply with the terms thereof or (B) such Issuing Bank's willful failure to make lawful payment under any Letter of Credit after the presentation to it by the beneficiary of a draft and certificate(s) strictly complying with the terms and conditions of any Letter of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(1) *Replacement or Addition of Issuing Bank.* An Issuing Bank may be replaced or added at any time by written agreement among the Borrower, the Administrative Agent (unless, in the case of the replacement of an Issuing Bank, the successor Issuing Bank is a Bank and, if applicable, such agreement not to be unreasonably withheld, conditioned or delayed) and the successor or additional Issuing Bank, as applicable. The Administrative Agent shall notify the Banks of any such replacement or addition, as applicable, of an Issuing Bank. Where an Issuing Bank is replaced, at the time such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for account of the replaced Issuing Bank. Furthermore, from and after the effective date of such replacement, the successor Issuing Bank, shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter. References herein to the term "Issuing Bank" shall be deemed to refer to any successor or additional Issuing Bank, as applicable, or to any previous Issuing Bank, or to any successor or additional Issuing Banks, as applicable, and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

Section 2.21. *2017 Conversions*. Notwithstanding anything to the contrary in this Agreement, subject to the consent of the Administrative Agent and the Issuing Bank, such consent not to be unreasonably withheld, conditioned or delayed and pursuant to an offer (a “**2017 Conversion Offer**”) made by the Borrower after the Amendment Effective Date to any 2017 Bank, the Borrower is hereby permitted to consummate from time to time transactions with any individual 2017 Bank that in its sole and absolute discretion elects to consent to and accept such 2017 Conversion Offer to convert all (but not less than all) of such accepting 2017 Bank’s 2017 Commitment and 2017 Credit Exposure to an equal principal amount of a 2018 Commitment and 2018 Credit Exposure (a “**2017 Conversion**”). Upon the effectiveness of any such 2017 Conversion, (i) such accepting 2017 Bank shall become a 2018 Bank, (ii) such accepting 2017 Bank’s 2017 Commitments shall become 2018 Commitments in an aggregate principal amount equal to such accepting 2017 Bank’s 2017 Commitments and (iii) such accepting 2017 Bank’s 2017 Credit Exposure shall become a 2018 Credit Exposure in an aggregate principal amount equal to such accepting 2017 Bank’s 2017 Credit Exposure. In connection with any 2017 Conversion, the Borrower shall provide the Administrative Agent and Issuing Bank at least five Domestic Business Days’ (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof.

ARTICLE 3 CONDITIONS

Section 3.01. *Effectiveness*. (i) The Existing Credit Agreement became effective on the Effective Date and this Agreement shall become effective on the date (the “**Amendment Effective Date**”) on which the Administrative Agent shall have received the following documents or other items, each dated the Amendment Effective Date unless otherwise indicated:

(a) receipt by the Administrative Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it in facsimile transmission, electronic submission or other writing from such party of execution of a counterpart hereof by such party);

(b) receipt by the Administrative Agent for the account of each Bank that has requested a Note of a duly executed Note dated on or before the Amendment Effective Date complying with the provisions of Section 2.05;

(c) receipt by the Administrative Agent of an opinion of the General Counsel of the Borrower, substantially in the form of Exhibit F hereto, *provided* that an enforceability opinion under New York law, that is reasonably acceptable

to the Administrative Agent, shall be furnished by the Borrower's New York counsel, Norton Rose Fulbright US LLP, subject to customary assumptions, qualifications and limitations;

(d) receipt by the Administrative Agent of a certificate signed by any one of the Chief Financial Officer, the Chief Executive Officer, the Chief Operating Officer, an Assistant Secretary-Treasurer, the Controller or the Vice President, Capital Markets Relations of the Borrower to the effect that the conditions set forth in clauses (c) through (g), inclusive, of Section 3.03 have been satisfied as of the Amendment Effective Date and, in the case of clauses (c), (e) and (g), setting forth in reasonable detail the calculations required to establish such compliance;

(e) receipt by the Administrative Agent, with a copy for each Bank, of a certificate of an officer of the Borrower acceptable to the Administrative Agent stating that all consents, authorizations, notices and filings required or advisable in connection with this Agreement are in full force and effect, and the Administrative Agent shall have received evidence thereof reasonably satisfactory to it;

(f) receipt by the Administrative Agent and the Syndication Agent (or their respective assigns) and by each Bank Party of all fees required to be paid in the respective amounts heretofore mutually agreed in writing, and all expenses for which invoices have been presented, on or before the Amendment Effective Date;

(g) receipt by the Administrative Agent and the Banks of all documentation and other information requested by the Administrative Agent or such Bank and required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act (Title III of Pub. L. 107-56; and

(h) receipt by the Administrative Agent of all documents the Required Banks may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance reasonably satisfactory to the Administrative Agent.

The Administrative Agent shall promptly notify the Borrower and the Bank Parties of the Amendment Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.02. [Reserved]

Section 3.03. *Borrowings and L/C Credit Extensions.* The obligation of any Bank to make a Loan on the occasion of any Borrowing and the obligation of the Issuing Bank to issue, amend or increase the principal amount thereof or

extend any Letter of Credit (other than an extension pursuant to an Auto-Extension Letter of Credit in accordance with the original terms thereof) is subject to the satisfaction of the following conditions, in each case at the time of such Borrowing or L/C Credit Extensions and immediately thereafter:

(a) The Amendment Effective Date shall have occurred on or prior to November 19, 2015;

(b) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02 or 2.03, as the case may be;

(c) the fact that the Borrower is in compliance with Section 7.11 of the 1994 Indenture, as such Indenture is in effect as of the Effective Date and the Amendment Effective Date;

(d) Prior to the 2017 Commitment Termination Date, the fact that the sum of (i) the aggregate outstanding principal amount of the Loans and (ii) the Outstanding Amount of L/C Obligations will not exceed the Aggregate Commitments (as such Commitments may be increased or decreased from time to time in accordance with the terms and conditions of this Agreement) and that after the 2017 Commitment Termination Date, the fact that the sum of (i) the aggregate outstanding principal amount of the 2018 Loans and (ii) the Outstanding Amount of L/C Obligations will not exceed the 2018 Agreement Commitments (as such Commitments may be increased or decreased from time to time in accordance with the terms and conditions of this Agreement);

(e) the fact that no Default shall have occurred and be continuing;

(f) the fact that the representations and warranties of the Borrower (in the case of a Borrowing or L/C Credit Extension, other than the representations set forth in Section 4.02(c), Section 4.03 and Section 4.14) contained in this Agreement shall be true in all material respects (other than any such representations or warranties that, by their terms, refer to a specific date other than the date of Borrowing or L/C Credit Extension, in which case such representations and warranties shall be true in all material respects as of such specific date); *provided that*, (i) in the case of the representations set forth in Section 4.02(a) and Section 4.02(b) being made after the Amendment Effective Date shall be deemed to refer to the most recent balance sheets and statements furnished pursuant to Section 5.03(b)(ii) and Section 5.03(b)(i), respectively and (ii) in the case of the representation set forth in Section 4.06 being made after the Amendment Effective Date, such representation shall be true except to the extent not reasonably expected to have a material adverse effect on the business, financial position or results of operations of the Borrower; and

(g) the fact that (i) there shall be no collateral securing Bonds issued pursuant to any Indenture of a type other than the types of collateral permitted to

secure Bonds issued pursuant to such Indenture as of the date hereof, (ii) the allowable amount of eligible collateral then pledged under any Indenture shall not exceed 150% of the aggregate principal amount of Bonds then outstanding under such Indenture and (iii) no collateral shall secure Bonds other than (A) eligible collateral under such Indenture, the allowable amount of which is included within the computation under subsection (ii) above or (B) collateral previously so pledged which ceases to be such eligible collateral not as a result of any acts or omissions to act of the Borrower (other than the declaration of an “**event of default**” as defined in a mortgage which results in the exercise of any right or remedy described in such mortgage).

Each Borrowing or L/C Credit Extension hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing or L/C Credit Extension as to the facts specified in clauses (c), (d), (e), (f) and (g) of this Section 3.03.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

The Borrower makes the following representations, warranties and agreements, which shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans or L/C Credit Extensions:

Section 4.01. *Corporate Existence, Power and Authority.* The Borrower is a cooperative association duly incorporated, validly existing and in good standing under the laws of the District of Columbia and has the corporate power and authority and all material governmental licenses, authorizations, consents and approvals required to own its property and assets and to transact the business in which it is engaged. The Borrower is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction in which the nature of the business in which it is engaged makes such qualification or licensing necessary, except in those jurisdictions in which the failure to be so qualified or licensed would not (after qualification, assuming that the Borrower could so qualify without the payment of any fee or penalty and retain the rights as they existed prior to such qualification all to an extent so that any fees or penalties required to be so paid or any rights not so retained would not, individually or in the aggregate, have a material adverse effect on the business or financial position of the Borrower), individually or in the aggregate, have a material adverse effect upon the business or financial position of the Borrower and its Consolidated Entities, taken as a whole. The Borrower has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and the Notes. This Agreement has been, and the Notes when executed and delivered will have been, duly and validly authorized, executed and delivered by the Borrower, and this Agreement constitutes a legal, valid and binding agreement of the Borrower, and the Notes, when executed and delivered by the Borrower in accordance with this Agreement, will constitute legal, valid and binding obligations of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law).

Section 4.02. *Financial Statements.* (a) The consolidated balance sheets of the Borrower and its Consolidated Entities as at May 31, 2015 and the related consolidated statements of operations, changes in equity and cash flows for the fiscal year ended May 31, 2015, including the related notes, accompanied by the opinion and report thereon of KPMG LLP, independent public accountants, heretofore delivered to the Banks, present fairly in all material respects in accordance with U.S. GAAP (i) the consolidated financial position of the Borrower and its Consolidated Entities as at the date of said balance sheets and (ii) the consolidated results of the operations of the Borrower and its Consolidated Entities for said fiscal year. The Borrower has no material liabilities (contingent or otherwise) of the type required to be disclosed in financial statements or footnotes which are not disclosed by or reserved against in the most recent audited financial statements or in the notes thereto other than (i) Indebtedness incurred and (ii) loan and guarantee commitments issued in each case by the Borrower in the ordinary course of business since the date of such financial statements. All such financial statements have been prepared in accordance with U.S. GAAP applied on a basis consistent with prior periods, except as disclosed therein. The same representations as are set forth in this Section 4.02 shall be deemed to have been made by the Borrower in respect of the most recent annual and quarterly financial statements of the Borrower and its Consolidated Entities (except that the annual opinion and report of KPMG LLP may be replaced by an opinion and report of another nationally recognized firm of independent public accountants) furnished or required to be furnished to the Banks prior to or at the time of the making of each Loan hereunder, at the time the same are furnished or required to be furnished.

(b) The unaudited consolidated balance sheets of the Borrower and its Consolidated Entities as of August 31, 2015 and the related unaudited consolidated statements of operations, changes in equity and cash flows for the three months then ended, heretofore delivered to the Banks, present fairly in conformity with U.S. GAAP applied on a basis consistent with the financial statements referred to in subsection (a) of this Section 4.02, the consolidated financial position of the Borrower and its Consolidated Entities as of such date and their consolidated results of operations and changes in financial position for such three-month period (subject to normal year-end adjustments). The Borrower and its Consolidated Entities have no material liabilities (contingent or otherwise) of the type required to be disclosed in financial statements or footnotes which are not disclosed by or reserved against in such financial statements for such three-month period other than (i) Indebtedness incurred and (ii) loan and guarantee commitments issued in each case by the Borrower or its Consolidated Entities in the ordinary course of business since the date of such financial statements.

(c) Since August 31, 2015 and except as disclosed in the Borrower's public filings two Domestic Business Days prior to the date of this Agreement, there has been no material adverse change in the business, financial position or

results of operations of the Borrower and its Consolidated Entities, considered as a whole.

Section 4.03. *Litigation.* There are no actions, suits, proceedings or investigations pending or, to the Borrower's knowledge, threatened by or before any court or any Governmental Authority, body or agency or any arbitration board which are reasonably likely to materially adversely affect the business, financial position or results of operations of the Borrower and its Consolidated Entities, taken as a whole or the authority or ability of the Borrower to perform its obligations under this Agreement or the Notes.

Section 4.04. *Governmental Authorizations.* No material authorization, consent, approval or license of, or declaration, filing or registration with or exemption by, any Governmental Authority, body or agency is required in connection with the execution, delivery or performance by the Borrower of this Agreement or the Notes. The Banks acknowledge that the Borrower may file this Agreement with the Securities and Exchange Commission after the Amendment Effective Date.

Section 4.05. *Members' Subordinated Certificates.* The holders of the Borrower's Members' Subordinated Certificates are not and will not be entitled to receive any payments with respect to the principal thereof or interest thereon solely because of withdrawing or being expelled from membership in the Borrower.

Section 4.06. *No Violation of Agreements.* Neither the Borrower nor any Subsidiary is in default in any material respect under any material agreement or other material instrument to which it is a party or by which it is bound or its property or assets may be affected. No event or condition exists which constitutes, or with the giving of notice or lapse of time or both would constitute, such a default under any such material agreement or other instrument. Neither the execution and delivery of this Agreement or the Notes, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene any material provision of law, statute, rule or regulation to which the Borrower is subject or any material judgment, decree, award, franchise, order or permit applicable to the Borrower, or will conflict or be inconsistent with, or will result in any breach of, any of the material terms, covenants, conditions or provisions of, or constitute (or with the giving of notice or lapse of time, or both, would constitute) a material default under (or condition or event entitling any Person to require, whether by purchase, redemption, acceleration or otherwise, the Borrower to perform any obligations prior to the scheduled maturity thereof), or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower pursuant to the terms of, any material indenture, mortgage, deed of trust, agreement or other instrument to which it may be subject, or violate any provision of the certificate of

incorporation or by-laws of the Borrower. Without limiting the generality of the foregoing, the Borrower is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Borrower, any agreement or indenture relating thereto or any other material contract or agreement (including its certificate of incorporation and by-laws), which would be violated by the incurring of the Indebtedness to be evidenced by the Notes.

Section 4.07. *No Event of Default under the Indentures.* The Borrower has complied fully with all of the material provisions of each Indenture. No Event of Default (within the meaning of such term as defined in each Indenture) and no event, act or condition (except for possible non-compliance by the Borrower with any immaterial provision of such Indenture which in itself is not such an Event of Default under such Indenture) which with notice or lapse of time, or both, would constitute such an Event of Default has occurred and is continuing under such Indenture. The Borrowings by the Borrower contemplated by this Agreement will not cause such an Event of Default under, or the violation of any covenant contained in, any Indenture.

Section 4.08. *Compliance with ERISA.* The Plans (other than Plans consisting of multiemployer plans (as defined in Section 4001 of ERISA)) are in substantial compliance with ERISA other than any failure to comply that is not reasonably likely to have a material adverse effect on the business, results of operations or financial position of the Borrower, no such Plan is insolvent or in reorganization other than an insolvency or reorganization that is not reasonably likely to have a material adverse effect on the business, results of operations or financial position of the Borrower, and no such Plan has an accumulated or waived funding deficiency within the meaning of Section 412 of the Internal Revenue Code other than any accumulated or waived funding deficiency that is not reasonably likely to have a material adverse effect on the business, results of operations or financial position of the Borrower. No Plan consisting of a multiemployer plan (as defined in Section 4001 of ERISA) is in reorganization. Neither the Borrower nor a Subsidiary of the Borrower nor any member of the ERISA Group has incurred any material liability (including any material contingent liability) to or on account of a Plan pursuant to Section 4062, 4063, 4064, 4201 or 4204 of ERISA, no proceedings have been instituted to terminate any Plan, and no condition exists which presents a material risk to the Borrower of incurring a material liability to or on account of a Plan pursuant to any of the foregoing Sections of ERISA.

Section 4.09. *Compliance with Other Laws.* The Borrower and each Subsidiary is in compliance with all applicable requirements of law and all applicable rules and regulations of each Federal, State, municipal or other governmental department, agency or authority, domestic or foreign, except to the extent that the failure to comply would not reasonably be expected to have a

material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities, taken as a whole.

Section 4.10. *Tax Status.* The Borrower is exempt from payment of Federal income tax under Section 501(c)(4) of the Internal Revenue Code.

Section 4.11. *Investment Company Act.* The Borrower is not an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

Section 4.12. *Disclosure.* Neither this Agreement nor any document, certificate or financial statement furnished to any Bank by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains, as of the date of delivery thereof and taken as a whole, any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time.

Section 4.13. *Subsidiaries.* Each of the Borrower’s corporate Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Section 4.14. *Environmental Matters.* In the ordinary course of its business, the Borrower conducts reviews, to the extent appropriate given the nature of its business operations, of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat, any costs or liabilities in connection with off-site disposal of wastes or Hazardous Substances, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that such associated liabilities and costs, including the cost of compliance with Environmental Laws, are unlikely to have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities, considered as a whole.

Section 4.15. *Anti-Corruption Laws and Sanctions.* The Borrower has implemented and maintains in effect policies and procedures designed to cause compliance by the Borrower and its Subsidiaries and, when conducting business of behalf of the Borrower or its Subsidiaries, their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and the Borrower and its Subsidiaries and, to the knowledge of the Borrower, their respective officers, employees and directors, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or directly benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE 5
COVENANTS

The Borrower agrees that, so long as any Bank Party has any Commitment hereunder or any amount payable under any Note or any fee payable pursuant to Section 2.09 or any other amount then due and payable hereunder remains unpaid or any Letter of Credit remains outstanding:

Section 5.01. *Corporate Existence.* Except as otherwise permitted by Section 5.02 hereof, the Borrower, at its own cost and expense, will, and will cause each Subsidiary to, do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, and its material rights and franchises; *provided, however,* that neither the Borrower nor any Subsidiary shall be required to preserve any right or franchise or, in the case of a Subsidiary, its corporate existence, if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary (*provided* that the termination of the corporate existence of a Subsidiary shall be permitted if the Board of Directors of the Borrower shall determine that its existence is not desirable in the conduct of the business of the Borrower) and that the loss thereof is not disadvantageous in any material respect to the Banks.

Section 5.02. *Disposition of Assets, Merger, Character of Business, etc.* The Borrower will not wind up or liquidate its business or sell, lease, transfer or otherwise dispose of all or substantially all of its assets as an entirety or in a series of related transactions and will not consolidate with or merge with or into any other Person other than a merger with a Subsidiary in which the Borrower is the surviving Person. The Borrower will not engage in any business other than the business contemplated by its certificate of incorporation and by-laws, each as in effect on the Amendment Effective Date.

Section 5.03. *Financial Information.* (a) The Borrower will, and will cause each Subsidiary other than the Subsidiaries listed on Schedule 5.03(a) to, keep its books of account in accordance with U.S. GAAP.

(b) The Borrower will (subject to the last paragraph of this Section 5.03) furnish to the Administrative Agent for distribution to the Banks:

(i) as soon as available and in any event within 60 days after the close of each of the first three quarters of each fiscal year of the Borrower, as at the end of, and for the period commencing at the end of

the previous fiscal year and ending with, such quarter, unaudited consolidated balance sheets of the Borrower and its Consolidated Entities and the related unaudited consolidated statements of operations, changes in equity and cash flow of the Borrower and its Consolidated Entities for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all in reasonable detail and certified (subject to normal year-end adjustments) as to fairness of presentation in accordance with U.S. GAAP in all material respects and consistency (except for changes concurred in by the Borrower's independent public accountants) by the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer, an Assistant Secretary-Treasurer or the Controller of the Borrower;

(ii) as soon as practicable and in any event within the earlier of (i) two Domestic Business Days after filing with the Securities and Exchange Commission and (ii) 120 days after the close of each fiscal year of the Borrower, as at the end of and for the fiscal year just closed, consolidated balance sheets of the Borrower and its Consolidated Entities and the related consolidated statements of operations, changes in equity and cash flow for such fiscal year for the Borrower and its Consolidated Entities, all in reasonable detail and certified (without any qualification as to the scope of the audit) by KPMG LLP or other independent public accountants of nationally recognized standing selected by the Borrower, who shall have audited the books and accounts of the Borrower for such fiscal year;

(iii) with reasonable promptness, copies of all regular and periodical reports (including Current Reports on Form 8-K) filed with, or furnished to, the Securities and Exchange Commission;

(iv) promptly after the public announcement of, or promptly after receiving a written notice of, a change (whether an increase or decrease) in any rating issued by either S&P or Moody's, solely to the extent that the Borrower is then under an existing contract with such agency for the provision of ratings information pertaining to any securities of, or guaranteed by, the Borrower or any of its Subsidiaries or affiliates, a notice setting forth such change; and

(v) with reasonable promptness, such other information respecting the business, operations and financial condition of the Borrower or any of its Subsidiaries or any Joint Venture as any Bank may, from time to time, reasonably request, including, without limitation, with respect to

the performance and observance by the Borrower of the covenants and conditions contained in this Agreement.

Reports or financial information required to be delivered pursuant to clauses (b)(i), (b)(ii) and (b)(iii) of this Section 5.03 shall be deemed to have been delivered on the date on which the Borrower posts such reports or financial information on the Borrower's website (www.nrucfc.org) or at such other website as may be notified to the Administrative Agent and the Banks or when such reports or financial information are posted on the SEC's website at www.sec.gov; *provided*, that the Borrower shall notify the Administrative Agent of any such posting; and *provided* further that the Borrower shall deliver paper copies of the reports or financial information required to be delivered pursuant to clauses (b)(i), (b)(ii) and (b)(iii) of this Section 5.03 to the Administrative Agent, if so requested by any Bank to the Administrative Agent, until written notice to cease delivering such paper copies is given by such Bank to the Administrative Agent.

Section 5.04. *Default Certificates.* Concurrently with each financial statement delivered to the Administrative Agent pursuant to clauses (i) and (ii) of Section 5.03(b), the Borrower will furnish to the Administrative Agent a certificate signed by the Chief Executive Officer, the Chief Financial Officer, the Treasurer, an Assistant Secretary-Treasurer or the Controller of the Borrower to the effect that the review of the activities of the Borrower during such year or the portion thereof covered by such financial statement and of the performance of the Borrower under this Agreement has been made under his supervision and that to the best of his knowledge, based on such review, there exists no event which constitutes a Default or an Event of Default under this Agreement or, if any such event exists, specifying the nature thereof, the period of its existence and what action the Borrower has taken and proposes to take with respect thereto, which certificate shall set forth the calculations or other data required to establish compliance with the provisions of Section 5.09 and Sections 5.12 through 5.14, inclusive, at the end of such fiscal quarter or fiscal year, as the case may be. The Borrower further covenants that upon any such officer of the Borrower obtaining knowledge of any Default or Event of Default under this Agreement, it will forthwith, and in no event later than the close of business on the fourth (4th) Domestic Business Day immediately after the day such knowledge is obtained, deliver to the Administrative Agent a statement of any officer referred to above specifying the nature and the period of existence thereof and what action the Borrower has taken and proposes to take with respect thereto.

Section 5.05. *Notice of Litigation and Defaults.* The Borrower will promptly give written notice to the Administrative Agent of (i) any action, proceeding or claim of which the Borrower may have notice, which may be commenced against the Borrower or any Subsidiary in which the amount involved is \$50,000,000 or more and is not covered in full by insurance or as to which any insurer has disclaimed liability; and (ii) any default by the Borrower or any

Subsidiary or event or condition known to the Borrower which with the giving of notice or lapse of time, or both, would constitute a default, with respect to any payment or payments in respect of Indebtedness of the Borrower or such Subsidiary aggregating in excess of \$50,000,000 (whether in payment of principal thereof or interest thereon or with respect to any material covenant or agreement contained in any instrument, mortgage, deed of trust or agreement evidencing or relating to such Indebtedness or otherwise), *provided* that if any matter described in clauses (i) or (ii) of this Section has previously been disclosed by the Borrower in its regular or periodical reports filed with, or furnished to, the Securities and Exchange Commission, then no additional written notice shall be required under this Section.

Section 5.06. *ERISA*. As soon as possible and, in any event, within 10 days after the Borrower or a Subsidiary of the Borrower knows or has reason to know that a Reportable Event has occurred, that an accumulated funding deficiency has been incurred or an application may be or has been made to the Secretary of the Treasury for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code with respect to a Plan, that a Plan has been or may be terminated, that proceedings may be or have been instituted to terminate a Plan, or that the Borrower, a Subsidiary of the Borrower or any member of the ERISA Group will or may incur any liability in excess of \$5,000,000 to or on account of a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA, the Borrower will deliver to the Administrative Agent a certificate of the Chief Financial Officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or such Subsidiary is required or proposes to take, together with any notices required to be filed by the Borrower, such Subsidiary, such member of the ERISA Group or the plan administrator with the PBGC with respect thereto.

Section 5.07. *Payment of Charges*. The Borrower will, and will cause each Subsidiary to, duly pay and discharge (i) all taxes, assessments and governmental charges or levies imposed upon or against it or its property or assets, prior to the date on which material penalties attach thereto, unless and to the extent only that such taxes, assessments and governmental charges or levies are being contested in good faith by appropriate proceedings or unless the failure to do so will not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities, taken as a whole; and (ii) all lawful claims, including, without limitation, claims for labor, materials, supplies or services, which might or could, if unpaid, become a Lien upon such property or assets, unless and to the extent only that the validity or the amount thereof is being contested in good faith by appropriate proceedings or unless the failure to do so will not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities, taken as a whole.

Section 5.08. *Inspection of Books and Assets.* The Borrower will, and will cause each Subsidiary to, permit any representative of any Bank Party (or any agent or nominee of such Bank) to visit and inspect any of the property of the Borrower or such Subsidiary, to examine the books of record and account of the Borrower or such Subsidiary and to discuss the affairs, finances and accounts of the Borrower or such Subsidiary with the officers and independent public accountants of the Borrower or such Subsidiary, all at such reasonable times and as often as such Bank may reasonably request.

Section 5.09. *Indebtedness.* (a) The Borrower will not, and will not permit any of its Consolidated Entities (other than Rural Telephone Finance Cooperative and National Cooperative Services Corporation) to, incur, assume or Guarantee any Superior Indebtedness, or make any optional prepayment on any Members' Subordinated Certificate; *provided* that (i) subject to the provisions of Section 5.12, any such Subsidiary may incur Superior Indebtedness owing to the Borrower or assume or Guarantee Indebtedness of any Person (other than the Borrower or any of its Subsidiaries) owing to the Borrower and (ii) the Borrower may incur, assume or Guarantee Superior Indebtedness or make optional prepayments on Members' Subordinated Certificates if, after giving effect to any such action specified above in this clause (ii), on the date of such incurrence, assumption or Guarantee or making of such optional prepayment (the "**Determination Date**") the aggregate principal amount of Superior Indebtedness then outstanding would not exceed ten times the sum of (a) the aggregate principal amount of Members' Subordinated Certificates outstanding on the Determination Date, (b) the aggregate amount of the line item "total equity" shown on the consolidated balance sheet of the Borrower and its Consolidated Entities on the Determination Date, and (c) the aggregate principal amount of Qualified Subordinated Indebtedness outstanding on the Determination Date; *provided* that the non-cash adjustments (whether positive or negative) required to be made pursuant to ASC 815 and ASC 830 shall be excluded from calculations under clause (ii) above to the extent otherwise included therein. The respective principal amounts of Superior Indebtedness, Members' Subordinated Certificates and Qualified Subordinated Indebtedness to be outstanding on such given future date shall be determined after giving effect to mandatory sinking fund payments, other mandatory prepayments and serial and other maturity payments required to be made on or prior to said given future date by the terms of such Superior Indebtedness, Members' Subordinated Certificates, Qualified Subordinated Indebtedness or any indenture or other instrument pursuant to which they are respectively issued.

(b) If any Loan or L/C Obligation is outstanding hereunder, the Borrower will not take any action which would prevent it from then complying, or fail to take any action which would enable it then to comply, with the provisions of Section 3.03(g), assuming for this purpose only that the Borrower then intended to borrow from one or more of the Bank Parties hereunder.

Section 5.10. *Liens.* The Borrower will not create or permit to exist any Lien on or with respect to any Indebtedness of any Member which is an asset of the Borrower, now existing or hereafter created, or on any notes, mortgages or other documents or instruments evidencing any such Indebtedness, and the Borrower will not permit any Consolidated Entity to create or permit to exist any Lien on or with respect to any of such Subsidiary's assets, except (i) Liens granted by the Borrower to the trustee pursuant to any Indenture, (ii) Liens on any such Indebtedness granted by the Borrower or its Consolidated Entity to secure any borrowing for the purpose of making loans to Member power supply systems or loans to Members for bulk power supply projects or loans to Members for the purpose of providing financing to telephone and related systems eligible to borrow from the RUS or loans to borrowers borrowing from National Cooperative Services Corporation or Rural Telephone Finance Cooperative, which borrowing or borrowings are on terms (except as to terms of interest, premium, if any, and amortization) not materially more disadvantageous to the Borrower's unsecured creditors than the borrowings under any Indenture (it being understood that the Borrower cannot pledge such assets to an extent the aggregate value is greater than 150% of the aggregate principal amount of such Indebtedness), (iii) Liens of current Taxes not delinquent or a security for Taxes being contested in good faith, (iv) Liens other than in favor of the PBGC, created by or resulting from any legal proceedings (including legal proceedings instituted by the Borrower or any Subsidiary) which are being contested in good faith by appropriate proceedings, including appeals of judgments as to which a stay of execution shall have been issued, and adequate reserves shall have been established, (v) Liens created by the Borrower to secure Guarantees by the Borrower of Indebtedness, the interest on which is excludable from the gross income of the recipient thereof for Federal income tax purposes as provided in Section 103(a) of the Internal Revenue Code or Section 103(a) of the Internal Revenue Code of 1954, as amended, (x) of a Member which is a state or political subdivision thereof or (y) of a state or political subdivision thereof incurred to benefit a Member for one of the purposes provided in Section 142(a)(2), (4), (5), (6), (8), (9), (10) or (12) of the Internal Revenue Code or Section 103(b)(4)(D), (E), (F), (G), (H) or (J) of the Internal Revenue Code of 1954, as amended, (vi) Liens granted by any Subsidiary to the Borrower, (vii) REDLG Program Liens securing REDLG Obligations with respect to government Guarantees of Indebtedness of the Borrower, (viii) Farmer Mac Master Note Purchase Agreement Liens securing Farmer Mac Master Note Purchase Agreement Obligations *provided* that the Borrower cannot grant liens on such assets to the extent that the aggregate value of such assets on which Liens are granted is greater than 150% of the Farmer Mac Master Note Purchase Agreement Limit and (ix) Liens on any such Indebtedness granted by the Borrower to secure any borrowings, which borrowings are on terms (except as to terms of interest, premium, if any, and amortization) not materially more disadvantageous to the Borrower's unsecured creditors than the borrowings under any Indenture (it being understood that the Borrower cannot pledge such assets to an extent that the aggregate value is greater than 150% of the aggregate principal

amount of such Indebtedness); *provided* that Liens incurred in reliance on clauses (ii), (vii), (viii) and (ix) of this Section 5.10 shall not secure amounts exceeding, in the aggregate, the Lien Exception Amount at any one time outstanding.

Section 5.11. *Maintenance of Insurance.* The Borrower will maintain, and will cause each Subsidiary to maintain, insurance in such amounts, on such forms and with such companies as is necessary or appropriate for its business.

Section 5.12. *Subsidiaries and Joint Ventures.* The Borrower will not permit (a) the sum of (i) the amount of Indebtedness owing to the Borrower by all of its Subsidiaries and Joint Ventures *plus* (ii) the amount paid by the Borrower in respect of the stock, obligations or securities of or any other interest in such Subsidiaries and Joint Ventures *plus* (iii) any capital contributions by the Borrower to such Subsidiaries and Joint Ventures (the amounts referred to in paragraphs (i) through (iii), the “**Investments**”) *plus* (iv) the amount of assets (excluding Foreclosed Assets) otherwise sold or transferred by the Borrower to such Subsidiaries and Joint Ventures (other than sales at fair market value) *minus* (v) any Start-up Investments *minus* (vi) any Investment made in cash by the Borrower in any Special Purpose Subsidiary (up to a maximum amount not to exceed the lesser of (x) the amount necessary to provide such Special Purpose Subsidiary with sufficient working capital to conduct its business as contemplated hereby and (y) \$150,000,000) to exceed at any time (b) 10% of the sum of (i) all accounts which, in accordance with U.S. GAAP, constitute equity in the Borrower and its Consolidated Entities at such time *plus* (ii) all Indebtedness of the Borrower shown on its balance sheet dated as of May 31, 2015 as Members’ Subordinated Certificates as such Indebtedness shall be reduced from time to time and any other Indebtedness of the Borrower incurred after May 31, 2015 having substantially similar provisions as to subordination as those contained in said outstanding certificates as such other Indebtedness shall be reduced from time to time, in each case at such time *plus* (iii) all Qualified Subordinated Indebtedness outstanding at such time; *provided* that non-cash adjustments (whether positive or negative) required to be made pursuant to ASC 815 and ASC 830 shall be excluded from the calculation of the amounts specified in clauses (b)(i), (b)(ii), and (b)(iii) of this Section 5.12 to the extent otherwise included therein; *provided, further,* that, in addition to the foregoing, the Borrower may transfer assets with an aggregate fair market value of not more than \$150,000,000 to a bankruptcy remote trust required to be established to support REDLG Obligations of the Borrower, and any such transfer shall be excluded from any calculation under clauses (a) and (b) above to the extent otherwise included therein. For the purpose of this Section 5.12, “**Foreclosed Asset**” means (x) any property distributed to the Borrower with the authority of any Bankruptcy Court in connection with the bankruptcy of any of the Borrower’s debtors and (y) property received by the Borrower upon enforcement by the Borrower of its security interest (if any) in such property or in settlement of delinquent accounts or other overdue amounts owed to it by any of the Borrower’s debtors; “**Special Purpose**

Subsidiary” means any domestic Subsidiary (which shall include any Subsidiary organized under the laws of the United States Virgin Islands) and any Subsidiary organized under the laws of the Netherlands Antilles or the British Virgin Islands all of the shares of capital stock or other ownership interest of which are directly or indirectly owned by the Borrower, which Subsidiary is established for the sole purpose of, and whose sole business shall at all times be, holding Foreclosed Assets; and “**Start-up Investments**” means Investments made in a Special Purpose Subsidiary solely to finance such Special Purpose Subsidiary’s initial acquisition of Foreclosed Assets.

Section 5.13. *Minimum TIER.* The Borrower shall not permit, as of the last day of each fiscal quarter, the average of the TIERS for the six (6) immediately preceding fiscal quarters (including the fiscal quarter ending on such date) of the Borrower to be less than 1.025:1.00.

Section 5.14. *Retirement of Patronage Capital.* The Borrower shall not make, or permit any Subsidiaries of the Borrower to make, any payments to Members in respect of Patronage Capital Certificates unless (i) the TIER for the immediately preceding fiscal year for which financial statements have been delivered to the Administrative Agent pursuant to Section 5.03(b) equals or exceeds 1.05:1.00 and (ii) there exists (and would exist after giving effect to any such payment) no Default or Event of Default under this Agreement.

Section 5.15. *Use of Proceeds.* The proceeds of the Loans or L/C Credit Extensions made hereunder may be used by the Borrower for general corporate purposes. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any “margin stock”, within the meaning of Regulation U. Neither the Borrower nor any of its Subsidiaries has taken or will take any action which might cause this Agreement or the Notes to violate Regulation U or Regulation X. The Borrower has implemented and maintains in effect policies and procedures designed to cause compliance by the Borrower and its Subsidiaries and, when conducting business on behalf of the Borrower or its Subsidiaries, their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and, to the knowledge of the Borrower, their respective officers, employees and directors, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or directly benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

Section 5.16. *Compliance with Laws.* The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and, when conducting business on behalf of the Borrower or its Subsidiaries, their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions.

ARTICLE 6
DEFAULTS

Section 6.01. *Events of Default.* If one or more of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

(a) *Principal and Interest.* The Borrower shall (i) fail to pay when due (whether upon stated maturity, by acceleration or otherwise) any principal of any Loan or any L/C Obligation or (ii) fail, and such failure shall continue uncured for five or more Domestic Business Days, to pay when due (whether upon stated maturity, by acceleration or otherwise) any interest on any Loan or any L/C Obligation;

(b) *Other Amounts.* The Borrower shall fail to pay when due any fee or other amount payable under this Agreement (including pursuant to Section 2.09 (b)) and such failure remains uncured for ten (10) or more Domestic Business Days after the due date thereof;

(c) *Covenants Without Notice.* The Borrower shall fail to observe or perform any covenant or agreement on its part to be observed or performed which is set forth in Sections 5.01 (only with respect to the Borrower’s corporate existence), 5.02, 5.09, 5.10, 5.12, 5.13, 5.14 or 5.15;

(d) *Covenants With 10 Days Grace.* The Borrower shall fail to observe or perform any covenant or agreement on its part to be observed or performed, which is set forth in the last sentence of Section 5.04, or in Section 5.05(ii) and such non-observance or non-performance shall continue unremedied for a period of more than 10 days;

(e) *Other Covenants.* The Borrower shall fail to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a), (b), (c), and (d) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given by any Bank Party to the Borrower and the other Bank Parties; *provided* that, if the failure be such that it cannot be corrected within the applicable period, but can be corrected within a reasonable period of time thereafter, it shall not constitute a Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected, but any such failure that is not so corrected within 60 days after such applicable period shall constitute a Default;

(f) *Representations.* Any representation, warranty, certification or statement made or deemed to be made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant to this

Agreement shall prove to have been incorrect in any material respect when made or deemed to be made;

(g) *Non-Payments of Indebtedness and/or Derivatives Obligations.*

The Borrower or any Subsidiary of the Borrower shall fail to make any payment or payments aggregating for the Borrower and its Subsidiaries in excess of \$50,000,000 in respect of Indebtedness and/or Derivatives Obligations of the Borrower or any Subsidiary (other than the Loans or any Indebtedness under this Agreement) when due (whether upon stated maturity, by acceleration or otherwise) or within any applicable grace period;

(h) *Defaults Under Other Agreements.*

The Borrower or any Subsidiary shall fail to observe or perform within any applicable grace period any covenant or agreement contained in any agreement or instrument relating to any Indebtedness of the Borrower or any Subsidiary, aggregating for the Borrower and its Subsidiaries in excess of \$50,000,000 if the effect of such failure is to accelerate, or to permit the holder of such Indebtedness or any other Person to accelerate, the maturity of such Indebtedness;

(i) *Bankruptcy.*

Any proceeding shall be instituted by or against the Borrower or any Subsidiary seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, conservation or proceeding in the nature thereof, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or seeking the entry of an order for relief or the appointment of a receiver (including state regulatory authorities acting in a similar capacity), trustee, custodian or other similar official for it or for any substantial part of its property, and, in the case of any such proceeding instituted against it (but not instituted by it) shall remain undismissed or unstayed for a period of 60 days; or the Borrower or any Subsidiary shall take any action to authorize any of the actions set forth above in this subsection 6.01(i);

(j) *ERISA.*

A Plan shall fail to maintain the minimum funding standard required by Section 412 of the Internal Revenue Code for any plan year or a waiver of such standard is sought or granted under Section 412(d) of the Internal Revenue Code, or a Plan is, shall have been or is likely to be terminated or the subject of termination proceedings under Section 4042 of ERISA, or the Borrower or a Subsidiary of the Borrower or any member of the ERISA Group has incurred or is likely to incur a liability to or on account of a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA, and there shall result from any such event or events either a liability or a material risk of incurring a liability to the PBGC or a Plan, which in the opinion of the Required Banks, will have a material adverse effect upon the business, results of operations or financial position of the Borrower; or

(k) *Money Judgment.* A final judgment or order for the payment of money in excess of \$50,000,000 shall be rendered against the Borrower or any Subsidiary and such judgment or order shall continue unsatisfied and in effect for a period of 45 days during which execution shall not be effectively stayed or deferred (whether by action of a court, by agreement or otherwise); *provided, however,* that any such judgment or order shall not give rise to an Event of Default under this paragraph (k) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance and (ii) within 90 days of the rendering of such judgment or order the insurer thereunder has affirmed liability;

(l) *Insolvency.* The Borrower or any Subsidiary shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors;

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the request of the Required Banks, shall by notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Bank or the holder of any Note to enforce its claims against the Borrower: (a) declare the Commitments terminated, whereupon the Commitment of each Bank shall forthwith terminate immediately and any fee payable pursuant to Section 2.09 shall forthwith become due and payable without any other notice of any kind; and/or (b) declare the principal of and accrued interest on the Loans, and all other obligations owing hereunder, to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; *provided that,* if an Event of Default specified in subsection (i) shall occur, the result which would occur upon the giving of written notice by the Administrative Agent to the Borrower, as specified in clauses (a) and (b) above, shall occur automatically without the giving of any such notice.

Section 6.02. *Actions In Respect Of Letters Of Credit Upon Default.* If any Event of Default shall have occurred and be continuing, the Administrative Agent may, or shall at the request of the Required Banks, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, subject to Section 2.20(e) and after giving effect to Section 2.19(a)(iv) and any Cash Collateral provided by the Defaulting Bank, make demand upon the Borrower to, and forthwith upon demand the Borrower will, Cash Collateralize, for deposit in the Cash Collateral Account, an amount equal to the Outstanding Amount of all L/C Obligations. Subject to Section 2.19(a)(iv) and 2.20(e), if at any time the Administrative Agent determines that any Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Bank Parties or that the Cash Collateral is less than the Outstanding Amount of all L/C Obligations, the Borrower, and to the extent provided by any Bank, such Bank

will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent additional Cash Collateral to be deposited and held in the Cash Collateral Account, in an amount equal to the excess of (a) such aggregate Outstanding Amount of all L/C Obligations over (b) the total amount of Cash Collateral that the Administrative Agent determines to be free and clear of any such right and claim.

Section 6.03. *Notice of Default.* The Administrative Agent shall give notice to the Borrower under Section 6.01(e) promptly upon being requested to do so by any Bank Party and shall thereupon notify all the Bank Parties thereof.

ARTICLE 7
THE ADMINISTRATIVE AGENT

Section 7.01. *Appointment and Authorization.* Each Bank Party irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Administrative Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

Section 7.02. *Administrative Agent and Affiliates.* Mizuho Bank, Ltd. shall have the same rights and powers under this Agreement as any other Bank Party and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and the terms “Banks,” “holders of Notes” and like terms shall include Mizuho Bank, Ltd. in its individual capacity as such. Mizuho Bank, Ltd. and its affiliates may, without liability to account, make loans to, accept deposits from, acquire debt or equity interests in, act as trustee under indentures of, and engage in any other business with, the Borrower and any stockholder, subsidiary or affiliate of the Borrower, as though Mizuho Bank, Ltd. were not the Administrative Agent hereunder.

Section 7.03. *General Nature of the Administrative Agent’s Duties.* Notwithstanding anything to the contrary elsewhere in this Agreement or in any other Credit Documentation:

(a) The Administrative Agent shall not have any duties or responsibilities except those expressly set forth in this Agreement and the other Credit Documentation, and no implied duties or responsibilities on the part of the Administrative Agent shall be read into this Agreement or any Credit Documentation or shall otherwise exist. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article 6.

(b) The duties and responsibilities of the Administrative Agent under this Agreement and the other Credit Documentation shall be mechanical and administrative in nature, and the Administrative Agent shall not have a fiduciary relationship in respect of any Lender or Issuing Bank.

(c) The Administrative Agent is and shall be solely the agent of the Banks and the Issuing Banks. The Administrative Agent does not assume, and shall not at any time be deemed to have, any relationship of agency or trust with or for, or any other duty or responsibility to, any Borrower or any other Person (except only for its relationship as agent for, and its express duties and

responsibilities to, the Banks and Issuing Banks as provided in this Agreement and the other Credit Documentation).

(d) The Administrative Agent shall not be under any obligation to take any action hereunder or under any other Credit Documentation if the Administrative Agent believes in good faith that taking such action may conflict with any law or any provision of this Agreement or any other Credit Documentation, or may require the Administrative Agent to qualify to do business in any jurisdiction where it is not then so qualified.

Section 7.04. *Consultation with Experts.* The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 7.05. *Liability of Administrative Agent.* Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents, or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile transmission or similar electronic submission) reasonably believed by it to be genuine or to be signed by the proper party or parties.

Section 7.06. *Indemnification.* Each Bank shall, ratably in accordance with the sum of (i) its unused Commitment, (ii) its Pro Rata Share of all L/C Obligations outstanding and (iii) any Loans outstanding of such Bank, indemnify the Administrative Agent, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, loss, damages or liability (except such as result from such indemnitee's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction) that such indemnitees may suffer or incur in connection with the Existing Credit Agreement or this Agreement, as

the case may be, or any action taken or omitted by such indemnitees hereunder. Each Bank severally agrees to indemnify each Issuing Bank (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so in accordance with the Existing Credit Agreement or this Agreement) from and against such Bank's Pro Rata Share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Issuing Bank in its capacity as such in any way relating to or arising out of the Existing Credit Agreement or this Agreement, the Notes or the Issuer Documents, or any action taken or omitted by such Issuing Bank under the Existing Credit Agreement or this Agreement, the Notes or the Issuer Documents (including the issuance or transfer of, or payment or failure to pay under, any Letter of Credit); provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting directly and primarily from such Issuing Bank's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Bank agrees to reimburse such Issuing Bank promptly upon demand for its Pro Rata Share of any costs and expenses (including, without limitation, reasonable fees and expenses of counsel) payable by the Borrower under Section 9.03, to the extent that such Issuing Bank is not promptly reimbursed for such costs and expenses by the Borrower in accordance with the Existing Credit Agreement or this Agreement.

Section 7.07. *Credit Decision.* Each Bank Party acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Bank Party, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank Party also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Bank Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 7.08. *Successor Administrative Agent.* The Administrative Agent may, upon giving 5 Domestic Business Days prior written notice to the Borrower, and for so long as long as no Event of Default has occurred and is continuing, at the request of the Borrower, shall, resign at any time by giving written notice thereof to the Banks and the Borrower. Upon any such resignation, the Borrower shall have the right, with the consent of the Required Banks, such consent not to be unreasonably withheld, conditioned or delayed, to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Borrower, and shall have accepted such appointment, within 15 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Bank Parties, appoint a

successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$1,000,000,000. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

Section 7.09. *Co-Documentation Agents, Syndication Agent and Co-Lead Arrangers Not Liable.* Nothing in this Agreement shall impose upon the Co-Documentation Agents, the Syndication Agent or the Co-Lead Arrangers, each in such capacity, any duties or responsibilities whatsoever.

Section 7.10. *Calculations.* The Administrative Agent shall not be liable for any calculation, apportionment or distribution of payments made by it in good faith. If such calculation, apportionment or distribution is subsequently determined to have been made in error, the sole recourse of any Lender to whom payment was due but not made shall be to recover from the other Banks any payment in excess of the amount to which they are determined to be entitled or, if the amount due was not paid by the Borrower, to recover such amount from the Borrower.

ARTICLE 8
CHANGE IN CIRCUMSTANCES

Section 8.01. *Basis for Determining Interest Rate Inadequate or Unfair.*
If on or prior to the first day of any Interest Period for any Fixed Rate Borrowing:

(a) the Administrative Agent determines that the London Interbank Offered Rate is not available in the manner set forth in the definition of London Interbank Offered Rate for any such Interest Period (each such Interest Period an “Affected Interest Period”), or

(b) in the case of a Committed Borrowing, Banks having 50% or more of the aggregate amount of the Commitments advise the Administrative Agent in writing that the Adjusted London Interbank Offered Rate, as determined by the Administrative Agent, will not adequately and fairly reflect the cost to such Banks of funding their Euro-Dollar Loans for such Interest Period, in either the case of clause (a) or clause (b) above, the Administrative Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Banks to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (i) if such Fixed Rate Borrowing is a Euro-Dollar Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

Section 8.02. *Illegality.* If a Change in Law shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans or to convert outstanding Loans into Euro-Dollar Loans or continue outstanding Loans as Euro-Dollar Loans, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Bank shall designate a different Euro-Dollar

Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. The Borrower hereby agrees to pay the reasonable costs and expenses incurred by such Bank in connection with any such designation. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then-outstanding principal amount of each such Euro-Dollar Loan, together with accrued interest thereon. Concurrently with prepaying each such Euro-Dollar Loan, the Borrower shall borrow a Base Rate Loan in an equal principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

Section 8.03. *Increased Cost and Reduced Return.* (a) If on or after (x) the Effective Date, in the case of any Committed Loan or L/C Credit Extension or any obligation to make or participate in Committed Loans or L/C Credit Extensions or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, any Change in Law shall:

(i) impose on any Bank Party or the London interbank market any other condition, cost or expense affecting this Agreement or Fixed Rate Loans made by such Bank Party or participation therein; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Taxes described in clauses (c) and (d) of Excluded Taxes and (C) Other Connection Taxes on gross or net income, profits or revenue (including value-added or similar Taxes)) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(iii) impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank Party (or its Applicable Lending Office) or shall impose on any Bank Party (or its Applicable Lending Office) or the London interbank market any other condition affecting its Fixed Rate Loans, its Notes or its obligation to make Fixed Rate Loans or make or participate in L/C Credit Extensions; and the result of any of the foregoing is to increase the cost to such Bank Party (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan or any L/C Credit Extension (or participation therein), or to reduce the amount of any sum

received or receivable by such Bank Party (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Bank Party to be material,

then, within 15 days following the Borrower's receipt of the certificate referenced in clause (c) by such Bank Party or such other Recipient (with a copy to the Administrative Agent), (i) the Borrower shall pay to such Bank Party such additional amount or amounts as will compensate such Bank Party or such other Recipient for such increased cost or reduction suffered (including any amount or amounts equal to any taxes on the overall net income of such Bank Party or such other Recipient payable by such Bank Party or such other Recipient with respect to the amount of payments required to be made pursuant to this Section 8.03(a)) as reasonably determined by such Bank Party (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and only if such additional amount or amounts are passed on in a similar manner by such Bank Party to similarly situated borrowers (which are parties to credit or loan documentation containing a provision similar to this Section 8.03(a), as determined by such Bank Party in its reasonable discretion, or (ii) convert such Bank Party's Loans so affected by such Change in Law to Base Rate Loans and pay any related breakage costs pursuant to Section 2.14 and any accrued increased costs pursuant to this Section 8.03).

(b) If a Bank Party, other than a Defaulting Bank, determines that any Change in Law, will have the effect of increasing the amount of capital required or expected to be maintained by such Bank Party based on the existence of such Bank Party's Commitment hereunder or its obligations hereunder, it will notify the Borrower. This determination will be made on a Bank Party-by-Bank Party basis. The Borrower shall (i) within 15 days following the Borrower's receipt of the certificate referenced in clause (c) pay to each Bank Party on demand such additional amounts as are necessary to compensate for the increased cost to such Bank Party as a result of any Change in Law or (ii) convert such Bank Party's Loans so affected by such Change in Law to a Base Rate Loan and pay any related breakage costs pursuant to Section 2.14 and any accrued increased costs pursuant to this Section 8.03. In determining such amount, such Bank Party will act reasonably and in good faith (and not on an arbitrary or capricious basis) and will use averaging and attribution methods which are reasonable, and such Bank Party will pass such costs on to the Borrower only if such costs are passed on in a similar manner by such Bank Party to similarly situated borrowers (which are parties to credit or loan documentation containing a provision similar to this Section 8.03(b)), as determined by such Bank Party in its reasonable discretion. Each Bank Party's determination of compensation shall be conclusive if made in accordance with this provision. Each Bank Party, upon determining that any increased costs will be payable pursuant to this Section 8.03(b), will give prompt written notice thereof to the Borrower, which notice shall show the basis for calculation of such increased costs, although the failure to give any such notice

shall not release or diminish any of the Borrower's obligations to pay increased costs pursuant to this Section 8.03(b).

(c) Each Bank Party will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank Party to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank Party, be otherwise disadvantageous to such Bank Party. The Borrower hereby agrees to pay the reasonable costs and expenses incurred by such Bank Party in connection with any such designation. A Bank Party claiming compensation under this Section shall furnish a certificate to the Borrower setting forth the additional amount or amounts to be paid to it hereunder, which shall be conclusive in the absence of manifest error. In determining such amount, such Bank Party may use any reasonable averaging and attribution methods.

(d) Failure or delay on the part of any Bank Party to demand compensation pursuant to this Section 8.03 shall not constitute a waiver of such Bank Party's right to demand such compensation; *provided* that the Borrower shall not be required to compensate any Bank Party pursuant to this Section 8.03 for any increased costs or reductions incurred more than six months prior to the date that such Bank Party notifies the Borrower and the Administrative Agent of the Change in Law giving rise to such increased costs or reductions and of such Bank Party's intention to claim compensation therefor; *provided, further*, that, if the Change in Law giving rise to such increased costs or reductions are retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

Section 8.04. *Base Rate Loans Substituted for Affected Euro-Dollar Loans.* If (i) the obligation of any Bank to make, or to continue or convert outstanding Loans as or to, Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03(a) with respect to its Fixed Rate Loans or its obligation to make Fixed Rate Loans, and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Administrative Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Bank as Euro-Dollar Loans shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and

(b) after each of its Euro-Dollar Loans has been repaid, all payments of principal which would otherwise be applied to repay such Euro-Dollar Loans shall be applied to repay its Base Rate Loans instead.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.* (a) All notices, requests, directions, consents, approvals and other communications to any party hereunder shall be in writing (including bank wire, facsimile transmission or other electronic submission or similar writing) and shall be given to such party (subject to subparagraph (b) below): (w) in the case of the Borrower:

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attn: Capital Markets Relations
Phone: (703) 467-7402
Fax: (703) 467-5178
Email: BankingRelations@nrucfc.coop

with a copy to:

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attn: General Counsel
Phone: (703) 467-7404
Fax: (703) 467-5651

(x) in the case of the Administrative Agent:

Mizuho Bank, Ltd.
1251 Avenue of the Americas
New York, New York 10020
Attn: Cole Darrington
Email: lau_agent@mizuhocbus.com

(y) in the case of any Bank, at its address, email address or telecopier number set forth in its Administrative Questionnaire or (z) in the case of any other party, such other address, email address or telecopier number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower. Each such notice, request, direction, consent, approval or other communication shall be effective (i) if given by facsimile transmission or other electronic submission, when such facsimile transmission or other electronic submission is transmitted to the facsimile number or email address specified in this Section and

receipt is confirmed or (iii) if given by any other means, when delivered or received at the address specified in this Section; *provided* that (A) notices to the Administrative Agent under Article 2 or Article 8 shall also be confirmed by telephone call and shall not be effective until received and (B) any communications deemed received hereunder must have been received during the recipient's normal business hours; *provided, however*, that any communication that is not received during the recipient's normal business hours on a particular Domestic Business Day, shall be deemed to be received on the immediately following Domestic Business Day.

(b) Notices and other communications to the Bank Parties hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article 2 or Article 8 unless otherwise agreed by the Administrative Agent and the applicable Bank Party. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(c) The address, telephone number or facsimile number for any party hereto may be changed at any time and from time to time upon written notice given by such changing party to each other party hereto.

Section 9.02. *No Waivers.* No failure or delay by the Administrative Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. *Expenses; Documentary Taxes; Indemnification.* (a) The Borrower shall pay (i) all documented reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all documented reasonable out-of-pocket expenses incurred by the Administrative Agent or any Bank, including reasonable fees and disbursements incurred by counsel or in-house counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The Borrower shall indemnify each Bank Party against any transfer Taxes, documentary Taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the Notes and any and all liabilities with respect to or resulting from any delay or omission

(unless solely attributable to such Bank) to pay such Taxes. This Section 9.03(a) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(b) The Borrower agrees to indemnify each Bank Party, their respective affiliates and the respective directors, officers and employees of the foregoing (each an “**Indemnitee**”) and hold each Indemnitee harmless from and against any and all liabilities, losses, damages, costs, claims, demands and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by any Indemnitee (or by the Administrative Agent in connection with its actions as Agent hereunder) in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder; *provided* that no Indemnitee shall have the right to be indemnified hereunder for its own gross negligence, willful misconduct or unlawful conduct as determined by a final, non-appealable judgment of a court of competent jurisdiction.

Section 9.04. *Sharing of Set-offs.* Each Bank agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest then due with respect to any Loans made by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest due with respect to any Loans made by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Loans held by the other Banks, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Loans held by the Banks shall be shared by the Banks *pro rata*; *provided* that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Loans. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Loan, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

Section 9.05. *Amendments and Waivers.* Except as provided by Section 2.17 or Section 2.19(a)(iii), any provision of this Agreement or the Notes may be amended or waived if such amendment or waiver is in writing and is signed by the Borrower and either (a) the Required Banks (and, if the rights or duties of the Administrative Agent are affected thereby, by the Administrative Agent) or (b) the Administrative Agent if, but only if, the Administrative Agent has received the

prior written consent of the Required Banks; *provided* that, no such amendment or waiver shall (i) increase the Commitment of any Bank or subject any Bank to any additional obligation without the written consent of such Bank, (ii) reduce the principal of or rate of interest on any Loan or any fees hereunder without the written consent of each Bank directly affected thereby, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or any fees hereunder without the written consent of each Bank directly affected thereby, (iv) change the aggregate unpaid principal amount of the Notes without the written consent of each Bank directly affected thereby, (v) change any provision which requires the pro rata sharing of payments among the Banks hereunder without the written consent of each Bank directly affected thereby, (vi) change clauses (i) through (vi) of this *proviso* to this Section 9.05 or the definition of “Required Banks” (other than the percentage indicated therein, which, for the avoidance of doubt, is subject to clause (vii) below) without the written consent of each Bank (including, notwithstanding Section 2.19(a)(iii), any Defaulting Bank) or (vii) modify or change (x) the percentage indicated in the definition of “Required Banks” or (y) subject to clause (vi) above, any other provision hereof specifying the number or percentage of Banks required to waive, amend or modify any rights hereunder, make any determination or grant any consent hereunder or take any other action under any provision of this Agreement, without the written consent of each Bank (excluding, for the avoidance of doubt, any Defaulting Bank to the extent of its unfunded Commitment). For the avoidance of doubt, no consent or any other action will be required of any Bank (other than the Defaulting Bank and the Administrative Agent to the extent required by Section 2.18) for any assignment of any Loans or termination of any Commitments pursuant to Section 2.18.

Whenever a waiver, amendment or modification requires the consent of a Bank “affected” or “directly affected” thereby, such waiver, amendment or modification shall, upon consent of such Bank, become effective as to such Bank whether or not it becomes effective as to any other Bank, so long as the Required Banks consent to such waiver, amendment or modification as provided above.

If the Required Banks shall have approved any amendment which requires the consent of all of the Banks, the Borrower shall be permitted to replace any non-consenting Bank with a replacement institution; *provided* that (i) the replacement institution shall purchase at par all Loans and other amounts owing to such replaced Bank on or prior to the date of replacement, (ii) the Borrower shall be liable to such replaced Bank under Section 2.13 if any Euro-Dollar Loan owing to such replaced Bank shall be purchased other than on the last day of the Interest Period relating thereto (as if such purchase constituted a prepayment of such Loans), (iii) such replacement institution, if not already a Bank, shall be reasonably satisfactory to the Administrative Agent, (iv) the replaced Bank shall be obligated to make such replacement in accordance with the provisions of Section 9.06(c) and (v) any such replacement shall not be deemed to be a waiver

of any rights the Borrower, Administrative Agent or any Bank shall have against the replaced Bank.

Section 9.06. *Successors and Assigns.* (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

(b) Any Bank may at any time grant to one or more affiliates of such Bank, banks or other institutions (each a “**Participant**”) participating interests in its Commitment or any or all of its Loans or L/C Obligations. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank’s rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clauses (i), (ii) or (iii) of Section 9.05 that directly affects such Participant without the consent of such Participant. Subject to the provisions of subsection (e), the Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits, and be bound by the obligations, of Article 8 and Section 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(f) (it being understood that the documentation required under Section 2.16(f) shall be delivered to the participating Bank)) with respect to its participating interest; provided that such Participant (A) agrees to be subject to the provisions of Section 2.18, Section 2.19 and Section 9.04 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Bank would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b). Each Bank that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under this Agreement (the “**Participant Register**”);

provided that no Bank shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any this Agreement or the Notes) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Bank shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(c) Any Bank may at any time assign to one or more banks or other institutions other than a Defaulting Bank or a bank or other institution that is subject to Sanctions (each an "**Assignee**") all, or a proportionate part (but not in any case in an amount less than \$5,000,000, unless (x) such Assignee is another Bank or an affiliate of such transferor Bank or (y) such assignment is for all of such transferor Bank's rights and obligations under this Agreement and the Notes) of all of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto executed by such Assignee and such transferor Bank, with (and subject to) the written consent of (1) the Borrower and the Administrative Agent, such consents not to be unreasonably withheld and (2) each Issuing Bank in its sole discretion; *provided* that (i) if an Assignee is another Bank or an affiliate of such transferor Bank, or (ii) in the case of an assignment by any Bank to one or more Assignees after the occurrence and during the continuance of an Event of Default, no such consent of the Borrower shall be required; and *provided further* that such assignment may, but need not, include the rights of the transferor Bank in respect of outstanding Money Market Loans. Upon execution and delivery of such an instrument and payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment, the transferor Bank shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500, and if it shall not be an existing Bank, the Assignee shall deliver to the Administrative Agent and the Borrower a duly completed and executed Administrative Questionnaire and all relevant information for notices hereunder. If the Assignee is not incorporated under the

laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 2.16.

(d) Any Bank Party may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement and its Note to a Federal Reserve Bank or any other Central Banking Authority to secure the obligations of such Bank thereto. No such pledge or assignment shall release the transferor Bank from its obligations hereunder or substitute any such pledge or assignee for such Bank as a party hereto or thereto.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent.

(f) Any Issuing Bank may assign all of its rights and obligations under the undrawn portion of its commitment hereunder to issue Letters of Credit at any time; *provided, however*, that (i) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and record, an Assignment and Assumption Agreement, together with a processing and recordation fee of \$3,500 and (ii) so long as no Event of Default has occurred and is continuing, the Borrower has consented to the assignment (such consent not to be unreasonably withheld).

Section 9.07. *Collateral*. Each of the Banks represents to the Administrative Agent and each of the other Banks that it in good faith is not relying upon any "margin stock" (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

Section 9.08. *Governing Law*. (a) This Agreement and each Note shall be governed by and construed in accordance with the laws of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees, to the fullest extent permitted by

law, that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Bank may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.09. *Counterparts; Integration.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.10. *Several Obligations.* The obligations of the Bank Parties hereunder are several. Neither the failure of any Bank Party to carry out its obligations hereunder nor of this Agreement to be duly authorized, executed and delivery by any Bank Party shall relieve any other Bank Party of its obligations hereunder (or affect the rights hereunder of such other Bank). No Bank Party shall be responsible for the obligations of, or any action taken or omitted by, any other Bank Party hereunder.

Section 9.11. *Severability.* In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 9.12. *Confidentiality.* The Administrative Agent and each Bank Party represent that they will maintain the confidentiality of any written or oral information provided by or on behalf of the Borrower or any of its Consolidated Entities (hereinafter collectively called “**Confidential Information**”), subject to the Administrative Agent’s and each Bank’s (a) obligation to disclose any such

Confidential Information pursuant to a request or order under applicable laws or regulations or from a regulatory authority or pursuant to a subpoena or other legal process, (b) right to disclose any such Confidential Information to its bank examiners, auditors, counsel and other professional advisors, and its employees, officers and directors, and to other Bank Parties (it being understood that such Persons shall be informed of the confidential nature of such information and instructed to keep it confidential), (c) right to disclose any such Confidential Information in connection with any litigation or dispute involving the Bank Parties and the Borrower or any of its Subsidiaries and affiliates, (d) right to provide such information to Participants, prospective Participants to which sales of participating interests are permitted pursuant to Section 9.06(b) and prospective Assignees to which assignments of interests are permitted pursuant to Section 9.06(c) if such Participant, prospective Participant or prospective Assignee agrees in writing to maintain the confidentiality of such information on terms substantially similar to those of this Section as if it were a “Bank” party hereto, and (e) right to disclose Confidential Information to its affiliates if such affiliate agrees in writing to maintain the confidentiality of such information on terms substantially similar to those of this Section. Notwithstanding the foregoing, any such information supplied to a Bank Party, Participant, prospective Participant or prospective Assignee under this Agreement shall cease to be Confidential Information if it is or becomes known to such Person by other than unauthorized disclosure, or if it becomes a matter of public knowledge other than as a result of a breach of this Section by such Person.

Section 9.13. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.14. *USA Patriot Act.* Each Bank hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Bank to identify the Borrower in accordance with the Act.

Section 9.15. *ICC Transactions.* Notwithstanding anything to the contrary set forth in this Agreement (without limiting the terms of the penultimate sentence of this Section 9.15) or in any of the Notes or other instruments or documents that have been or are in the future executed or delivered pursuant to, or that otherwise relate to, this Agreement or to any Committed Borrowings or Loans hereunder (all of the foregoing, collectively with this Agreement, the “**Credit Documentation**”), (a) to the extent necessary under the Credit Documentation, the Banks hereby consent to, and waive any Default, Event of Default or other breach, violation, default or noncompliance with the provisions

of the Credit Documentation that might otherwise be caused by or be attributable to, the “ICC Transactions” as such term is defined in Schedule 9.15 hereto, and (b) the ICC Transactions, the “ICC Assets,” the “ICC Related Companies” (as such terms are respectively defined in Schedule 9.15 hereto), and the assets, liabilities and operations of the ICC Related Companies (including without limitation any circumstances, events, occurrences, actions or omissions relating to, of or by any of the ICC Related Companies), are hereby excluded from, and shall not be taken into account in applying, interpreting or determining compliance with, the provisions of the Credit Documentation (including without limitation, the definitions, representations, warranties, covenants, agreements, conditions and events of default set forth in the Credit Documentation) and may be excluded from any certifications, notices, reports or statements delivered or to be delivered pursuant to the Credit Documentation. Without limiting the generality of the foregoing, the defined terms “ERISA Group,” “Joint Venture,” “Member” and “Subsidiary,” among others, as used in the Credit Documentation shall not include the ICC Related Companies. Notwithstanding the preceding provisions of this Section 9.15, any new investments in the ICC Related Companies by purchase of equity and/or debt securities, funding (through capital contributions and/or newly originated loans) of working capital or capital expenditure needs of the ICC Related Companies, payment by RTFC (as such term is defined in Schedule 9.15 hereto) or the Borrower of claims of other creditors of the ICC Related Companies, and/or provision of any new guarantees, letters of credit and/or other new credit support or credit enhancement of the debt or other obligations of the ICC Related Companies, in the case of each of the foregoing, made or provided by the Borrower and/or RTFC at any time from December 9, 2008 shall not exceed in the aggregate (but without double-counting any such new investments) \$275,000,000 without the consent of the Required Banks. To the extent that the Credit Documentation provides that any of the ICC Transactions may be implemented if certain advance notice thereof is given, all such conditions or requirements of advance notice shall be deemed to have been complied with and all such notices shall be deemed to have been duly and timely given in accordance with the terms of the Credit Documentation.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: /s/ J. ANDREW DON

Name: J. Andrew Don

Title: Senior Vice President and
Chief Financial Officer

MIZUHO BANK, LTD., as Administrative
Agent, as Initial Issuing Bank and as a Bank

By: /s/ NELSON CHANG

Name: Nelson Chang

Title: Authorized Signatory

JPMORGAN CHASE BANK, N.A., as
Syndication Agent and as a Bank

By: /s/ JUAN JAVELLANA

Name: Juan Javellana

Title: Executive Director

THE BANK OF TOKYO-MITSUBISHI
UFJ, LTD.

By: /s/ ROBERT MACFARLANE
Name: Robert MacFarlane
Title: Director

ROYAL BANK OF CANADA

By: /s/ RAHUL D. SHAH

Name: Rahul D. Shah

Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as Co-Documentation Agent and as a
Bank

By: /s/ BENJAMIN C. COOPER

Name: Benjamin C. Cooper

Title: Vice President

THE BANK OF NOVA SCOTIA, as a
Bank

By: /s/ DAVID DEWAR

Name: David Dewar

Title: Director

U.S. BANK NATIONAL ASSOCIATION

By: /s/ ERIC J. COSGROVE

Name: Eric J. Cosgrove

Title: Vice President

SUNTRUST BANK, as a Lender

By: /s/ SHANNON JUHAN

Name: Shannon Juhan

Title: Director

PNC BANK, NATIONAL
ASSOCIATION, as a Bank

By: /s/ NANCY ROSA BONNELL

Name: Nancy Rosa Bonnell

Title: Vice President

REGIONS BANK

By: /s/ KEVIN MCCONOLA

Name: Kevin McConola

Title: Portfolio Manager

INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED, as a
Bank

By: /s/ YUQIANG XIAO

Name: Yuqiang Xiao

Title: General Manager

THE KOREA DEVELOPMENT BANK,
NEW YORK BRANCH

By: /s/ NAKJOO SEONG

Name: Nakjoo Seong

Title: General Manager

APPLE BANK FOR SAVINGS

By: /s/ JOHATHAN C. BYRON

Name: Jonathan C. Byron

Title: Senior Vice President

NATIONAL COOPERATIVE SERVICES
CORPORATION, as a Bank

By: /s/ J. ANDREW DON

Name: J. Andrew Don

Title: Senior Vice President and
Chief Financial Officer

COMPASS BANK, as a Bank

By: /s/ MARK HADDAD

Name: Mark Haddad

Title: Vice President

AGENT SCHEDULE

<u>Institution</u>	<u>Title</u>
Mizuho Bank, Ltd.	Administrative Agent
JPMorgan Chase Bank, N.A.	Syndication Agent
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Co-Documentation Agent
KeyBank National Association	Co-Documentation Agent
Royal Bank of Canada	Co-Documentation Agent

EXISTING COMMITMENT SCHEDULE

<u>Institution</u>	<u>Commitment Prior to the Amendment Effective Date</u>	<u>Loans Outstanding on the Amendment Effective Date</u>
Mizuho Bank Ltd.	\$180,000,000.00	\$0
JPMorgan Chase Bank, N.A.	\$180,000,000.00	\$0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$180,000,000.00	\$0
KeyBank National Association	\$180,000,000.00	\$0
Royal Bank of Canada	\$180,000,000.00	\$0
The Bank of Nova Scotia	\$180,000,000.00	\$0
US Bank National Association	\$125,000,000.00	\$0
SunTrust Bank	\$125,000,000.00	\$0
PNC Bank, National Association	\$125,000,000.00	\$0
National Cooperative Services Corporation	\$77,500,000.00	\$0
Regions Bank	\$75,000,000.00	\$0
Industrial and Commercial Bank of China Limited, New York Branch	\$40,000,000.00	\$0
Compass Bank	\$25,000,000.00	\$0
The Korea Development Bank, New York Branch	\$30,000,000.00	\$0
Apple Bank for Savings	\$17,500,000.00	\$0
Total	<u>\$1,720,000,000.00</u>	<u>\$0</u>

COMMITMENT SCHEDULE

2017 Commitment Schedule

<u>2017 Bank</u>	<u>2017 Commitment</u>
National Cooperative Services Corporation	\$55,000,000.00
Compass Bank	\$25,000,000.00
Total	<u>\$80,000,000.00</u>

2018 Commitment Schedule

<u>2018 Bank</u>	<u>2018 Commitment</u>
Mizuho Bank Ltd.	\$187,500,000.00
JPMorgan Chase Bank, N.A.	\$180,000,000.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$187,500,000.00
Royal Bank of Canada	\$187,500,000.00
KeyBank National Association	\$180,000,000.00
The Bank of Nova Scotia	\$180,000,000.00
US Bank National Association	\$125,000,000.00
SunTrust Bank	\$125,000,000.00
PNC Bank, National Association	\$125,000,000.00
Regions Bank	\$75,000,000.00
Industrial and Commercial Bank of China Limited, New York Branch	\$40,000,000.00
The Korea Development Bank, New York Branch	\$30,000,000.00
Apple Bank for Savings	\$17,500,000.00
Total	<u>\$1,640,000,000.00</u>

EXISTING LETTERS OF CREDIT

L/C# LCA3045NY – Allamakee – Clayton Electric Cooperative, Inc.

Beneficiary: Universal Service Administrative Company

Amount: \$145,360

Effective Date: January 30, 2015

Expiration Date: January 30, 2016

PRICING SCHEDULE

The “**Euro-Dollar Margin**”, the “**Base Rate Margin**” and the “**Facility Fee Rate**” for the Borrower at any date are the respective percentages set forth below in the applicable row and column based upon the Status of the Borrower that exists on such date.

Status	Level I	Level II	Level III	Level IV	Level V
Euro-Dollar Margin	0.7000%	0.8150%	0.9250%	1.0250%	1.1000%
Base Rate Margin	0%	0%	0%	0.0250%	0.1000%
Facility Fee Rate	0.0500%	0.0600%	0.0750%	0.1000%	0.1500%

For purposes of this Pricing Schedule, the following terms have the following meanings, subject to the concluding paragraph of this Pricing Schedule:

“**Level I Status**” exists at any date if, at such date, the Borrower’s Unsecured Long-Term Debt is rated AA- or higher by S&P or Aa3 or higher by Moody’s.

“**Level II Status**” exists at any date if, at such date, (i) the Borrower’s Unsecured Long-Term Debt is rated A+ or higher by S&P or A1 or higher by Moody’s, and (ii) Level I Status does not exist.

“**Level III Status**” exists at any date if, at such date, (i) the Borrower’s Unsecured Long-Term Debt is rated A or higher by S&P or A2 or higher by Moody’s, and (ii) Level II Status does not exist.

“**Level IV Status**” exists at any date if, at such date, (i) the Borrower’s Unsecured Long-Term Debt is rated A- or higher by S&P or A3 or higher by Moody’s, and (ii) Level III Status does not exist.

“**Level V Status**” exists at any date if, at such date, neither Level I Status, Level II Status, Level III Status or Level IV Status exists.

“**Moody’s**” means Moody’s Investors Services, Inc.

“**Rating Agencies**” means each of S&P and Moody’s.

“**S&P**” means Standard & Poor’s Rating Services.

“**Status**” refers to the determination of which of Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status exists at any date.

The credit ratings to be utilized for purposes of this Pricing Schedule are those assigned to the senior unsecured long-term debt securities of the Borrower without third-party credit enhancement (the “**Borrower’s Unsecured Long-Term**

Debt”), and any ratings assigned to any other debt security of the Borrower shall be disregarded; *provided* that if at any date there is no such rating assigned by a particular Rating Agency, such Rating Agency’s rating of the Borrower’s Unsecured Long-Term Debt shall be deemed to be one notch below such Rating Agency’s rating of the senior secured debt of the Borrower at such date. In the event that the two assigned ratings differ, then the higher rating assigned to the Borrower’s Unsecured Long-Term Debt (after giving effect to the proviso in the first sentence of this paragraph) shall be used if the ratings assigned differ by only one rating (e.g., A+/A2 results in Level II Status). In the event the two assigned ratings differ by more than one rating, the rating below the highest rating shall be used (e.g., A+/A3 results in Level III Status).

SCHEDULE 5.03(a)

NON-GAAP SUBSIDIARIES

NONE

SCHEDULE 9.15

ICC TRANSACTIONS

Background

As described in the Borrower's filings with the U.S. Securities and Exchange Commission, Rural Telephone Finance Cooperative ("RTFC"), a Consolidated Entity of the Borrower, made secured loans to Innovative Communication Corporation ("ICC"), a diversified telecommunications company organized under the laws of the United States Virgin Islands ("USVI") and headquartered in St. Croix, USVI and its affiliates. Through operating divisions and subsidiaries, ICC provided cellular, wireline local and long-distance telephone, cable television, Internet access and other telecommunications services in the eastern and southern Caribbean among other places. ICC and its subsidiaries are hereby defined as the "ICC Companies."

Beginning in 2006, ICC and certain of its affiliates were the subject of pending bankruptcy proceedings and a Bankruptcy Trustee was appointed to manage the operations and assets of the ICC bankruptcy estate (the "Trustee"). The Trustee separated the assets of the bankruptcy estates, including certain of the ICC Companies, into three asset groups ("Group 1," "Group 2" and "Group 3"). Group 2 and Group 3 were sold in 2009 and 2010 to parties unrelated to the Borrower, with the proceeds from the sale being applied to pay administrative expenses of the estates and a portion of RTFC debt. Group 1, which was sold to direct and indirect subsidiaries of the Borrower, as detailed in the ICC Transactions below, included companies engaged in wireline telephone operations in the USVI, wireless telephone operations in the USVI and St. Maarten, cable television service operations in the USVI, the British Virgin Islands and St. Maarten, and related telecommunications and complementary operations (collectively, as owned by direct and indirect subsidiaries of the Borrower, the "ICC Assets"):

ICC Transactions

Borrower's Acquisition of the ICC Assets.

In order to effect the acquisition of the ICC Assets, including the equity interests in the ICC Companies in Group 1, RTFC and the Trustee entered into a Purchase Agreement, approved by the Bankruptcy Court and providing for a \$250 million credit bid (collectively, "ICC Assets"). Following regulatory approval and satisfaction of other conditions, Borrower's direct subsidiary, Caribbean Asset Holdings, LLC ("CAH"), and its direct and indirect subsidiaries took ownership of the ICC Assets (collectively as the "ICC Related Companies") in 2010 and 2011.

As part of and following the acquisitions of the ICC Related Companies, (i) the Borrower has provided equity and/or debt capitalization and ongoing funding, including working capital and capital expense to the ICC Related Companies; (ii) Borrower provided funding directly or through the ICC Related Companies for settlement or satisfaction of third-party claims against the ICC Companies; (iii) Borrower has provided credit support and/or credit enhancement for obligations of ICC Related Companies, including guaranties or letters of credit; (iv) Borrower holds such ICC Assets through the ICC Related Companies, and operates or provides for their operation for the purpose of preserving and rehabilitating such ICC Assets, preparing them for resale or other disposition and reselling or disposing of them in one or more transactions at a price or prices or for other consideration satisfactory to the Borrower; and (v) Borrower, through its subsidiaries, has engaged staff and outside consultants, agents, managers, management companies and other professional advisers to advise and assist with respect to, or to carry out, the foregoing.

Proposed Disposition of the ICC Companies and ICC Assets.

As set forth in greater detail in Borrower's Form 8-K filed with the U.S. Securities and Exchange Commission, dated September 30, 2015, Borrower has entered into a definitive agreement for a sale to ATN VI Holdings, LLC (the "Buyer") and Atlantic Tele-Network, Inc., the parent corporation of the Buyer ("Atlantic"), of all the issued and outstanding membership interests of Borrower's direct subsidiary CAH, which owns the other ICC Related Companies. (the "Disposition") for a purchase price of \$145 million, subject to certain adjustments. RTFC has committed to provide debt financing of up to \$60 million, providing Buyer with the option to finance a portion of the purchase price. Atlantic will provide a guarantee on an unsecured basis of Buyer's obligations to RTFC pursuant to the financing.

Completion of the Disposition is subject to the satisfaction or waiver of various closing conditions under the agreement, including, among other things, regulatory approvals in the United States, United States Virgin Islands, British Virgin Islands and St. Maarten, the expiration or termination of applicable waiting periods under applicable competition laws, and the absence of a material adverse effect or material adverse regulatory event.

All of the transactions, actions and other matters referred to above (together with such other related transactions and steps, occurring prior to or concurrently with or within a reasonable time after the transactions, actions and other matters referred to above and as may be reasonably necessary to carry out such transactions, actions and other matters) are hereby defined collectively as the "**ICC Transactions.**"

Nothing in this Schedule 9.15 or in Section 9.15 of the Credit Agreement shall constitute an obligation on the Borrower, RTFC or any other Person to enter

into all or any of the transactions, or to take all or any of the actions, described in this Schedule 9.15. Transactions and actions referred to in this Schedule 9.15 are not necessarily listed in the chronological order in which they may be entered into or taken.

EXHIBIT A

FORM OF NOTE

New York, New York

[DATE]

For value received, National Rural Utilities Cooperative Finance Corporation, a not-for-profit cooperative association incorporated under the laws of the District of Columbia (the “**Borrower**”), promises to pay to the order of [•] (the “**Bank**”), for the account of its Applicable Lending Office, the principal sum of \$[_____] (\$ _____), or, if less, the aggregate unpaid principal amount of each Loan and L/C Borrowing made by the Bank to the Borrower pursuant to the Revolving Credit Agreement referred to below on the Maturity Date with respect to such Loan or L/C Borrowing. The Borrower promises to pay interest on the unpaid principal amount of each such Loan and L/C Borrowing on the dates and at the rate or rates provided for in the Revolving Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of Mizuho Bank, Ltd., 1251 Avenue of the Americas, New York, New York 10020, Attn: Cole Darrington, Email: lau_agent@mizuhocbus.com.

All Loans and L/C Borrowings made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided* that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Revolving Credit Agreement.

This note is one of the Notes referred to in that certain Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada as Co-Documentation Agents (as the same may be amended, supplemented or otherwise modified, from time to time, in each case, pursuant to the terms and conditions thereof, the “**Revolving Credit Agreement**”). Terms defined in the Revolving Credit Agreement are used herein with the same meanings. Reference is made to the Revolving Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof. This Note shall be governed by and construed in accordance with the laws of the State of New York.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: _____
Name:
Title:

FORM OF RUS GUARANTEE

The United States of America acting through the Administrator of the Rural Utilities Service (“**RUS**”) hereby unconditionally guarantees to [name of Payee] the making of [__%] of the payments of principal and interest when and as due on this Note of _____ (the “**Cooperative**”) in accordance with the terms hereof and of the Loan Agreement referred to in this Note, until such principal and interest shall be indefeasibly paid in full (which includes interest accruing on such principal between the date of default under this Note and the payment in full of this Guarantee), irrespective of receipt by RUS of any sums or property from its enforcement of its remedies for the Cooperative default. This Guarantee shall be incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder. RUS hereby waives diligence, presentment, demand, protest and notice of any kind, as well as any requirement that [name of Payee] exhaust any right or take any action against the Cooperative.

This Guarantee is issued pursuant to Title III of the Rural Electrification Act of 1936, as amended (7 U.S.C. “ 901, *et seq.*), and the Loan Guarantee and Servicing Agreement among RUS, the Cooperative, Bank One, NA and National Rural Utilities Cooperative Finance Corporation dated _____, ____.

UNITED STATES OF AMERICA

Date _____, ____

By: _____

Name:

Title: Administrator of Rural
Electrification
Administration

FORM OF RUS GUARANTEE

The United States of America acting through the Administrator of the Rural Utilities Service (“**RUS**”) hereby unconditionally guarantees to the Payee the making of the payments of principal and Guaranteed Interest when and as due on the Note of _____ (the “**Cooperative**”) dated _____ in the original principal amount of \$ _____ (the “**Note**”), in accordance with the terms thereof and of the Loan Agreement and the Master Loan Guarantee and Servicing Agreement referred to in the Note, until such principal and Guaranteed Interest shall be indefeasibly paid in full (which includes interest accruing at the Guaranteed Interest Rate between the date of default under the Note and the payment in full of this Guarantee), irrespective of receipt by RUS of any sums or property from its enforcement of its remedies for the Cooperative’s default. This Guarantee shall be incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder. RUS hereby waives diligence, presentment, demand, protest and notice of any kind (except the “Default Notice” required pursuant to Section 5.3(a) of the Master Loan Guarantee and Servicing Agreement), and acknowledges that the Payee does not have any right or obligation to exercise any right or take any action against the Cooperative.

This Guarantee is issued pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. “ 901, et seq.) (the “**Act**”), and the Master Loan Guarantee and Servicing Agreement between RUS and National Rural Utilities Cooperative Finance Corporation dated as of February 16, 1999.

THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE UNITED STATES OF AMERICA, TO THE EXTENT APPLICABLE, AND OTHERWISE THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

THE UNDERSIGNED, AS [ADMINISTRATOR] OF RUS, DOES HEREBY CERTIFY THAT I AM AUTHORIZED UNDER THE ACT AND 7 CFR PART 1700 TO DELIVER THIS GUARANTEE.

UNITED STATES OF AMERICA

By: _____
Name:
Title: [Administrator] of the
Rural Utilities Service

Dated: _____

RUS Loan No

FORM OF MONEY MARKET QUOTE REQUEST

[Date]

To: Mizuho Bank, Ltd. (the “**Administrative Agent**”)

From: National Rural Utilities Cooperative Finance Corporation
(the “**Borrower**”)

Re: Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada as Co-Documentation Agents (as amended, supplemented, or otherwise modified from time to time, in each case, pursuant to the terms and conditions thereof the “**Revolving Credit Agreement**”)

We hereby give notice pursuant to Section 2.03 of the Revolving Credit Agreement that we request Money Market Quotes for the following proposed Money Market Borrowing(s):

Date of Borrowing: _____

<i>Principal Amount</i>	<i>Interest Period</i>
\$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Terms used herein have the meanings assigned to them in the Revolving Credit Agreement.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: _____
Name:
Title:

EXHIBIT D

FORM OF INVITATION FOR MONEY MARKET QUOTES

[Date]

To: [Name of Bank]

Re: Invitation for Money Market Quotes to the National Rural Utilities
Cooperative Finance Corporation (the “**Borrower**”)

Pursuant to Section 2.03 of the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada as Co-Documentation Agents (as amended, supplemented or otherwise modified from time to time, in each case, pursuant to the terms and conditions thereof, the “**Revolving Credit Agreement**”):

Date of Borrowing: _____

<i>Principal Amount</i>	<i>Interest Period</i>
\$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Please respond to this invitation by no later than 9:30 A.M. (New York City time) on [date].

MIZUHO BANK, LTD.

By: _____
Name:
Title: Authorized Officer

EXHIBIT E

FORM OF MONEY MARKET QUOTE

[Date]

Mizuho Bank, Ltd.,
as Administrative Agent
c/o LAU Loan Administration
Harborside Financial Center
1800 Plaza 10
Jersey City, NJ 07311
Attn: Cole Darrington

Attention:

Re: Money Market Quote to National Rural Utilities Cooperative
Finance Corporation (the “**Borrower**”)

In response to your invitation on behalf of the Borrower dated
_____, 20___, we hereby make the following Money Market Quote on
the following terms:

1. Quoting Bank: _____
2. Person to contact at Quoting Bank: _____
3. Date of Borrowing: _____*
4. We hereby offer to make Money Market Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

<i>Principal Amount</i> **	<i>Interest Period</i> ***	<i>Money Market [Margin****]</i>	<i>[Absolute Rate*****]</i>
\$			
\$			

[provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed \$_____.]**

We understand and agree that the offer[s] set forth above [is][are] subject to the satisfaction of the applicable conditions set forth in the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada as Co-Documentation Agents, as

amended, supplemented or otherwise modified from time to time, in each case, pursuant to the terms and conditions thereof.

Very truly yours,

[NAME OF BANK]

By: _____

Name:

Title: Authorized Officer

Dated: _____

OPINION OF GENERAL COUNSEL OF THE BORROWER

November 19, 2015

To the Administrative Agent and each of the Banks party
to the Revolving Credit Agreement referred to below
c/o Mizuho Bank, Ltd.
1251 Avenue of the Americas
New York, New York 10020

Ladies and Gentlemen:

I, Roberta B. Aronson, General Counsel of the National Rural Utilities Cooperative Finance Corporation (the “**Borrower**”), am delivering this opinion pursuant to the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, (the “**Agreement**”), among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association, and Royal Bank of Canada, as Co-Documentation Agents. Terms defined in the Agreement are used herein as therein defined. This opinion is being rendered to you at the request of the Borrower, pursuant to Section 3.01(c) of the Agreement.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion. This opinion is limited to the laws of the District of Columbia.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is a cooperative association duly incorporated, validly existing and in good standing under the laws of the District of Columbia and has the corporate power and authority and all material governmental licenses, authorizations, consents and approvals required to own its property and assets and to transact the business in which it is engaged. The Borrower is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction in which the nature of the business in which it is engaged makes such qualification or licensing necessary, except in those jurisdictions in which the failure to be so qualified or licensed would not (after qualification, assuming that the Borrower could so qualify without the payment of any fee or penalty and retain its rights as they existed prior to such qualification all to an extent so that any fees or penalties required to be so paid or any rights not so retained would not, individually or in the aggregate, have a material adverse effect on the business or financial position

of the Borrower), individually or in the aggregate, have a material adverse effect upon the business or financial position of the Borrower.

2. The Borrower has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Agreement and each of the Notes dated the date hereof (the “**Subject Notes**”). The Agreement and the Subject Notes have been duly and validly authorized, executed and delivered by the Borrower.

3. There are no actions, suits, proceedings or investigations pending or, to my knowledge, threatened against or affecting the Borrower by or before any court or any governmental authority, body or agency or any arbitration board which are reasonably likely to materially adversely affect the business, financial position or results of operations of the Borrower or the authority or ability of the Borrower to perform its obligations under the Agreement or the Subject Notes. Without limiting the foregoing opinion, I would like to draw your attention to the legal actions described on Annex A.

4. No authorization, consent, approval or license of, or declaration, filing or registration with or exemption by, any governmental authority, body or agency is required in connection with the execution, delivery or performance by the Borrower of the Agreement or the Subject Notes.

5. The holders of the Borrower’s Members’ Subordinated Certificates are not and will not be entitled to receive any payments with respect to the principal thereof or interest thereon solely because of withdrawing or being expelled from membership in the Borrower.

6. Neither the Borrower nor any Consolidated Entity is in default in any material respect under any material agreement or other instrument to which it is a party or by which it or its property or assets is bound. No event or condition exists which constitutes, or with the giving of notice or lapse of time or both would constitute, such a default under any such agreement or other instrument. Neither the execution and delivery of the Agreement or the Subject Notes, nor the consummation of any of the transactions therein contemplated, nor compliance with the terms and provisions thereof, will contravene any provision of law, statute, rule or regulation to which the Borrower is subject or any judgment, decree, award, franchise, order or permit applicable to the Borrower, or will conflict or be inconsistent with, or will result in any material breach of, any of the material terms, covenants, conditions or provisions of, or constitute (or with the giving of notice or lapse of time, or both, would constitute) a default under (or condition or event entitling any Person to require, whether by purchase, redemption, acceleration or otherwise, the Borrower to perform any obligations prior to the scheduled maturity thereof), or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower pursuant to the terms of, any indenture, mortgage, deed of trust, agreement or other instrument to which

it may be subject, or violate any provision of the certificate of incorporation or by-laws of the Borrower. Without limiting the generality of the foregoing, the Borrower is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Borrower, any agreement or indenture relating thereto or any other contract or agreement (including its certificate of incorporation and by-laws), which would be violated by the incurring of the Indebtedness to be evidenced by the Subject Notes.

7. The Borrower has complied fully with all of the material provisions of each Indenture. No Event of Default (within the meaning of such term as defined in any Indenture) and no event, act or condition (except for possible non-compliance by the Borrower with any immaterial provisions of such Indenture which in itself is not such an Event of Default under such Indenture) which with notice or lapse of time, or both, would constitute such an Event of Default has occurred and is continuing under such Indenture. The borrowings by the Borrower contemplated by the Agreement will not cause such an Event of Default under, or the violation of any covenant contained in, any Indenture.

8. Set forth on Annex B attached hereto is a true, correct and complete list of all of the Borrower's Subsidiaries and Joint Ventures, the jurisdiction of incorporation or organization of each such Subsidiary and Joint Venture and the nature and percentage of the Borrower's ownership of each such Subsidiary and Joint Venture.

9. The Borrower has received a ruling from the Internal Revenue Service to the effect that it is exempt from payment of Federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, and nothing has come to our attention that leads us to believe that the Borrower is not so exempt.

Sincerely,

Roberta B. Aronson
General Counsel

Annex A

In June 2015, the Rural Telephone Finance Cooperative (“RTFC”), a Consolidated Entity of CFC, received a notice of deficiency from the Virgin Islands Bureau of Internal Revenue (the “BIR”) alleging that RTFC owes tax or other amounts, plus interest, in connection with tax years 1996 and 1997, and 1999 through 2005. On September 4, 2015, RTFC filed a petition with the District Court of the Virgin Islands in response to the BIR’s notice of deficiency. RTFC believes that these allegations are without merit and plans to timely contest this determination in the Federal District Court of the Virgin Islands.

Nothing herein constitutes an admission that the foregoing are reasonably likely to materially adversely affect the business, financial position or results of CFC or the authority or ability of CFC to perform its obligations under the Agreement or the Subject Notes.

Annex B

Subsidiaries, Special Purpose Subsidiaries and Joint Ventures:

- a. Caribbean Asset Holdings, LLC, organized in the State of Delaware. Borrower owns 100% of the membership interests.

Caribbean Asset Holdings, LLC ownership interest:

1. DTR Holdings, LLC 100%

DTR Holdings, LLC ownership interest:

VI PowerNet, LLC 99.5%

Innovative Long Distance, Inc. 100%

Virgin Islands Telephone Corporation 100%

Vitelcom Cellular, Inc. 99.5%

Caribbean Communications Corp. 99.5%

St. Croix Cable T.V., Inc. 99.5%

iCC TV, Inc. 99.5%

Group B-200, Inc. 100%

2. BVI Asset Holdings, LLC 100%

BVI Asset Holdings, LLC ownership interest:

B.V.I. Cable T.V., Ltd. 100%

3. STM Asset Holdings, LLC 100%

STM Asset Holdings LLC ownership interest:

Caribbean Teleview Services N.V. 100%

EXHIBIT G

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 20__ among [ASSIGNOR] (the “**Assignor**”), [ASSIGNEE] (the “**Assignee**”), NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the “**Borrower**”) and MIZUHO BANK, LTD., as Administrative Agent (the “**Agent**”).

W I T N E S S E T H

WHEREAS, this Assignment and Assumption Agreement (the “**Agreement**”) relates to the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, in each case pursuant to the terms and conditions thereof, (the “**Credit Agreement**”), among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank (the “**Agent**”), and JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans and/or make or participate in L/C Obligations to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$ _____;

WHEREAS, Committed Loans and L/C Obligations made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of \$ _____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to \$ _____ (the “**Assigned Amount**”), together with a corresponding portion of its outstanding Committed Loans and/or L/C Obligations, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on such terms;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. *Definitions.* All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. *Assignment.* The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent

of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Committed Loans and/or L/C Obligations made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee, the Borrower and the Administrative Agent and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Bank under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. *Payments.* As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them. It is understood that commitment and/or facility fees accrued to the date hereof are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

SECTION 4. *Consent of the Borrower and the Administrative Agent.* This Agreement is conditioned upon the consent of [the Borrower,] the Administrative Agent and the Issuing Bank pursuant to Section 9.06(c) of the Credit Agreement. The execution of this Agreement [by the Borrower,] the Administrative Agent and the Issuing Bank is evidence of this consent. Pursuant to Section 9.06(c) of the Credit Agreement, if requested by the Assignee, the Borrower agrees to execute and deliver a Note payable to the order of the Assignee to evidence the assignment and assumption provided for herein.

SECTION 5. *Non-Reliance on Assignor.* The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial position, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for

making its own independent appraisal of the business, affairs and financial position of the Borrower.

SECTION 6. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. *Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____
Name:
Title:

[ASSIGNEE]

By: _____
Name:
Title:

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: _____
Name:
Title:

MIZUHO BANK, LTD. as
Administrative Agent

By: _____
Name:
Title:

[FORM OF]

U.S. TAX CERTIFICATE

**(For Non-U.S. Bank Parties That Are Not Partnerships For U.S. Federal
Income Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a member of Borrower, it does not exercise voting power over Borrower and is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not effectively connected with the undersigned’s conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF BANK PARTY]

By: _____

Name:

Title:

Date: _____, 20[]

[FORM OF]

**U.S. TAX CERTIFICATE
(For Non-U.S. Bank Parties That Are Partnerships For U.S. Federal Income
Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a member of Borrower, exercise voting power over Borrower or otherwise is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned’s or its partners/members’ conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF BANK PARTY]

By: _____
Name:
Title:

Date: _____, 20[]

[FORM OF]

**U.S. TAX CERTIFICATE
(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal
Income Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments in question are not effectively connected with the undersigned’s conduct of a U.S. trade or business.

The undersigned has furnished its participating Bank with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank in writing and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

[FORM OF]

**U.S. TAX CERTIFICATE
(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income
Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, Mizuho Bank, Ltd., as Administrative Agent and Initial Issuing Bank, JPMorgan Chase Bank, N.A., as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned’s or its partners/members’ conduct of a U.S. trade or business.

The undersigned has furnished its participating Bank with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

dated as of

November 19, 2015

among

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION,

THE BANKS LISTED HEREIN,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Initial Issuing Bank,

MIZUHO BANK (USA),
as successor Syndication Agent,

and

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
KEYBANK NATIONAL ASSOCIATION,

and

ROYAL BANK OF CANADA
as Co-Documentation Agents

J.P. MORGAN SECURITIES LLC,

MIZUHO BANK (USA)

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,

KEYBANK NATIONAL ASSOCIATION,

and

RBC CAPITAL MARKETS
as Co-Lead Arrangers and Joint Bookrunners

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AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT dated as of November 19, 2015, is made by and among NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, a not-for-profit cooperative association incorporated under the laws of the District of Columbia, as Borrower, the BANKS listed on the signature pages hereof, JPMORGAN CHASE BANK, N.A., as Administrative Agent and as Initial Issuing Bank for the Letters of Credit issued or to be issued pursuant to this Agreement, MIZUHO BANK (USA), as successor Syndication Agent, and THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., KEYBANK NATIONAL ASSOCIATION and ROYAL BANK OF CANADA, as Co-Documentation Agents.

WHEREAS, the Borrower, the several Banks, the Administrative Agent, the Syndication Agent and Co-Documentation Agents (as each is defined hereinafter) entered into a Revolving Credit Agreement dated as of October 21, 2011, as amended by Amendment No. 1 dated as of March 28, 2013, Amendment No. 2 dated as of October 28, 2013 and Amendment No. 3 dated as of October 28, 2014 (collectively, the “Existing Credit Agreement”); and

WHEREAS, the Borrower has requested that the Banks, the Administrative Agent, the Syndication Agent and the Co-Documentation Agents agree, on the terms and conditions set forth herein, to amend and restate the Existing Credit Agreement. The Banks, Administrative Agent, Syndication Agent and Co-Documentation Agents have indicated their willingness to amend and restate the Existing Credit Agreement on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby amend and restate the Existing Credit Agreement in its entirety and the parties hereto hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. *Definitions.* The following terms, as used herein, have the following meanings:

“**1994 Indenture**” means the Indenture dated as of February 15, 1994 and as amended as of September 16, 1994 between the Borrower and U.S. Bank National Association, as trustee, as amended and supplemented from time to time, providing for the issuance in series of certain collateral trust bonds of the Borrower.

“**2007 Indenture**” means the Indenture dated as of October 25, 2007 between the Borrower and U.S. Bank National Association, as trustee, as amended and supplemented

from time to time, providing for the issuance in series of certain collateral trust bonds of the Borrower.

“**2015 Fee Letters**” means those certain Fee Letters dated October 13, 2015 among the Borrower, the Administrative Agent and the Syndication Agent.

“**2019 Aggregate Commitment**” means the aggregate amount that is equal to the sum of the amounts of each of the 2019 Commitments.

“**2019 Bank**” means at any time, any Bank that has a 2019 Commitment specified on the 2019 Commitment Schedule hereto or any Assignee thereof and any subsequent Assignee of such Assignee.

“**2019 Commitment Schedule**” means the commitment schedule attached hereto under the heading, 2019 Commitment Schedule.

“**2019 Commitment Termination Date**” means October 28, 2019 or, if such day is not a Euro-Dollar Business Day, the immediately preceding Euro-Dollar Business Day.

“**2019 Commitment**” means (i) with respect to any Bank, the amount, if any, set forth opposite the name of such Bank on the 2019 Commitment Schedule and (ii) with respect to any Bank that is an Assignee pursuant to Section 9.06(c), the amount of the transferor Bank’s commitment specified on the 2019 Commitment Schedule that is assigned to such Bank, and further, any subsequent assignment made by an Assignee to another Assignee of such amounts pursuant to Section 9.06(c), in each case as such amount may from time to time be increased or decreased from time to time in accordance with the terms and conditions of this Agreement.

“**2019 Conversion**” has the meaning set forth in Section 2.21.

“**2019 Conversion Offer**” has the meaning set forth in Section 2.21.

“**2019 Credit Exposure**” means with respect to any 2019 Bank at any time, such Bank’s Pro Rata Share of each of (i) the aggregate principal amount of the 2019 Loans outstanding at such time and (ii) the Outstanding Amount of all L/C Obligations at such time (for the avoidance of doubt, the aggregate amount of such 2019 Bank’s participation in L/C Obligations are deemed to be “held” by such 2019 Bank for purposes of this definition).

“**2019 Loan**” means a Loan made by a 2019 Bank.

“**2020 Aggregate Commitment**” means the aggregate amount that is equal to the sum of the amounts of each of the 2020 Commitments.

“**2020 Bank**” means at any time, any Bank that has a 2020 Commitment specified on the 2020 Commitment Schedule hereto and any Bank that pursuant to the terms herein

consummates a 2019 Conversion or any Assignee thereof and any subsequent Assignee of such Assignee.

“**2020 Commitment Schedule**” means the commitment schedule attached hereto under the heading, 2020 Commitment Schedule.

“**2020 Commitment Termination Date**” means November 19, 2020 or, if such day is not a Euro-Dollar Business Day, the immediately preceding Euro-Dollar Business Day.

“**2020 Commitment**” means (i) with respect to any Bank, the amount, if any, set forth opposite the name of such Bank on the 2020 Commitment Schedule and (ii) with respect to any Bank that is an Assignee pursuant to Section 9.06(c), the amount of the transferor Bank’s commitment specified on the 2020 Commitment Schedule that is assigned to such Bank, and further, any subsequent assignment made by an Assignee to another Assignee of such amounts pursuant to Section 9.06(c), in each case as such amount may from time to time be increased or decreased from time to time in accordance with the terms and conditions of this Agreement.

“**2020 Credit Exposure**” means with respect to any 2020 Bank at any time, such Bank’s Pro Rata Share of each of (i) the aggregate principal amount of the 2020 Loans outstanding at such time and (ii) the Outstanding Amount of all L/C Obligations at such time (for the avoidance of doubt, the aggregate amount of such 2020 Bank’s participation in L/C Obligations are deemed to be “held” by such 2020 Bank for purposes of this definition).

“**2020 Loan**” means a Loan made by a 2020 Bank.

“**Absolute Rate Auction**” means a solicitation of Money Market Quotes setting forth Money Market Absolute Rates pursuant to Section 2.03.

“**Adjusted London Interbank Offered Rate**” has the meaning set forth in Section 2.07(b).

“**Administrative Agent**” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Banks hereunder, and its successors in such capacity.

“**Administrative Questionnaire**” means, with respect to each Bank, the administrative questionnaire in the form submitted to such Bank by the Administrative Agent and submitted to the Administrative Agent (with a copy to the Borrower) duly completed by such Bank.

“**Aggregate Commitment**” means the amount equal to the sum of the 2019 Aggregate Commitment and the 2020 Aggregate Commitment.

“**Agreement**” means this Amended and Restated Revolving Credit Agreement, as the same may be amended from time to time.

“**Amendment Effective Date**” means the date this Agreement becomes effective in accordance with Section 3.01.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Applicable Law**” means, with respect to any Person, any and all laws, statutes, regulations, rules, orders, injunctions, decrees, judgments, writs determinations or awards having the force or effect of binding such Person at law and issued by any Governmental Authority, applicable to such Person, including all Environmental Laws.

“**Applicable Lending Office**” means, with respect to any Bank, (i) in the case of its Base Rate Loans, its Domestic Lending Office, (ii) in the case of its Euro-Dollar Loans, its Euro-Dollar Lending Office and (iii) in the case of its Money Market Loans, its Money Market Lending Office.

“**ASC 815**” means Accounting Standards Codification No. 815 Derivatives and Hedging, as amended from time to time (or any successor provision thereto).

“**ASC 830**” means Accounting Standards Codification No. 830 Foreign Currency Matters, as amended from time to time (or any successor provision thereto).

“**Assignee**” has the meaning set forth in Section 9.06(c).

“**Auto-Extension Letter of Credit**” has the meaning specified in Section 2.20(a) (iii).

“**Back-Up Letter of Credit**” has the meaning set forth in Section 2.01(b).

“**Bank**” means each bank listed on the signature pages hereof, each Assignee which becomes a Bank pursuant to Section 9.06(c), and their respective successors in interest from time to time.

“**Bankruptcy Event**” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided, further*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority

or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“**Bank Parties**” mean the Banks and the Issuing Banks.

“**Base Rate**” means, for any day, a rate per annum equal to the highest of (i) the Prime Rate for such day, (ii) the Federal Funds Rate for such day plus 0.50% and (iii) the Adjusted London Interbank Offered Rate for a one month Interest Period on such day (or if such day is not a Euro-Dollar Business Day, the immediately preceding Euro-Dollar Business Day) plus 1.00%.

“**Base Rate Loan**” means a Committed Loan that bears interest at the Base Rate pursuant to the applicable Notice of Committed Borrowing or Notice of Interest Rate Election or the last sentence of Section 2.08(a) or Article 8.

“**Base Rate Margin**” means a rate per annum determined in accordance with the Pricing Schedule.

“**Bonds**” means any bonds issued pursuant to any of the Indentures, as the context may require.

“**Borrower**” means the National Rural Utilities Cooperative Finance Corporation, a not-for-profit cooperative association incorporated under the laws of the District of Columbia, and its successors.

“**Borrowing**” has the meaning set forth in Section 1.03.

“**Cash Collateral Account**” means a deposit account or a non-interest bearing securities account (as contemplated by Section 2.20(e)) opened, or to be opened, by the Administrative Agent and in which a Lien has been granted to the Administrative Agent for the benefit of each Bank and each Issuing Bank pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and each Issuing Bank (which documents are hereby consented to by the Banks) to the extent that any Letter of Credit is required to be Cash Collateralized in accordance with this Agreement.

“**Cash Collateralize**” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of each Issuing Bank and each Bank, as collateral for the L/C Obligations, cash or deposit account balances, and “Cash Collateral” shall refer to such cash or deposit account balances.

“**Central Banking Authority**” means any central bank, reserve bank or monetary authority that is principally engaged in the regulation of the currency, money supply or commercial banking system of any given sovereign state or states.

“**Change in Law**” means (a) the adoption of any law, rule, regulation or treaty after the Effective Date, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the Effective

Date or (c) compliance by any Bank Party (or, for purposes of Section 8.03(b), by its Applicable Lending Office or by such Bank Party's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Effective Date; *provided however*, that notwithstanding anything therein to the contrary, (i) any requirements imposed under the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or enacted, adopted or issued in connection therewith and (ii) any requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States financial regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a "Change in Law", regardless of the date adopted, issued, promulgated or implemented, but only if any such requirements are generally applicable to (and for which reimbursement is generally being sought by the Banks in respect of) credit transactions similar to this transaction from borrowers similarly situated to the Borrower.

"Code" means the Internal Revenue Code of 1986, as amended.

"Co-Documentation Agents" means The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, each in their respective capacity as documentation agent hereunder, and their respective successors in such capacity.

"Co-Lead Arrangers" means J.P. Morgan Securities LLC, Mizuho Bank (USA), The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association, and RBC Capital Markets, each in their capacity as co-lead arranger and joint bookrunner.

"Commitment" means (i) with respect to each 2019 Bank, such Bank's 2019 Commitment and (ii) with respect to each 2020 Bank, such Bank's 2020 Commitment.

"Committed Borrowing" means a Borrowing under Section 2.01(a).

"Committed Loan" means a Revolving Loan; *provided* that, if any such loan or loans (or portions thereof) are combined or subdivided pursuant to a Notice of Interest Rate Election, the term "Committed Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"Commitment Termination Date" means (i) with respect to 2019 Commitments and any 2019 Loans and any participations purchased in L/C Obligations by any 2019 Bank, the 2019 Commitment Termination Date and (ii) with respect to 2020 Commitments and any 2020 Loans and any participations purchased in L/C Obligations by any 2020 Bank, the 2020 Commitment Termination Date.

"Confidential Information" has the meaning set forth in Section 9.12.

“**Consolidated Entity**” means at any date any Subsidiary, and any other entity the accounts of which would be combined or consolidated with those of the Borrower in its combined or consolidated financial statements if such statements were prepared as of such date.

“**Credit Documentation**” has the meaning set forth in Section 9.15.

“**Credit Exposure**” means (i) with respect to each 2019 Bank, each such 2019 Bank’s 2019 Credit Exposure and (ii) with respect to each 2020 Bank, each such 2020 Bank’s 2020 Credit Exposure.

“**Default**” means any occurrence or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both (as specified in Section 6.01) would, unless cured or waived, become an Event of Default.

“**Defaulting Bank**” means any Bank that (a) has failed, within two Domestic Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to the Administrative Agent or any Bank Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Bank notifies the Administrative Agent and the Borrower, in writing that such failure is the result of such Bank’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower, the Administrative Agent or any Bank Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Bank’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Domestic Business Days after request by the Administrative Agent (the Administrative Agent hereby agreeing to make any such written request upon a request from the Borrower) or any Bank Party, acting in good faith, to provide a certification in writing from an authorized officer of such Bank (with a copy of such certification to be provided to the Borrower) that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, *provided* that such Bank shall cease to be a Defaulting Bank pursuant to this clause (c) upon such Bank Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or has a Parent, that has become the subject of a Bankruptcy Event.

“**Derivative Cash Settlements**” means, for any period, the line item “derivative cash settlements” as it appears on the statement of operations of the Borrower and its Consolidated Entities (or any notes thereto) for such period delivered to the Banks pursuant to Section 5.03(b), calculated in accordance with U.S. GAAP as in effect from time to time.

“**Derivatives Obligations**” of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

“**Determination Date**” has the meaning set forth in Section 5.09.

“**Dollars**” or “**\$**” refers to lawful money of the United States of America.

“**Domestic Business Day**” means any day except a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

“**Domestic Lending Office**” means, as to each Bank Party, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank Party may hereafter designate as its Domestic Lending Office by notice to the Borrower and the Administrative Agent.

“**Effective Date**” means October 21, 2011.

“**Environmental Laws**” means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and governmental restrictions relating to the environment, the effect of the environment on human health or to emissions, discharges or releases of pollutants, contaminants, Hazardous Substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, Hazardous Substances or wastes or the clean-up or other remediation thereof.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

“**ERISA Group**” means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414(b) or (c) of the Code or, for purposes of Section 412 of the Code, under Section 414(b), (c), (m) or (o) of the Code.

“**Euro-Dollar Business Day**” means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London.

“**Euro-Dollar Lending Office**” means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Borrower and the Administrative Agent.

“**Euro-Dollar Loan**” means a Committed Loan that bears interest at a Euro-Dollar Rate pursuant to the applicable Notice of Committed Borrowing or Notice of Interest Rate Election.

“**Euro-Dollar Margin**” means a rate per annum determined in accordance with the Pricing Schedule.

“**Euro-Dollar Rate**” means, for any day, a rate per annum determined in accordance with Section 2.07(b).

“**Euro-Dollar Reserve Percentage**” has the meaning set forth in Section 2.07(b).

“**Event of Default**” has the meaning set forth in Section 6.01.

“**Excluded Taxes**” means, with respect to any payment made by the Borrower under this Agreement or the Notes, any of the following Taxes imposed on or with respect to a Recipient:

(a) income Taxes imposed on (or measured by) net income and franchise Taxes by the United States of America, or by the jurisdiction under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Bank Party, in which its applicable lending office is located or are Other Connection Taxes, (b) any branch profits Taxes imposed by the United States of America or any similar Taxes imposed by any other jurisdiction in which the Borrower is located or are Other Connection Taxes, (c) in the case of a Non U.S. Bank Party (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any U.S. Federal withholding Taxes resulting from any law in effect on the date such Non U.S. Bank Party becomes a party to this Agreement (or designates a new lending office) or is attributable to such Non U.S. Bank Party’s failure to comply with Section 2.16(f), except to the extent that such Non U.S. Bank Party (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding Taxes pursuant to Section 2.16(a) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“**Existing Credit Agreement**” has the meaning set forth in first WHEREAS clause above.

“**Existing Letters of Credit**” means the letters of credit issued and outstanding under the Existing Credit Agreement as of the Amendment Effective Date and set forth in the Existing Letters of Credit Schedule hereto.

“**Facility Fee Rate**” means a rate per annum determined in accordance with the Pricing Schedule.

“**Farmer Mac**” means the Federal Agricultural Mortgage Corporation, a corporation organized and existing under the laws of the United States of America and a federally-chartered instrumentality of the United States of America and an institution of the Farm Credit System.

“**Farmer Mac Master Note Purchase Agreement**” means that certain Master Note Purchase Agreement, dated as of July 31, 2015, among Farmer Mac Mortgage Securities Corporation, a wholly owned subsidiary of Farmer Mac, Farmer Mac and the Borrower.

“**Farmer Mac Master Note Purchase Agreement Liens**” means Liens on any assets of the Borrower required to be pledged as collateral to support obligations of the Borrower with respect to any notes issued pursuant to the Farmer Mac Master Note Purchase Agreement.

“**Farmer Mac Master Note Purchase Agreement Limit**” shall be the lesser of (i) the aggregate purchase amount of notes available for purchase at any such time, without regards to whether any such notes have been purchased, pursuant to one or more supplemental note purchase agreements to the Farmer Mac Master Note Purchase Agreement in effect at such time or (ii) \$1,000,000,000.

“**Farmer Mac Master Note Purchase Agreement Obligations**” means notes issued pursuant to the Farmer Mac Master Note Purchase Agreement.

“**FATCA**” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, and any applicable intergovernmental agreements and related legislation and official administrative rules or practices with respect thereto.

“**Federal Funds Rate**” means, for any day, the rate per annum (rounded upward, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day; *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so

published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

“**Fixed Rate Borrowing**” means either a Euro-Dollar Borrowing or a Money Market LIBOR Borrowing.

“**Fixed Rate Loans**” means Euro-Dollar Loans or Money Market Loans (excluding Money Market LIBOR Loans bearing interest at the Base Rate pursuant to Section 8.01) or any combination of the foregoing.

“**Foreclosed Asset**” has the meaning set forth in Section 5.12.

“**Fronting Fee**” has the meaning specified in Section 2.09(d).

“**Governmental Authority**” means any national, state, county, city, town, village, municipal or other government department, commission, board, bureau, agency, authority or instrumentality of a country or any political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative powers or functions of or pertaining to government.

“**Group of Loans**” means, at any time, a group of Loans consisting of (i) all Committed Loans which are Base Rate Loans at such time or (ii) all Euro-Dollar Loans having the same Interest Period at such time; *provided* that if a Committed Loan of any particular Bank is converted to or made as a Base Rate Loan pursuant to Article 8, such Loan shall be included in the same Group or Groups of Loans from time to time as it would have been in if it had not been so converted or made.

“**Guarantee**” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness or lease payments of any other Person or otherwise in any manner assuring the holder of any Indebtedness of, or the obligee under any lease of, any other Person through an agreement, contingent or otherwise, to purchase Indebtedness or the property subject to such lease, or to purchase goods, supplies or services primarily for the purpose of enabling the debtor or obligor to make payment of the Indebtedness or under such lease or of assuring such Person against loss, or to supply funds to or in any other manner invest in the debtor or obligor, or otherwise; *provided* that the term “**Guarantee**” shall not include endorsements for collection or deposit in the ordinary course of business. The term “**Guarantee**” when used as a verb has a correlative meaning.

“**Guaranteed Portion**” has the meaning set forth in the definition of RUS Guaranteed Loan.

“**Hazardous Substances**” means any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other

hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics.

“**Honor Date**” has the meaning specified in Section 2.20(b)(i).

“**Increased Amount Date**” has the meaning set forth in Section 2.17(b).

“**Incremental Bank**” has the meaning set forth in Section 2.17(b).

“**Incremental Commitments**” has the meaning set forth in Section 2.17(b).

“**Indebtedness**” with respect to any Person means:

(1) all indebtedness which would appear as indebtedness on a balance sheet of such Person prepared in accordance with U.S. GAAP (i) for money borrowed, (ii) which is evidenced by securities sold for money or (iii) which constitutes purchase money indebtedness;

(2) all indebtedness of others Guaranteed by such Person;

(3) all indebtedness secured by any Lien upon property owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness; and

(4) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement (including any lease in the nature of a title retention agreement) with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession of such property), but only if such property is included as an asset on the balance sheet of such Person;

provided that, in computing the “**Indebtedness**” of such Person, there shall be excluded any particular indebtedness if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust money (or evidences of such indebtedness) in the amount necessary to pay, redeem or satisfy such indebtedness, and thereafter such money and evidences of indebtedness so deposited shall not be included in any computation of the assets of such Person; and *provided further* that no provision of this definition shall be construed to include as “**Indebtedness**” of the Borrower or its Consolidated Entities any indebtedness by virtue of any agreement by the Borrower or its Consolidated Entities to advance or supply funds to Members.

“**Indemnified Taxes**” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by the Borrower under this Agreement or the Notes and (b) to the extent not described in clause (a), Other Taxes.

“**Indenture**” means either the 1994 Indenture, the 2007 Indenture or any other Indenture that provides for borrowing on terms not materially more disadvantageous to

the Borrower's unsecured creditors than the borrowings under the 1994 Indenture or the 2007 Indenture, and "**Indentures**" means all such Indentures.

"**Initial Issuing Bank**" means JPMorgan Chase Bank, N.A. and U.S. Bank National Association, each in its capacity as an initial issuing bank for the letters of credit issued or to be issued pursuant to this Agreement, and its successors in such capacity as provided in Section 2.20(b).

"**Initial Issuing Bank Sublimit**" means \$25,000,000 with respect to JPMorgan Chase Bank, N.A. and \$50,000,000 with respect to U.S. Bank National Association. The Initial Issuing Bank Sublimit is part of, and not in addition to, the Commitment of each Initial Issuing Bank.

"**Interest Expense**" means, for any period, the line item "interest expense" as it appears on the statement of operations of the Borrower and its Consolidated Entities for such period delivered to the Banks pursuant to Section 5.03(b), calculated in accordance with U.S. GAAP as in effect from time to time.

"**Interest Period**" means: (1) with respect to each Euro-Dollar Borrowing, the period commencing on the date of such Borrowing and ending one, two, three or six months thereafter, as the Borrower may elect in the applicable Notice of Borrowing; *provided that*:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period of any Euro-Dollar Loan included in such Borrowing which would otherwise end after the Maturity Date shall, with respect to such Euro-Dollar Loan, end on such Maturity Date;

(2) with respect to each Base Rate Borrowing, the period commencing on the date of such Borrowing and ending 30 days thereafter; *provided that*:

(a) any Interest Period which would otherwise end on a day which is not a Domestic Business Day shall be extended to the next succeeding Domestic Business Day; and

(b) any Interest Period of any Base Rate Loan included in such Borrowing which would otherwise end after the Maturity Date shall, with respect to such Base Rate Loan, end on such Maturity Date;

(3) with respect to each Money Market LIBOR Borrowing, the period commencing on the date of such Borrowing and ending any whole number of months thereafter (but not less than one month) as the Borrower may elect in the applicable Notice of Borrowing; *provided* that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period which begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (c) below, end on the last Euro-Dollar Business Day of a calendar month; and

(c) any Interest Period which would otherwise end after the Commitment Termination Date shall end on the Commitment Termination Date; and

(4) with respect to each Money Market Absolute Rate Borrowing, the period commencing on the date of such Borrowing and ending such number of days thereafter (but not less than 30 days) as the Borrower may elect in the applicable Notice of Borrowing; *provided* that:

(a) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day; and

(b) any Interest Period which would otherwise end after the Commitment Termination Date shall end on the Commitment Termination Date.

“**Interpolated Rate**” has the meaning set forth in Section 2.07(b).

“**Investments**” has the meaning set forth in Section 5.12.

“**IRS**” means the United States Internal Revenue Service.

“**ISP**” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

“**Issuer Documents**” means, with respect to any Letter of Credit, the Letter of Credit Application and any other document, agreement and instrument entered into by any Issuing Bank and the Borrower (or any Consolidated Entity of the Borrower) or in favor of any Issuing Bank and relating to any such Letter of Credit.

“**Issuing Bank**” means the Initial Issuing Bank and any Bank appointed by the Borrower (with the consent of the Administrative Agent) as such and each Person that shall become an Issuing Bank hereunder pursuant to Section 2.20(l) or Section 9.06(f). Each Issuing Bank may, with the consent of the Borrower (such consent not to be unreasonably withheld), arrange for one or more Letters of Credit to be issued by affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such affiliate with respect to Letters of Credit issued by such affiliate.

“**Joint Venture**” means any corporation, partnership, association, joint venture or other entity in which the Borrower, directly or indirectly through Subsidiaries or Joint Ventures, has an equity interest at the time of 10% or more but which is not a Subsidiary; *provided* that no Person whose only assets are RUS Guaranteed Loans and investments incidental thereto shall be deemed a Joint Venture; *provided further* that any investment by the Borrower, directly or indirectly through Subsidiaries or Joint Ventures, in (or any of their other interests in) any equity securities of Farmer Mac shall not be deemed a Joint Venture.

“**L/C Advance**” means, with respect to each Bank, such Bank’s funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

“**L/C Borrowing**” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

“**L/C Credit Extension**” means, with respect to any Letter of Credit, the issuance thereof, the extension of the expiry date thereof or the increase of the amount thereof.

“**L/C Obligations**” means, as at any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“**Letter of Credit Application**” means an application and agreement for the issuance or amendment of a Letter of Credit to be issued hereunder by any Issuing Bank in the form from time to time in use by such Issuing Bank.

“**Letter of Credit Expiration Date**” means the day that is five Domestic Business Days prior to the 2020 Commitment Termination Date.

“**Letter of Credit Fee**” has the meaning specified in Section 2.09(c).

“**Letter of Credit Sublimit**” means \$150,000,000. The Letter of Credit Sublimit is part of , and not in addition to, the aggregate Commitments.

“**Letters of Credit**” means letters of credit issued by any Issuing Bank pursuant to Section 2.01(b) and any Existing Letters of Credit.

“**LIBOR Auction**” means a solicitation of Money Market Quotes setting forth Money Market Margins based on the London Interbank Offered Rate pursuant to Section 2.03.

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“**Lien Exception Amount**” means \$10,000,000,000 plus an amount equal to the incremental increase in the allocated amount of REDLG Obligations from the Amendment Effective Date; *provided* that the Lien Exception Amount shall at no time exceed \$12,500,000,000.

“**Loan**” means a Base Rate Loan or a Euro-Dollar Loan or a Money Market Loan in each case, made by any 2019 Bank or any 2020 Bank, as applicable and “**Loans**” means Base Rate Loans or Euro-Dollar Loans or Money Market Loans or any combination of the foregoing in each case made hereunder by a 2019 Bank or a 2020 Bank.

“**London Interbank Offered Rate**” has the meaning set forth in Section 2.07(b).

“**Maturity Date**” means (i) with respect to any Revolving Loan, the Commitment Termination Date and (ii) with respect to any Money Market Loan, the last day of the Interest Period applicable thereto.

“**Member**” means any Person which is a member or a patron of the Borrower.

“**Members’ Subordinated Certificate**” means a note of the Borrower or its Consolidated Entities substantially in the form of the membership subordinated subscription certificates and the loan and guarantee subordinated certificates outstanding on the date of the execution and delivery of this Agreement and any other Indebtedness of the Borrower or its Consolidated Entities having substantially similar provisions as to subordination as those contained in said outstanding membership subordinated subscription certificates and loan and guarantee subordinated certificates.

“**Money Market Absolute Rate**” has the meaning set forth in Section 2.03(d)(ii) (D).

“**Money Market Absolute Rate Loan**” means a loan to be made to the Borrower by a Bank pursuant to an Absolute Rate Auction.

“**Money Market Lending Office**” means, as to each Bank, its Domestic Lending Office or such other office, branch or affiliate of such Bank as it may hereafter designate as its Money Market Lending Office by notice to the Borrower and the Administrative Agent; *provided* that any Bank may from time to time by notice to the Borrower and the Administrative Agent designate separate Money Market Lending Offices for its Money Market LIBOR Loans, on the one hand, and its Money Market Absolute Rate Loans, on the other hand, in which case all references herein to the Money Market Lending Office of such Bank shall be deemed to refer to either or both of such offices, as the context may require.

“**Money Market LIBOR Loan**” means a loan to be made to the Borrower by a Bank pursuant to a LIBOR Auction (including such a loan bearing interest at the Prime Rate pursuant to Section 8.01(a)).

“**Money Market Loan**” means a Money Market LIBOR Loan or a Money Market Absolute Rate Loan.

“**Money Market Margin**” has the meaning set forth in Section 2.03(d).

“**Money Market Quote**” means an offer by a Bank to make a Money Market Loan in accordance with Section 2.03.

“**Moody’s**” means Moody’s Investors Service, Inc., and its successors.

“**Multiple Employer Plan**” means a single employer plan, as defined in Section 4001 of ERISA and subject to Title IV of ERISA, which has two or more contributing sponsors, one of whom is the Borrower or a Subsidiary of the Borrower or any member of the ERISA Group, at least two of whom are not under common control, within the meaning of Section 4063 of ERISA.

“**Net Income**” means, for any period, the line item “net income” on the consolidated statement of operations of the Borrower and its Consolidated Entities, as it appears in the financial statements for such period delivered to the Banks pursuant to Section 5.03(b), and each calculated in accordance with U.S. GAAP as in effect from time to time; *provided* that non-cash adjustments (whether positive or negative) required to be made pursuant to ASC 815 and ASC 830 on each such line item shall be excluded from the calculation thereof to the extent otherwise included therein.

“**Non-Extension Notice Date**” has the meaning specified in Section 2.20(a)(iii).

“**Non-U.S. Bank Party**” means a Bank Party that is not a U.S. Person.

“**Notes**” means, to the extent requested by Bank, promissory notes of the Borrower, substantially in the form of Exhibit A hereto, evidencing the obligation of the Borrower to repay the Loans, and “**Note**” means any one of such promissory notes issued hereunder.

“**Notice of Borrowing**” means a Notice of Committed Borrowing or a Notice of Money Market Borrowing.

“**Notice of Committed Borrowing**” has the meaning set forth in Section 2.02.

“**Notice of Interest Rate Election**” has the meaning set forth in Section 2.08(a).

“**Notice of Money Market Borrowing**” has the meaning set forth in Section 2.03 (f).

“**Other Connection Taxes**” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such Recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, this Agreement or the Notes, or sold or assigned an interest in this Agreement or the Notes).

“**Other Taxes**” means any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or the Notes, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment under Section 2.18).

“**Outstanding Amount**” means with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any relevant L/C Credit Extension occurring on such date and any other changes in the aggregate amount of such L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any relevant Letters of Credit or any reductions in the maximum amount available for drawing under any relevant Letters of Credit taking effect on such date.

“**Parent**” means, with respect to any Bank, any Person as to which such Bank is, directly or indirectly, a subsidiary.

“**Participant**” has the meaning set forth in Section 9.06(b).

“**Participant Register**” has the meaning set forth in Section 9.06(b).

“**Patronage Capital Certificates**” means those certificates that evidence the portion of Net Income allocated by the Borrower among its Members in accordance with applicable cooperative principles.

“**PBGC**” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“**Performance Letter of Credit**” means any Existing Letter of Credit issued under the Existing Credit Agreement or any Letter of Credit issued under this Agreement, in each case, to guarantee performance under a contract.

“**Person**” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“**Plan**” means any multiemployer plan or single employer plan (including any Multiple Employer Plan), as defined in Section 4001 and subject to Title IV of ERISA, which is maintained or contributed to by, or at any time during the five calendar years preceding the date of this Agreement was maintained or contributed to by, the Borrower or a Subsidiary of the Borrower or any member of the ERISA Group.

“**Pricing Schedule**” means the Pricing Schedule attached hereto.

“**Prime Rate**” means the rate of interest publically announced by the Administrative Agent as its prime rate in effect at such time at its principal office in New York City; provided that if the Administrative Agent ceases to publically announce such rate of interest, then the Prime Rate shall mean the rate of interest published by the Wall Street Journal from time to time as the “Prime Rate”.

“**Pro Rata Share**” means, with respect to each Bank at any time, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitment of such Bank and the denominator of which is the total amount of the Commitments, subject to adjustment as provided in Section 2.19 (a)(iv); *provided* that if the commitment of each Bank to make Revolving Loans and the obligation of each Issuing Bank to make L/C Credit Extensions have been terminated pursuant to Sections 2.10 or 6.01, then the Pro Rata Share of each Bank shall be determined based on the Pro Rata Share of such Bank immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

“**Qualified Subordinated Indebtedness**” means the Borrower’s (i) 4.75% Subordinated Deferrable Interest Notes due 2043 and (ii) any other Indebtedness of the Borrower having substantially similar terms as to subordination as those contained in the instruments and documents relating to the foregoing Indebtedness or that would be junior to any of the foregoing; *provided* that such Indebtedness (a) will not mature prior to the

Maturity Date and (b) does not require payments of principal prior to the Commitment Termination Date, except pursuant to acceleration or at the option of the Borrower.

“**Recipient**” means, as applicable, (a) the Administrative Agent, (b) any Bank and (c) the Issuing Bank.

“**REDLG Program Liens**” means Liens on any asset of the Borrower required to be pledged as collateral to support obligations of the Borrower with respect to any government Guarantee provided pursuant to regulations issued under the Rural Electrification Act of 1936, 7 U.S.C. 901 et. seq., and the Food, Conservation and Energy Act of 2008, Pub. L. 110-234 Stat. 923 (“**REDLG Obligations**”) so long as such Guarantee supports long-term Indebtedness issued by the Borrower and permitted by Section 5.09.

“**REDLG Obligations**” has the meaning set forth in the definition of REDLG Program Liens.

“**Regulation U**” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Regulation X**” means Regulation X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Reportable Event**” means an event described in Section 4043(c) of ERISA or regulations promulgated by the Department of Labor thereunder (with respect to which the 30 day notice requirement has not been waived by the PBGC).

“**Required Banks**” means, subject to Section 2.19, at any time Banks having at least 51% of the sum of (i) the aggregate amount of the unused Commitments, (ii) the aggregate principal outstanding amount of the Loans and (iii) the Outstanding Amount of all L/C Obligations (with the aggregate amount of each Bank’s participation in L/C Obligations deemed “held” by such Bank for purposes of this definition).

“**Responsible Officer**” means (i) with respect to the Borrower, the Chief Financial Officer, the Chief Executive Officer, the Chief Operating Officer, an Assistant Secretary-Treasurer, the Controller, the Vice President, Capital Markets Relations or, in each case, an authorized signatory of such Person and (ii) with respect to any other Person, the president, any vice-president, the chief financial officer, any assistant-treasurer or, in each case, an authorized signatory of such Person.

“**Revolving Credit Period**” means the period from and including the Effective Date to but excluding (x) in the case of the 2019 Commitments, the 2019 Commitment Termination Date and (y) in the case of the 2020 Commitments, the 2020 Commitment Termination Date.

“**Revolving Loan**” means a loan made by a Bank pursuant to Section 2.01(a).

“**RUS**” means the Rural Utilities Service of the Department of Agriculture of the United States of America (as successor to the Rural Electrification Administration of the Department of Agriculture of the United States of America) or any other regulatory body which succeeds to its functions.

“**RUS Guaranteed Loan**” means any loan made by any Person, which loan is guaranteed, in whole or in part, as to principal and interest by the United States of America through the RUS pursuant to a guarantee, which guarantee contains provisions no less favorable to the holder thereof than the provisions set forth in the form of Exhibit B-1 or Exhibit B-2 hereto; and “**Guaranteed Portion**” of any RUS Guaranteed Loan means that portion of principal of, and interest on, such RUS Guaranteed Loan which is guaranteed by the United States of America through the RUS.

“**S&P**” means Standard and Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

“**Sanctioned Country**” means, at any time, a country or territory which is the subject or target of any Sanctions.

“**Sanctioned Person**” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or any other U.S. Governmental Authority, as may be amended, supplemented or substituted from time to time, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State.

“**Securities and Exchange Commission**” means the Securities and Exchange Commission or any other U.S. federal governmental authority succeeding to any or all of the functions of the Securities and Exchange Commission.

“**Special Purpose Subsidiary**” has the meaning set forth in Section 5.12.

“**Standby Letter of Credit**” means any Letter of Credit issued under this Agreement, other than (i) a Trade Letter of Credit, (ii) a Performance Letter of Credit or (iii) a Backup Letter of Credit in support of either a performance letter of credit or a trade letter of credit issued by the Borrower.

“**Start-up Investments**” has the meaning set forth in Section 5.12.

“**Subsidiary**” of any Person means (i) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a

majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through its Subsidiaries, and (ii) any other Person in which such Person directly or indirectly through Subsidiaries has more than a 50% voting and equity interest; *provided* that no Person whose only assets are RUS Guaranteed Loans and investments incidental thereto shall be deemed a Subsidiary.

“**Superior Indebtedness**” means all Indebtedness of the Borrower and its Consolidated Entities (other than Members’ Subordinated Certificates and Qualified Subordinated Indebtedness), but excluding (i) Indebtedness of the Borrower or any of its Consolidated Entities to the extent that the proceeds of such Indebtedness are used to fund Guaranteed Portions of RUS Guaranteed Loans and (ii) any indebtedness of any Member Guaranteed by the Borrower or any of its Consolidated Entities (“**Guaranteed Indebtedness**”), to the extent that either (x) the long-term unsecured debt of such Member is rated at least BBB+ by S&P or Baal by Moody’s, (y) the long-term secured debt of such Member is rated at least A- by S&P or A3 by Moody’s or (z) the payment of principal and interest by the Borrower or any of its Consolidated Entities in respect of such Guaranteed Indebtedness is covered by insurance or reinsurance provided by an insurer having an insurance financial strength rating of AAA by S&P or a financial strength rating of Aaa by Moody’s.

“**Syndication Agent**” means Mizuho Bank (USA), in its capacity as Syndication Agent hereunder, and its successors in such capacity.

“**Taxes**” means any present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**TIER**” means, for any period, the ratio of (x) Net Income *plus* Interest Expense *plus* Derivative Cash Settlements to (y) Interest Expense *plus* Derivative Cash Settlements, in each case for such period.

“**Trade Letter of Credit**” means any Existing Letter of Credit issued under the Existing Credit Agreement or any Letter of Credit issued under this Agreement, in each case, for the benefit of a supplier of goods or services to effect payment for such goods or services, the conditions to drawing under which include the presentation to an Issuing Bank.

“**Type**” refers to whether a Loan is a Base Rate Loan, a Euro-Dollar Loan, a Money Market Absolute Rate Loan or a Money Market LIBOR Loan.

“**Unreimbursed Amount**” has the meaning specified in Section 2.20(b)(i).

“**U.S. GAAP**” means the generally accepted accounting principles as promulgated, from time to time, by the Financial Accounting Standards Board.

“**U.S. Person**” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“**U.S. Tax Certificate**” has the meaning assigned to such term in Section 2.17(f)(ii)(D)(2).

“**Withholding Agent**” means the Borrower and the Administrative Agent.

Section 1.02. *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made and all financial statements required to be delivered hereunder shall be prepared in accordance with U.S. GAAP as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower’s independent public accountants) with the most recent audited financial statements of the Borrower and its Consolidated Entities delivered to the Bank Parties.

Section 1.03. *Types of Borrowings.* The term “**Borrowing**” denotes the aggregation of Loans of one or more Banks to be made to the Borrower pursuant to Article 2 on a single date and for a single Interest Period. Borrowings are classified for purposes of this Agreement either by reference to the pricing of Loans comprising such Borrowing (*e.g.*, a “**Euro-Dollar Borrowing**” is a Borrowing comprised of Euro-Dollar Loans) or by reference to the provisions of Article 2 under which participation therein is determined (*i.e.*, a “**Revolving Borrowing**” is a Borrowing under Section 2.01(a) in which all Banks participate in proportion to their Commitments, while a “**Money Market Borrowing**” is a Borrowing under Section 2.03 in which the Bank participants are determined on the basis of their bids in accordance therewith). All Loans and all Borrowings, including with respect to their respective Interest Periods, under the Existing Credit Agreement, if any, are listed on the Existing Commitment Schedule, that are outstanding on the Amendment Effective Date shall become Loans and Borrowings with the same Interest Period under this Agreement.

Section 1.04. *Letter of Credit.* Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the stated face amount of such Letter of Credit in effect at such time; *provided, however,* that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed the maximum stated amount of such Letter of Credit after giving effect to all increases or decreases, as applicable, thereof, whether or not such maximum face amount is in effect at such time. All Existing Letters of Credit issued and outstanding on the Amendment Effective Date shall be deemed to be Letters of Credit under this Agreement and from and after the Amendment Effective Date shall be subject to and governed by the terms and conditions hereof.

ARTICLE 2
THE CREDITS

Section 2.01. *Commitments to Lend and Issue Letters of Credit.* (a) *Revolving Loans.* During the Revolving Credit Period each Bank severally agrees, on the terms and conditions set forth in this Agreement, to make loans to the Borrower pursuant to this Section from time to time in amounts such that the sum of (x) the aggregate principal amount of Revolving Loans by such Bank at any one time outstanding *plus* (y) such Bank's Pro Rata Share of the Outstanding Amount of all L/C Obligations shall not exceed the amount of its Commitment. Each Borrowing shall be in an aggregate principal amount of \$10,000,000 or any larger multiple of \$1,000,000 (except that any such Borrowing may be in the maximum aggregate amount available in accordance with Section 3.03(d)) and shall be made from the several Banks ratably in proportion to their respective Commitments. Within the foregoing limits, the Borrower may borrow under this Section, repay or, to the extent permitted by Section 2.12, prepay Loans and reborrow at any time during the Revolving Credit Period under this Section. All Loans will be made by all Banks (pro rata between the 2019 Banks and 2020 Banks) in accordance with their Pro Rata Share of the Aggregate Commitments until the 2019 Commitment Termination Date; thereafter, all Loans will be made by the 2020 Banks in accordance with their Pro Rata Share of the 2020 Aggregate Commitments until the 2020 Commitment Termination Date, in each case subject to the limitations set forth in Section 3.03(d).

(b) *Letters of Credit.* Subject to the terms and conditions set forth herein, (i) each Issuing Bank agrees, in reliance upon the agreements of the other Banks set forth in Section 2.20, (A) from time to time on any Domestic Business Day during the period from the Amendment Effective Date until the Letter of Credit Expiration Date, to make L/C Credit Extensions either (i) for the account of the Borrower, its Consolidated Entities, its Members or members of its Consolidated Entities or (ii) in support of a letter of credit issued by the Borrower as a back-up confirmation or backup credit support of such letter of credit ("**Back-Up Letter of Credit**"), and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.20(a)(i) and (ii), and (B) to honor drawings under the Letters of Credit issued by it; and (ii) the Banks severally agree to participate in Letters of Credit issued for the account of the Borrower, its Consolidated Entities, its Members or members of its Consolidated Entities and any L/C Borrowings thereunder; *provided* that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (1) the sum of (x) the aggregate principal amount of Revolving Loans of any Bank, *plus* (y) such Bank's Pro Rata Share of the Outstanding Amount of all L/C Obligations shall not exceed such Bank's Commitment, (2) the Outstanding Amount of all L/C

Obligations shall not exceed the Letter of Credit Sublimit and (3) the Outstanding Amount of all L/C Obligations of each Initial Issuing Bank shall not exceed the Initial Issuing Bank Sublimit of such Initial Issuing Bank unless otherwise agreed by such Initial Issuing Bank; *provided, further* that the 2019 Banks agreement to purchase participations in Letters of Credit shall be limited to their Pro Rata Share of any Letters of Credit with an expiration date that is no later than five Domestic Business Days prior to the 2019 Commitment Termination Date and is otherwise subject to the limitations set forth in Section 3.03(d). Each request by the Borrower for the issuance of, or an amendment to increase the amount of, any Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the condition set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(c) *Letters of Credit Generally.* (i) No Issuing Bank shall issue any Letter of Credit if the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Banks have approved such expiry date; provided that in no event shall the expiry date of any requested Letter of Credit occur on or after the Domestic Business Day immediately preceding the Commitment Termination Date.

(ii) No Issuing Bank shall be under any obligation to make any L/C Credit Extension if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Bank from issuing such Letter of Credit, or any Applicable Law applicable to such Issuing Bank or any request or directive (whether or not having the force of law, but if not having the force of law, being a request or directive which is generally complied with by comparable financial institutions) from any Governmental Authority with jurisdiction over such Issuing Bank shall prohibit, or request that the Issuing Bank refrain from the issuance of Letters of Credit generally or such Letter of Credit in particular or shall impose upon such Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Amendment Effective Date, or shall impose upon such Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Amendment Effective Date and which such Issuing Bank in good faith reasonably deems material to it; *provided, however*, that in the

event a Bank Party participating in the Letters of Credit is not affected by any such restriction, requirement or imposition, and is able to issue such Letter of Credit and expressly agrees in its sole discretion to issue such Letter of Credit, such Bank Party, subject to the consent of the Administrative Agent, such consent not to be unreasonably withheld, conditioned or delayed, shall issue such Letter of Credit and shall be deemed the Issuing Bank with regard to such Letter of Credit for all purposes of this Agreement;

(B) the making of such L/C Credit Extension would violate any Applicable Laws;

(C) except as otherwise agreed by the Administrative Agent and such Issuing Bank, such Letter of Credit is in an initial face amount less than \$25,000;

(D) such L/C Credit Extension is to be denominated in a currency other than Dollars;

(E) such L/C Credit Extension contains any provisions for automatic reinstatement of the stated amount after any L/C Borrowing thereunder; or

(F) a default of any Bank's obligations to fund under Section 2.20 exists, or any Bank is then a Defaulting Bank, unless, after giving effect to Section 2.19(a)(iv)) with respect to such Bank, such Issuing Bank has entered into satisfactory arrangements, including the delivery of Cash Collateral satisfactory to the Issuing Bank (in its sole discretion) with the Borrower or such Bank to eliminate such Issuing Bank's risk.

(iii) No Issuing Bank shall be under the obligation to amend any Letter of Credit if (A) such Issuing Bank would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

Section 2.02. *Notice of Committed Borrowings.* The Borrower shall give the Administrative Agent notice (a “**Notice of Committed Borrowing**”) not later than 12:00 noon (New York City time) on (x) the date of such Borrowing, in the case of each Base Rate Borrowing, and (y) the third Euro-Dollar Business Day before such Borrowing, in the case of each Euro-Dollar Borrowing, specifying:

(a) the date of such Borrowing, which shall be a Domestic Business Day in the case of a Base Rate Borrowing or a Euro-Dollar Business Day in the case of a Euro-Dollar Borrowing,

- (b) the aggregate principal amount of such Borrowing,
- (c) whether the Loans comprising such Borrowing are to bear interest initially at the Base Rate or a Euro-Dollar Rate, and
- (d) in the case of a Euro-Dollar Borrowing, the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period.

Notwithstanding the foregoing, no more than 15 Fixed Rate Borrowings shall be outstanding at any one time, and any Borrowing which would exceed such limitation shall be made as a Base Rate Borrowing.

Section 2.03. *Money Market Borrowings.* (a) In addition to Committed Borrowings pursuant to Section 2.01(a), the Borrower may, as set forth in this Section, request the Banks during the Revolving Credit Period to make offers to make Money Market Loans to the Borrower. The Banks may, but shall have no obligation to, make such offers and the Borrower may, but shall have no obligation to, accept any such offers in the manner set forth in this Section.

(b) *Money Market Quote Request.* When the Borrower wishes to request offers to make Money Market Loans under this Section, it shall transmit to the Administrative Agent by facsimile transmission or other electronic submission a Money Market Quote Request substantially in the form of Exhibit C hereto so as to be received no later than 10:00 A.M. (New York City time) on (x) the fourth Euro-Dollar Business Day prior to the date of Borrowing proposed therein, in the case of a LIBOR Auction or (y) the Domestic Business Day next preceding the date of Borrowing proposed therein, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective) specifying:

- (i) the proposed date of Borrowing, which shall be a Euro-Dollar Business Day in the case of a LIBOR Auction or a Domestic Business Day in the case of an Absolute Rate Auction,
- (ii) the aggregate amount of such Borrowing, which shall be \$10,000,000 or any larger multiple of \$1,000,000,
- (iii) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of Interest Period, and
- (iv) whether the Money Market Quotes requested are to set forth a Money Market Margin or a Money Market Absolute Rate.

The Borrower may request offers to make Money Market Loans for more than one Interest Period in a single Money Market Quote Request. No Money Market Quote Request shall be given within four Euro-Dollar Business Days (or such other number of days as the Borrower and the Administrative Agent may agree) of any other Money Market Quote Request.

(c) *Invitation for Money Market Quotes.* Promptly upon receipt of a Money Market Quote Request, the Administrative Agent shall send to the Banks by facsimile transmission or other electronic submission an Invitation for Money Market Quotes substantially in the form of Exhibit D hereto, which shall constitute an invitation by the Borrower to each Bank to submit Money Market Quotes offering to make the Money Market Loans to which such Money Market Quote Request relates in accordance with this Section.

(d) *Submission and Contents of Money Market Quotes.* (i) Each Bank may submit a Money Market Quote containing an offer or offers to make Money Market Loans in response to any Invitation for Money Market Quotes. Each Money Market Quote must comply with the requirements of this subsection (d) and must be submitted to the Administrative Agent by facsimile transmission or other electronic submission at its offices specified in or pursuant to Section 9.01 not later than (x) 9:30 A.M. (New York City time) on the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:30 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective); *provided* that Money Market Quotes submitted by the Administrative Agent (or any affiliate of the Administrative Agent) in the capacity of a Bank may be submitted, and may only be submitted, if the Administrative Agent or such affiliate notifies the Borrower of the terms of the offer or offers contained therein not later than (x) 8:30 A.M. (New York City time) on the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) 9:15 A.M. (New York City time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction. Subject to Articles ARTICLE 3 and 6, any Money Market Quote so made shall be irrevocable except with the written consent of the Administrative Agent given on the instructions of the Borrower.

(ii) Each Money Market Quote shall be in substantially the form of Exhibit E hereto and shall in any case specify:

(A) the proposed date of Borrowing,

(B) the principal amount of the Money Market Loan for which each such offer is being made, which principal amount

(w) may be greater than or less than the Commitment of the quoting Bank, (x) must be \$1,000,000 or any larger multiple thereof, (y) may not exceed the principal amount of Money Market Loans for which offers were requested and (z) may be subject to an aggregate limitation as to principal amount of Money Market Loans for which offers being made by such quoting Bank may be accepted,

(C) in the case of a LIBOR Auction, the margin above or below the applicable London Interbank Offered Rate (the “**Money Market Margin**”) offered for each such Money Market Loan, expressed as a percentage (rounded to the nearest 1/10,000th of 1%) to be added to or subtracted from such base rate,

(D) in the case of an Absolute Rate Auction, the rate of interest per annum (rounded to the nearest 1/10,000th of 1%) (the “**Money Market Absolute Rate**”) offered for each such Money Market Loan, and

(E) the identity of the quoting Bank.

A Money Market Quote may set forth up to five separate offers by the quoting Bank with respect to each Interest Period specified in the related Invitation for Money Market Quotes.

(iii) Any Money Market Quote shall be disregarded if it:

(A) is not substantially in conformity with Exhibit E hereto or does not specify all of the information required by subsection (d)(ii),

(B) contains qualifying, conditional or similar language,

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Money Market Quotes, or

(D) arrives after the time set forth in subsection (d)(i).

(e) *Notice to Borrower.* The Administrative Agent shall promptly notify the Borrower of the terms (x) of any Money Market Quote submitted by a Bank that is in accordance with subsection (d) and (y) of any Money Market Quote that amends, modifies or is otherwise inconsistent with a previous Money Market Quote submitted by such Bank with respect to the same Money Market Quote Request. Any such subsequent Money Market Quote shall be disregarded by the Administrative Agent unless such subsequent Money Market Quote is submitted solely to correct a manifest error in such former Money Market Quote.

The Administrative Agent's notice to the Borrower shall specify (A) the aggregate principal amount of Money Market Loans for which offers have been received for each Interest Period specified in the related Money Market Quote Request, (B) the respective principal amounts and Money Market Margins or Money Market Absolute Rates, as the case may be, so offered and (C) if applicable, limitations on the aggregate principal amount of Money Market Loans for which offers in any single Money Market Quote may be accepted.

(f) *Acceptance and Notice by Borrower.* Not later than 10:30 A.M. (New York City time) on (x) the third Euro-Dollar Business Day prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (y) the proposed date of Borrowing, in the case of an Absolute Rate Auction (or, in either case, such other time or date as the Borrower and the Administrative Agent shall have mutually agreed and shall have notified to the Banks not later than the date of the Money Market Quote Request for the first LIBOR Auction or Absolute Rate Auction for which such change is to be effective), the Borrower shall notify the Administrative Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection (e). In the case of acceptance, such notice (a "**Notice of Money Market Borrowing**") shall specify the aggregate principal amount of offers for each Interest Period that are accepted. The Borrower may accept any Money Market Quote in whole or in part; *provided* that:

(i) the aggregate principal amount of each Money Market Borrowing may not exceed the applicable amount set forth in the related Money Market Quote Request,

(ii) the aggregate principal amount of each Money Market Borrowing must be \$10,000,000 or any larger multiple of \$1,000,000,

(iii) acceptance of offers may only be made on the basis of ascending Money Market Margins or Money Market Absolute Rates, as the case may be, and

(iv) the Borrower may not accept any offer that is described in subsection (d)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(g) *Allocation by Agent.* If offers are made by two or more Banks with the same Money Market Margins or Money Market Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Money Market Loans in respect of which such offers are accepted shall be allocated by the Administrative Agent among such Banks as nearly as possible (in such multiples, not greater than \$100,000, as the Administrative Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers.

Determinations by the Administrative Agent of the amounts of Money Market Loans shall be conclusive in the absence of manifest error.

Section 2.04. *Notice to Banks; Funding of Loans.* (a) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Bank on the same Domestic Business Day of the contents thereof and of such Bank's share (if any) of such Borrowing and such Notice of Borrowing shall not thereafter be revocable by the Borrower.

(b) Not later than 2:00 P.M. (New York City time) on the date of each Borrowing, each Bank participating therein shall (except as provided in subsection (c) of this Section) make available its share of such Borrowing, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address specified in or pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article 3 has not been satisfied, the Administrative Agent will thereafter make the funds so received from the Banks available to the Borrower at the Administrative Agent's aforesaid address, *provided, however*, that the Administrative Agent shall first make a portion of such funds equal to the aggregate principal amount of any L/C Borrowings made by any Issuing Bank and by any Bank, as the case may be, and outstanding on the date of such Borrowing, *plus* interest accrued and unpaid thereon to and as of such date, available to such Issuing Bank or such other Bank, as the case may be, for repayment of such L/C Borrowing.

(c) If any Bank makes a new Loan hereunder on a day on which the Borrower is to repay all or any part of an outstanding Loan from such Bank, such Bank shall apply the proceeds of its new Loan to make such repayment and only an amount equal to the difference (if any) between the amount being borrowed and the amount being repaid shall be made available by such Bank to the Administrative Agent as provided in subsection (b), or remitted by the Borrower to the Administrative Agent as provided in Section 2.13, as the case may be.

(d) Unless the Administrative Agent shall have been notified by any Bank prior to the date of Borrowing (or prior to 2:00 P.M. (New York City time) on the date of Borrowing in the case of a Base Rate Borrowing) that such Bank does not intend to make available to the Administrative Agent such Bank's portion of the Borrowing to be made on such date, the Administrative Agent may assume that such Bank has made such amount available to the Administrative Agent on such date and the Administrative Agent may (but shall have no obligation to), in reliance upon such assumption, make available to the Borrower a corresponding amount, subject to the provisions of subsection (c). If such corresponding amount is not in fact made available to the Administrative Agent by such Bank, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Bank. If such Bank does not pay such corresponding amount

forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall promptly pay such corresponding amount to the Administrative Agent. The Administrative Agent shall also be entitled to recover from such Bank or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (x) in the case of a Bank, the Federal Funds Rate for each such day and (y) in the case of the Borrower, the then applicable rate for Base Rate Loans, Euro-Dollar Loans or Money Market Loans, as appropriate. Nothing herein shall be deemed to relieve any Bank from its obligation to fulfill its Commitment hereunder or to prejudice any rights which the Borrower may have against any Bank as a result of any default by such Bank hereunder. For purposes of this subsection (d), no amount paid to the Administrative Agent hereunder shall be considered to have been recovered by the Administrative Agent on the date of payment unless such amount shall have been received by the Administrative Agent by 2:30 P.M. (New York City time) on such date.

Section 2.05. *Notes.* (a) Any Bank Party may request that the Loans and/or L/C Borrowings of such Bank be evidenced by a single Note payable to the order of such Bank Party for the account of its Applicable Lending Office in an amount equal to the aggregate unpaid principal amount of such Bank Party's Loans and/or L/C Borrowings.

(b) Each Bank Party that has requested that its Loans and/or L/C Borrowings be evidenced by a Note may, by notice to the Borrower and the Administrative Agent, request that its Loans and/or L/C Borrowings of a particular Type be evidenced by a separate Note in an amount equal to the aggregate unpaid principal amount of such Loans and/or L/C Borrowings. Each such Note shall be in substantially the form of Exhibit A hereto with appropriate modifications to reflect the fact that it evidences solely Loans and/or L/C Borrowings of the relevant Type. Each reference in this Agreement to the "Note" of such Bank Party shall be deemed to refer to and include any or all of such Notes, as the context may require.

(c) Upon the Administrative Agent's receipt of each Note that was requested by a Bank Party pursuant to Section 3.01(b), the Administrative Agent shall forward such Note to such Bank Party. Each Bank Party shall record the date, amount, type and maturity of each Loan and/or L/C Borrowings made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if such Bank Party so elects in connection with any transfer or enforcement of its Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan and/or L/C Borrowings then outstanding; *provided* that the failure of

any Bank Party to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Notes. Each Bank Party is hereby irrevocably authorized by the Borrower so to endorse its Note and to attach to and make a part of its Note a continuation of any such schedule as and when required.

(d) Any Note evidencing a Loan (as such term is defined in the Existing Credit Agreement) made prior to the Amendment Effective Date may be exchanged upon request of the relevant Bank, made through the Administrative Agent, and simultaneous surrender of such Note to the Borrower through the Administrative Agent in exchange for one or more new Notes evidencing the 2019 Loans and the 2020 Loans, respectively, outstanding hereunder, if any, as of the Amendment Effective Date.

Section 2.06. *Maturity of Loans.* Each Loan hereunder shall mature, and the principal amount thereof shall be due and payable on the Maturity Date with respect to such Loan.

Section 2.07. *Interest Rates.* (a) Each Base Rate Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the Base Rate plus the applicable Base Rate Margin for such day. Such interest shall be payable for each Interest Period on the last day thereof and, with respect to the principal amount of any Base Rate Loan that is prepaid or converted to a Euro-Dollar Loan, on the date of such prepayment or conversion. Any overdue principal of or interest on any Base Rate Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate otherwise applicable to Base Rate Loans for such day.

(b) Each Euro-Dollar Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the Euro-Dollar Margin plus the applicable Adjusted London Interbank Offered Rate. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, three months after the first day thereof and, with respect to the principal amount of any Euro-Dollar Loan that is prepaid or converted to a Base Rate Loan, on the date of such prepayment or conversion.

The “**Adjusted London Interbank Offered Rate**” applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The “**London Interbank Offered Rate**” applicable to any Interest Period means the rate appearing on pages LIBOR01 or LIBOR02 of the Reuters screen

that displays such rate (or on any successor or substitute page of such Reuters Service, or if the Reuters Service ceases to be available, any successor to or substitute for such Reuters Service, providing rate quotations comparable to those currently provided on such page of such Reuters Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 A.M. (London time) two Euro-Dollar Business Days prior to the commencement of such Interest Period, as the rate for the offering of dollar deposits with a maturity comparable to such Interest Period; *provided*, that if such rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement; *provided further*, that if the London Interbank Offered Rate is not available for such Interest Period, then the applicable London Interbank Offered Rate shall be the Interpolated Rate. “**Interpolated Rate**” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the London Interbank Offered Rate) reasonably determined by the Administrative Agent (which determination shall be conclusive absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the London Interbank Offered Rate for the longest period (for which the London Interbank Offered Rate is available) that is shorter than the Interest Period and (b) the London Interbank Offered Rate for the shortest period (for which the London Interbank Offered Rate is available) that exceeds the Interest Period; *provided* that, if the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means still do not exist for ascertaining the Interpolated Rate, then the Administrative Agent shall give written notice thereof to the Borrower and the Banks as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Banks that the circumstances giving rise to such notice no longer exist, (i) any interest election request that requests the conversion of any Base Rate Loan to, or continuation of any Euro-Dollar Loan as, a Euro-Dollar Loan shall be ineffective and (ii) if any Loan requests a Euro-Dollar Loan, such Borrowing shall be made as a Base Rate Loan.

“**Euro-Dollar Reserve Percentage**” means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion Dollars in respect of “Eurocurrency liabilities” (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(c) Any overdue principal of or interest on any Euro-Dollar Loan and any other overdue amount payable hereunder (other than in respect of any Money Market Loan as provided in the following paragraph) shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 2% plus (i) in the case of principal, the rate otherwise applicable to Euro-Dollar Loans for such day or (ii) in the case of interest and any other overdue amount payable hereunder (other than in respect of any Money Market Loan as provided in the following paragraph), the sum of the Base Rate plus the applicable Base Rate Margin for such day.

(d) Subject to Section 8.01(a), each Money Market LIBOR Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of the London Interbank Offered Rate for such Interest Period (determined in accordance with Section 2.07 (b)) plus (or minus) the Money Market Margin quoted by the Bank making such Loan in accordance with Section 2.03. Each Money Market Absolute Rate Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the Money Market Absolute Rate quoted by the Bank making such Loan in accordance with Section 2.03. Such interest shall be payable for each Interest Period on the last day thereof and, if such Interest Period is longer than three months, at intervals of three months after the first day thereof. Any overdue principal of or interest on any Money Market Loan shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the Prime Rate for such day.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder. The Administrative Agent shall give prompt notice to the Borrower and the participating Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

Section 2.08. *Method of Electing Interest Rates.* (a) The Loans included in each Committed Borrowing shall bear interest initially at the type of rate specified by the Borrower in the applicable Notice of Committed Borrowing. Thereafter, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Group of Loans (subject to Section 2.08(d) and the provisions of Article 8), as follows:

(i) if such Loans are Base Rate Loans, the Borrower may elect to convert such Loans to Euro-Dollar Loans as of any Euro-Dollar Business Day;

(ii) if such Loans are Euro-Dollar Loans, the Borrower may elect to convert such Loans to Base Rate Loans as of any Domestic

Business Day, subject to Section 2.14 if any such conversion is effective on any day other than the last day of an Interest Period applicable to such Loans, or may elect to continue such Loans as Euro-Dollar Loans, as of the end of any Interest Period applicable thereto, for an additional Interest Period.

Each such election shall be made by delivering a notice (a “**Notice of Interest Rate Election**”) to the Administrative Agent not later than 10:30 A.M. (New York City time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Group of Loans; *provided* that (i) such portion is allocated ratably among the Loans comprising such Group and (ii) such portion, and the remaining portion to which such Notice does not apply, are each at least \$10,000,000 (unless such portion is comprised of Base Rate Loans). If no such notice is timely received before the end of an Interest Period for any Group of Euro-Dollar Loans, the Borrower shall be deemed to have elected that such Group of Loans be converted to Base Rate Loans at the end of such Interest Period.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Group of Loans (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of Section 2.08(a);

(iii) if the Loans comprising such Group are to be converted to Euro-Dollar Loans, the duration of the next succeeding Interest Period applicable thereto; and

(iv) if such Loans are to be continued as Euro-Dollar Loans for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Promptly after receiving a Notice of Interest Rate Election from the Borrower pursuant to Section 2.08(a), the Administrative Agent shall notify each Bank of the contents thereof and such notice shall not thereafter be revocable by the Borrower.

(d) The Borrower shall not be entitled to elect to convert any Committed Loans to, or continue any Committed Loans for an additional Interest Period as, Euro-Dollar Loans if (i) the aggregate principal amount of any Group of Euro-Dollar Loans created or continued as a result of such election would be less than \$10,000,000 or (ii) a Default shall have occurred and be continuing when the Borrower delivers notice of such election to the Administrative Agent.

(e) If any Committed Loan is converted to a different Type of Loan, the Borrower shall pay, on the date of such conversion, the interest accrued to such date on the principal amount being converted.

Section 2.09. *Fees.* (a) *Facility Fee.* Subject to Section 2.19(a)(i), the Borrower shall pay to the Administrative Agent for the account of each Bank facility fees accruing at the Facility Fee Rate on the daily average amount of such Bank's Commitment (whether used or unused), for the period from and including the Amendment Effective Date to but excluding the date such Bank's Commitment is terminated; *provided* that, if such Bank continues to have any Committed Loans outstanding after its Commitment terminates, then such facility fee shall continue to accrue on the daily outstanding principal amount of such Bank's Committed Loans from and including the date on which its Commitment terminates to but excluding the date on which such Bank ceases to have any Committed Loans outstanding. Accrued facility fees shall be payable on each January 1, April 1, July 1, and October 1 and on the date the Commitment of such Bank is terminated (and, if later, on the date the Loans of such Bank shall be repaid in their entirety); *provided* that any facility fees accruing after the first anniversary of the Commitment Termination Date shall be payable on demand.

(b) *Agents' Fees.* The Borrower shall pay to the Administrative Agent and the Syndication Agent, each for its own account, one or more fees in such amounts and at such times as has been previously agreed in writing between the Borrower and each of them.

(c) *Letter of Credit Fees.* Upon the issuance of each Letter of Credit pursuant to Section 2.01 and until termination, cancellation or expiration of such Letter of Credit, subject to Section 2.19(a)(iv), the Borrower agrees to pay to the Administrative Agent for the account of each Bank in accordance with its Pro Rata Share a Letter of Credit fee (the "**Letter of Credit Fee**") for each Letter of Credit equal to a rate per annum equal to (i) with respect to Standby Letters of Credit, the Euro-Dollar Margin in effect from time to time and (ii) with respect to (A) Performance Letters of Credit, (B) Trade Letters of Credit or (C) Back-Up Letters of Credit in support of performance letters of credit or trade letters of credit issued by the Borrower, 50% of the Euro-Dollar Margin in effect from time to time, in each case, multiplied by the average daily maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit) during the relevant calendar quarter or

portion then ended. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears on the basis of the actual number of days elapsed in a year of 360 days (including the first day but excluding the last day), as pro-rated for any partial quarter, as applicable, and (ii) subject to Section 2.19(a)(ii), due and payable on each January 1, April 1, July 1 and October 1, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. Notwithstanding anything to the contrary contained herein, upon the request of the Required Banks, while any payment-related Event of Default exists, all Letter of Credit Fees shall accrue at a rate per annum equal to the Euro-Dollar Margin plus 2%.

(d) *Fronting Fee and Documentary and Processing Charges Payable to Issuing Banks, Etc.* The Borrower shall pay directly to the relevant Issuing Bank for its own account a fronting fee with respect to each Letter of Credit issued hereunder on the average daily maximum amount available to be drawn under such Letter of Credit in an amount to be agreed between the Borrower and the applicable Issuing Bank of the L/C Obligations (whether or not such maximum amount is then in effect under such Letter of Credit) (the “**Fronting Fee**”). The Fronting Fee shall be computed on a quarterly basis in arrears on the basis of the actual number of days elapsed in a year of 360 days (including the first day but excluding the last day), as pro-rated for any partial quarter, as applicable, and shall be due and payable on each January 1, April 1, July 1 and October 1, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. In addition, the Borrower shall, with respect to all Letters of Credit issued at its request, pay directly to each Issuing Bank for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such Issuing Bank relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(e) *Amendment Fees.* The Borrower agrees to pay to the Administrative Agent for the account of each 2020 Bank on the Amendment Effective Date the upfront fees required to be paid on such date, as set forth in the 2015 Fee Letters.

Section 2.10. *Optional Termination or Reduction of Commitments.* During the Revolving Credit Period, the Borrower may, upon at least three Domestic Business Days’ notice to the Administrative Agent (which notice the Administrative Agent will promptly deliver to the Banks), (i) terminate all 2019 Commitments at any time, if no 2019 Loans are outstanding at such time, (ii) terminate all Commitments at any time, if no Loans are outstanding at such time or (iii) ratably reduce from time to time by an aggregate amount of \$10,000,000 or any larger multiple of \$1,000,000, the aggregate amount of the 2019

Commitments, the 2020 Commitments or the Commitments in excess of the aggregate outstanding principal amount of the Loans.

Section 2.11. *Mandatory Termination of Commitments.* The Commitments shall terminate on the Commitment Termination Date.

Section 2.12. *Optional Prepayments.* (a) Subject in the case of Euro-Dollar Loans to Section 2.14, the Borrower may (i) on any Domestic Business Day, upon notice to the Administrative Agent, prepay any Group of Base Rate Loans (or any Money Market Borrowing bearing interest at the Base Rate pursuant to Section 8.01(a)) or (ii) upon at least three Euro-Dollar Business Days' notice to the Administrative Agent, prepay any Group of Euro-Dollar Loans, in each case in whole at any time, or from time to time in part in amounts aggregating \$10,000,000 or any larger multiple of \$1,000,000, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment; provided that prior to the 2019 Commitment Termination Date, to the extent an applicable Group of Loans contains both 2019 Loans and 2020 Loans, any such optional prepayment shall be applied to the 2019 Loans and 2020 Loans in such Group of Loans on a pro rata basis; and provided further if the Borrower desires to terminate all 2019 Commitments in accordance with Section 2.10(i), the Borrower may prepay all 2019 Loans outstanding at such time and upon such prepayment, terminate the 2019 Commitments in accordance with 2.10 (i). Each such optional prepayment shall be applied to prepay ratably the Loans of the several Banks included in such Group of Loans (or such Money Market Borrowing).

(b) Except as provided in Section 2.12(a), the Borrower may not prepay all or any portion of the principal amount of any Money Market Loan prior to the maturity thereof.

(c) Upon receipt of a notice of prepayment pursuant to this Section, the Administrative Agent shall promptly notify each Bank of the contents thereof and of such Bank's ratable share (if any) of such prepayment and such notice shall not thereafter be revocable by the Borrower.

Section 2.13. *General Provisions as to Payments.* (a) The Borrower shall make each payment of principal of, and interest on, the Loans or L/C Obligations and of fees hereunder, not later than 1:00 P.M. (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Administrative Agent at its address referred to in Section 9.01. The Administrative Agent will promptly distribute to each Bank Party its ratable share of each such payment received by the Administrative Agent for the account of the Bank Parties. Whenever any payment of principal of, or interest on, the Base Rate Loans or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of, or

interest on, the Euro-Dollar Loans or Money Market Loans shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(b) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Bank Parties hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall have no obligation to), in reliance upon such assumption, cause to be distributed to each Bank Party on such due date an amount equal to the amount then due such Bank Party. If and to the extent that the Borrower shall not have so made such payment, each Bank Party shall repay to the Administrative Agent forthwith on demand such amount distributed to such Bank Party together with interest thereon, for each day from the date such amount is distributed to such Bank Party until the date such Bank Party repays such amount to the Administrative Agent, at the Federal Funds Rate.

Section 2.14. *Funding Losses.* If the Borrower makes any payment of principal with respect to any Fixed Rate Loan or any Fixed Rate Loan is converted to a different type of Loan (whether such payment or conversion is pursuant to Article 2, 6 or 8 or otherwise) on any day other than the last day of the Interest Period applicable thereto, or the end of an applicable period fixed pursuant to Section 2.07(c), or if the Borrower fails to borrow, prepay, convert or continue any Fixed Rate Loans after notice has been given to any Bank in accordance with Section 2.04(a), 2.08(c) or 2.12(c) the Borrower shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by it (or by an existing Participant in the related Loan), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion or failure to borrow, prepay, convert or continue; *provided* that such Bank shall have delivered to the Borrower a certificate as to the amount of such loss or expense, setting forth in reasonable detail the calculation thereof, which certificate shall be conclusive in the absence of manifest error.

Section 2.15. *Computation of Interest and Fees.* Interest based on the Prime Rate and fees pursuant to Section 2.09(a) hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and

paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.16. *Taxes.* (a) *Withholding of Taxes; Gross-Up.* Each payment by the Borrower under this Agreement or the Notes shall be made without withholding for any Taxes, unless such withholding is required by any law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by the Borrower shall be increased as necessary so that, net of such withholding (including withholding applicable to additional amounts payable under this Section), the applicable Recipient receives the amount it would have received had no such withholding been made.

(b) *Payment of Other Taxes by the Borrower.* The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) *Evidence of Payments.* As soon as practicable after any payment of Indemnified Taxes by the Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) *Indemnification by the Borrower.* The Borrower shall indemnify each Recipient for any Indemnified Taxes that are paid or payable by such Recipient in connection with this Agreement or the Notes (including amounts paid or payable under this Section 2.16(d)) and any reasonable expenses arising therefrom or with respect thereto (other than penalties and interest incurred as a result of the gross negligence or willful misconduct of the Administrative Agent or Bank Party), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.16(d) shall be paid within 10 days after the Recipient delivers to the Borrower a certificate stating the amount of any Indemnified Taxes so paid or payable by such Recipient and describing, in reasonable detail, the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Recipient shall deliver a copy of such certificate to the Administrative Agent.

(e) *Indemnification by the Bank Parties.* Each Bank Party shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so) attributable to such Bank Party

that are paid or payable by the Administrative Agent in connection with this Agreement and the Notes and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.16(e) shall be paid within 10 days after the Administrative Agent delivers to the applicable Bank Party a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(f) *Status of Bank Parties.* (i) Any Bank Party that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under this Agreement or the Notes shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Bank Party, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Bank Party is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(f)(ii)(A) through (E) below) shall not be required if in the Bank Party's judgment such completion, execution or submission would subject such Bank Party to any material unreimbursed cost or expense (or, in the case of a Change in Law, any incremental material unreimbursed cost or expense) or would materially prejudice the legal or commercial position of such Bank Party. Upon the reasonable request of such Borrower or the Administrative Agent, any Bank Party shall update any form or certification previously delivered pursuant to this Section 2.16(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Bank Party, such Bank Party shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Bank Party with respect to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Bank Party becomes a party hereto and from time-to-time thereafter as reasonably requested by Borrower or the Administrative

Agent, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Bank Party that is a U.S. Person, IRS Form W-9 certifying that such Bank Party is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Bank Party claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any this Agreement or the Notes, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “interest” article of such tax treaty and (2) with respect to any other applicable payments under this Agreement, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(C) in the case of a Non-U.S. Bank Party for whom payments under this Agreement constitute income that is effectively connected with such Bank Party’s conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Bank Party claiming the benefits of the exemption for portfolio interest under Section 881 (c) of the Code both (1) IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, and (2) a certificate substantially in the form of Exhibit H (a “**U.S. Tax Certificate**”) to the effect that such Bank Party is not (a) a “bank” within the meaning of Section 881 (c)(3)(A) of the Code, (b) a member of the Borrower does not exercise voting power over Borrower or is not a “10 percent shareholder” of the Borrower within the meaning of Section 881(c) (3)(B) of the Code (c) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Bank Party that is not the beneficial owner of payments made under this Agreement (including a partnership or a participating Bank Party) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f) (ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Bank Party; provided, however, that if the Bank Party is a partnership

and one or more of its direct or indirect partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Bank Party may provide a U.S. Tax Certificate on behalf of such direct or indirect partners; or

(F) any other form prescribed by law as a basis for claiming exemption from, or a reduction of, U.S. Federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Bank Party under this Agreement or the Notes would be subject to U.S. Federal withholding Tax imposed by FATCA if such Bank Party were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Bank Party shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Bank Party has or has not complied with such Bank Party's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.16(f)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.16 (including additional amounts paid pursuant to this Section 2.16), it shall pay the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made, under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.16(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.16(g) if such

payment would place such indemnified party in a less favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.16(g) shall not be construed to require indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

(h) *FATCA*. For purposes of determining withholding Taxes imposed under FATCA, from and after the Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Banks hereby authorize the Administrative Agent to treat) the Agreement as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(i) *Survival*. Each party’s obligations under this Section 2.16 shall survive any assignment of rights by, or the replacement of, a Bank Party, the termination of the Commitments and the repayment, satisfaction or discharge of all other obligations under this Agreement or the Notes.

Section 2.17. *Increase of Commitments*. (a) Upon at least five days’ prior notice to the Administrative Agent (which notice the Administrative Agent shall promptly transmit to each of the Banks), the Borrower shall have the right, subject to the terms and conditions set forth below, to increase the aggregate amount of the Commitments in multiples of \$5,000,000; *provided* that (i) such increase may be effected by increasing the 2019 Commitment, the 2020 Commitment or any combination of the foregoing, so long as such increase satisfies all terms and conditions herein, including, but not limited to, this Section 2.17, (ii) the amount of such increase when added to the aggregate amount of all such prior increases in the Commitments hereunder (including by way of creating new Commitments), on or after the Amendment Effective Date, does not exceed the sum of \$500,000,000 and the amount of any Commitments terminated by the Borrower pursuant to Section 2.19(c) and (iii) the total aggregate amount of Commitments hereunder does not, at any time, exceed \$2,200,000,000.

(b) Any such increase in the Commitments (the “**Incremental Commitments**”) hereunder shall apply, at the option of the Borrower, (x) to the Commitment of one or more Banks; *provided* that (i) the Administrative Agent, each Issuing Bank and each Bank the Commitment of which is to be increased shall consent to such increase, (ii) the amount set forth on the Commitment Schedule opposite the name of each Bank the Commitment of which is being so increased shall be amended to reflect the increased Commitment of such Bank and (iii) if any Committed Loans are outstanding at the time of such an increase, the Borrower will, notwithstanding anything to the contrary contained in this Agreement, on the date of such increase, incur and repay or prepay one or more

Committed Loans from the Banks in such amounts so that after giving effect thereto the Committed Loans shall be outstanding on a *pro rata* basis (based on the Commitments of the Banks after giving effect to the changes made pursuant to this Section 2.17 on such date) from all the Banks or (y) to the creation of a new Commitment of one or more institutions not then a Bank hereunder; *provided* that (i) such institution becomes a party to this Agreement as a Bank by execution and delivery to the Borrower and the Administrative Agent of counterparts of this Agreement, (ii) the Commitment Schedule shall be amended to reflect the Commitment of such new Bank, (iii) if requested by such new Bank, the Borrower shall issue a Note to such new Bank in conformity with the provisions of Section 2.05, (iv) if any Committed Loans are outstanding at the time of the creation of such Commitment of such Bank, the Borrower will, notwithstanding anything to the contrary contained in this Agreement, on the date of the creation of such Commitment, incur and repay or prepay one or more Committed Loans from the Banks in such amounts so that after giving effect thereto the Committed Loans shall be outstanding on a *pro rata* basis (based on the Commitments of the Banks after giving effect to the changes made pursuant to this Section 2.17 on such date) from all the Banks and (v) if such institution is neither a banking institution nor an affiliate of a Bank, such institution must be consented to by the Administrative Agent and the Issuing Bank. The date on which the conditions set forth in this paragraph are satisfied is the “**Increased Amount Date**” and each such Bank providing an Incremental Commitment, an “**Incremental Bank**”.

(c) On any Increased Amount Date on which any Incremental Commitments are effective, subject to the satisfaction of the foregoing conditions, each Incremental Bank shall become a Bank hereunder with respect to its Incremental Commitment and the incremental loans made pursuant thereto.

(d) The Administrative Agent shall notify the Banks promptly upon receipt of the Borrower’s notice of the Increased Amount Date and in respect thereof of Incremental Commitments and the Incremental Banks.

(e) The terms and provisions of the Incremental Commitments and any Borrowing in respect of such Incremental Commitments shall be, except as otherwise set forth herein, identical to the Commitments on the Amendment Effective Date and any other Loans made under this Agreement.

(f) It is understood that any increase in the amount of the Commitments pursuant to this Section 2.17 shall not constitute an amendment of this Agreement or the Notes and that no Bank shall have any obligation to participate in such increase except in its absolute and sole discretion.

Section 2.18. *Replacement of Banks.* (a) If (i) any Bank requests payment of, or the Borrower is otherwise required to pay to any Bank, any amount pursuant to Section 8.01(b) or Section 8.03, (ii) any Bank becomes a Defaulting Bank or (iii) any Bank notifies the Administrative Agent pursuant to

Section 8.02 of its inability to make, maintain or fund Euro-Dollar Loans, then the Borrower may, at its sole expense and effort, upon notice to such Bank and the Administrative Agent, require such Bank to assign and delegate, without recourse, all its interests, rights and obligations under this Agreement to an Assignee (which Assignee may be another Bank, if such other Bank agrees to accept such assignment) that shall assume such obligations pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto which shall be executed by such Assignee and (except as otherwise provided in this) Section 2.18(a) such transferor Bank; *provided*, that (A) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, conditioned or delayed, (B) such transferor Bank shall have received payment of an amount equal to the outstanding principal of its Loans and participations in L/C Obligations, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (in each case, if any), from the Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), which amounts shall be the only amounts payable to such transferor Bank in respect of such assignment and delegation, (C) any Bank being replaced pursuant to this Section 2.18(a) shall be deemed to have granted to the Administrative Agent the authority to act as its attorney-in-fact solely for the purpose of executing such Assignment and Assumption Agreement, and (D) in the case of any such assignment and delegation resulting from a request or claim for payment under Section 8.03, such assignment will result in a reduction in any payments due to such transferor Bank on a dollar-for-dollar basis to the extent that such assignment eliminates or reduces the amount that such transferor Bank is entitled to receive under Section 8.03. A Bank shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Bank or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Upon execution and delivery by the Assignee and (except as otherwise provided in this Section 2.18(a)) the transferor Bank of the Assignment and Assumption Agreement referred to above and payment by such Assignee to such transferor Bank of the amount (if any) payable by such Assignee pursuant to clause (B) above: (1) such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment equal to such transferor Bank's Commitment immediately prior to the effectiveness of such assignment and delegation (or, if there is more than one Assignee, the respective portion of such Commitment agreed to be assumed by each such Assignee). Upon the consummation of any such assignment and delegation, the transferor Bank, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding

of any United States federal income taxes in accordance with Section 2.16. In connection with any assignment pursuant to this Section 2.18(a), (I) the Borrower shall cause to be paid to the Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500, and (II) notwithstanding anything to the contrary set forth herein, and without limiting the authority set forth in the immediately preceding clause (C), if the transferor Bank does not execute and deliver to the Administrative Agent a duly completed Assignment and Assumption Agreement reflecting such assignment within five Domestic Business Days of the date on which the Assignee executes and delivers such Assignment and Assumption Agreement to the transferor Bank, then such transferor Bank shall be deemed to have executed and delivered such Assignment and Assumption Agreement.

(b) If (i) any Bank requests payment of, or the Borrower is otherwise required to pay to any Bank, any amount pursuant to Section 8.01(b) or Section 8.03 or (ii) any Bank becomes a Defaulting Bank, the Borrower may, upon at least two Domestic Business Days' written notice to the Administrative Agent, and provided that no Default or Event of Default has occurred and is continuing, terminate the Commitment of such Bank (without affecting the Commitment of any other Bank) and, in connection therewith, prepay the outstanding Loans and L/C Advances of such Bank in full at par, together with accrued interest thereon, accrued fees and any other amounts payable hereunder for the account of such Bank; *provided that* in connection with such termination, the parties hereto shall comply with the procedures set forth in Section 2.19(a)(iv) (it being understood that for purposes of this proviso, such Bank shall be deemed to be a Defaulting Bank). Any such prepayment pursuant to this Section 2.18(b) shall be subject to the provisions of Section 2.14 hereof.

(c) With respect to a demand for compensation from a Bank pursuant to Section 8.03(a), the Borrower's rights under Section 2.18(a) shall be an alternative to the Borrower's rights under Section 8.04.

Section 2.19. *Defaulting Banks.* 13.2.3. Notwithstanding any provision of this Agreement to the contrary, if any Bank becomes a Defaulting Bank, then the following provisions shall apply for so long as such Bank is a Defaulting Bank:

(i) facility fees shall cease to accrue, or to be payable by the Borrower, on the unfunded portion of the Commitment of such Defaulting Bank pursuant to Section 2.09(a) for the account of such Defaulting Bank or otherwise; provided, for the avoidance of doubt, that, to the extent Loans made by such Defaulting Bank are repaid by the Borrower, no facility fees shall accrue or be payable on that portion of such Defaulting Bank's Commitment corresponding to such repaid amount;

(ii) Letter of Credit Fees shall cease to accrue, or to be payable by the Borrower, on the Pro Rata Share of a Letter of Credit of such Defaulting Bank pursuant to Section 2.09(c) for the account of such Defaulting Bank or otherwise;

(iii) the Commitment or Credit Exposure of such Defaulting Bank shall not be included in determining whether all Banks or the Required Banks have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.05); *provided, however*, that this clause (iii) shall not (subject to Section 9.05) apply to the vote of a Defaulting Bank in the case of an amendment, waiver or other modification specifically requiring the consent of such Bank or each Bank affected thereby (and in circumstances where the consent of “all Banks” is required, such Defaulting Bank’s vote shall not be included except (A) such Defaulting Bank’s Commitment may not be increased or extended without its consent and (B) the principal amount of, or interest or fees payable on, Loans or L/C Borrowings may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Bank without such Defaulting Bank’s consent); and

(iv) if any L/C Obligation exists at the time such Bank becomes a Defaulting Bank then:

(A) provided that no Default or Event of Default exists, all or any part of such Defaulting Bank’s Pro Rata Share of the Outstanding Amount of all L/C Obligations shall be reallocated among the non-Defaulting Banks in accordance with their respective Pro Rata Shares but only to the extent the aggregate principal amount of Revolving Loans of all non-Defaulting Bank’s plus such Defaulting Bank’s Pro Rata Share of the Outstanding Amount of all L/C Obligations do not exceed the total of all non-Defaulting Banks’ Commitments;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrower shall within one Domestic Business Day following notice by the Administrative Agent Cash Collateralize for the benefit of the Issuing Bank such Defaulting Bank’s Pro Rata Share of the Outstanding Amount of all L/C Obligations (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.20(e)(i) for so long as such L/C Obligations are outstanding;

(C) if the Borrower Cash Collateralizes any portion of such Defaulting Bank’s L/C Obligations pursuant to clause (B)

above, the Borrower shall not be required to pay any fees to such Defaulting Bank pursuant to Section 2.09(c) with respect to such L/C Obligations during the period such Defaulting Bank's L/C Obligations are Cash Collateralized;

(D) if the L/C Obligations of the non-Defaulting Banks are reallocated pursuant to clause (A) above, then the fees payable to the Banks pursuant to Section 2.09(a) and Section 2.09(c) shall be adjusted in accordance with such non-Defaulting Banks' Pro Rata Shares; and

(E) if all or any portion of such Defaulting Bank's L/C Obligations are neither reallocated nor Cash Collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Bank hereunder, all facility fees that otherwise would have been payable to such Defaulting Bank (solely with respect to the portion of such Defaulting Bank's Commitment that was utilized by such L/C Obligations) and Letter of Credit Fees payable under Section 2.09 (c) with respect to such Defaulting Bank's L/C Obligations shall be payable to the Issuing Bank until and to the extent that such L/C Obligations are reallocated and/or Cash Collateralized; and

(b) So long as any Bank is a Defaulting Bank, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the Defaulting Bank's related exposure and its then outstanding L/C Advance will be 100% covered in accordance with the terms of this Agreement by the Commitments of the non-Defaulting Banks and/or cash collateral will be provided by the Borrower in accordance with Section 2.19(a)(iv), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Banks in a manner consistent with Section 2.19 (a)(iv)(A) (and such Defaulting Bank shall not participate therein).

In the event that the Administrative Agent, the Borrower, and the Issuing Bank each agrees that a Defaulting Bank has adequately remedied all matters that caused such Bank to be a Defaulting Bank, then the L/C Obligations of the Banks shall be readjusted to reflect the inclusion of such Bank's Commitment and on such date such Bank shall purchase at par such of the Loans of the other Banks as the Administrative Agent shall determine may be necessary in order for such Bank to hold such Loans in accordance with its Pro Rata Share.

(c) At the Borrower's option, the Borrower may elect to terminate the Commitment of any Defaulting Bank upon notice to such Defaulting Bank and the Administrative Agent (irrespective of whether such Defaulting Bank holds any outstanding Loans) and such notice shall be effective upon receipt by both the Defaulting Bank and the Administrative Agent; *provided* that, for the avoidance of

doubt, if such Defaulting Bank holds any Loans, and such Loans are not assigned pursuant to Section 2.18 or otherwise, then such Defaulting Bank shall continue to hold such Loans until such time as such Loans are repaid by the Borrower or assigned pursuant to this Agreement. Upon termination of a Bank's Commitment under this Section 2.19, the Borrower shall (x) to the extent applicable after giving effect to Section 2.19(a)(iv) and any Cash Collateral provided by the Defaulting Bank, Cash Collateralize such Defaulting Bank's Pro Rata Share of the aggregate undrawn amount of all outstanding Letters of Credit, (y) subject to Section 2.19(a), pay or cause to be paid all accrued facility fees or Letter of Credit Fees payable to such Bank and all other amounts due and payable to such Bank hereunder and (z) if such Bank is an Issuing Bank, the Borrower shall pay to the Administrative Agent for deposit an amount equal to the available amount of all Letters of Credit issued by such Issuing Bank, and upon such payments, the obligations of such Bank hereunder with respect to such unused Commitment which have been terminated shall, by the provisions hereof, be released and discharged.

Section 2.20. Issuance of Letters of Credit; Drawings and Reimbursements; Auto-Extension Letters of Credit; Funding of Participations.

(a) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit. (i) Each Letter of Credit shall be issued or amended, as the case may be, from time to time upon the request of the Borrower delivered to an Issuing Bank (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower and may, at the request of the Borrower, include the issuance of a Letter of Credit confirming a letter of credit issued by the Borrower. For the avoidance of doubt, the Borrower shall be the sole party to any Letter of Credit Application notwithstanding that any Letter of Credit may be issued or amended, as the case may be, for the account of the Borrower, its Consolidated Entities, its Members or any member of its Consolidated Entities. Such Letter of Credit Application must be received by such Issuing Bank and the Administrative Agent not later than 2:00 p.m. (New York City time) at least one (1) Domestic Business Day (or such later date and time as the Administrative Agent and the Issuing Bank may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the respective Issuing Bank: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Domestic Business Day); (B) the amount thereof; (C) the expiry date thereof (which date shall be not later than the earlier of (1) the date which is twelve (12) months after the proposed issuance date and (2) the Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)); (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any

drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as such Issuing Bank may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the respective Issuing Bank (w) the Letter of Credit to be amended; (x) the proposed date of amendment thereof (which shall be a Domestic Business Day); (y) the nature of the proposed amendment; and (z) such other matters as such Issuing Bank may require. Additionally, the Borrower shall furnish to the Issuing Bank and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the Issuing Bank or the Administrative Agent may reasonably require; *provided* that furnishing such documents shall not adversely affect the timing of such Letter of Credit issuance or amendment.

(ii) Promptly after receipt of any Letter of Credit Application, the Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, such Issuing Bank will provide the Administrative Agent with a copy thereof. Unless such Issuing Bank has received written notice from any Bank, the Administrative Agent or the Borrower, at least one (1) Domestic Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article 3 shall not then be satisfied, then, subject to the terms and conditions hereof, such Issuing Bank shall, on the requested date, make an L/C Credit Extension for the account of the Borrower, its Consolidated Entities, its Members or any member of its Consolidated Entities, or enter into the applicable amendment, as the case may be, in each case in accordance with such Issuing Bank's usual and customary business practices. Immediately upon the making of each L/C Credit Extension, each Bank shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from such Issuing Bank a risk participation in such L/C Credit Extension in an amount equal to the product of such Bank's Pro Rata Share times the amount of such L/C Credit Extension.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, (i) upon the expiration of the initial term of each Letter of Credit, such Letter of Credit shall terminate or (ii) upon the expiration of the initial and each successive term of each Letter of Credit, such Letter of Credit shall then be automatically extended for successive one-year terms (each such automatically extending Letter of Credit, an "**Auto-Extension Letter of Credit**"), except that the last term in each case shall in any event expire not later than the Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section

2.01(c)(i)); *provided* that any such Auto-Extension Letter of Credit must permit such Issuing Bank to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) or upon notice to such Issuing Bank by the Administrative Agent or the Borrower of an Event of Default pursuant to Section 6.01(i), by giving prior notice to the beneficiary thereof not later than a Domestic Business Day (the “**Non-Extension Notice Date**”) in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by such Issuing Bank, the Borrower shall not be required to make a specific request to such Issuing Bank for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Banks shall be deemed to have authorized (but may not require) such Issuing Bank to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)); *provided, however*, that such Issuing Bank shall not permit any such extension if such Issuing Bank has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of Section 2.01(c)(i), or otherwise), or it has received notice (which may be by telephone or in writing) on or before the day that is five Domestic Business Days before the Non-Extension Notice Date from the Administrative Agent that the Required Banks have elected not to permit such extension or from the Administrative Agent or any Bank that one or more of the applicable conditions specified in Section 3.03 is not then satisfied, and in each such case directing such Issuing Bank not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, such Issuing Bank will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment thereof.

(b) *Drawings and Reimbursements; Funding of Participations.* (i) On the date of receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Issuing Bank shall notify the Administrative Agent and the Borrower thereof (and simultaneously deliver a copy of the applicable site draft/drawing notice to the Borrower and the Administrative Agent thereof). Not later than (A) the Domestic Business Day the Borrower receives notice from the Issuing Bank that payment under a Letter of Credit will be made on such date, if the Borrower shall have received such notice on or prior to 11:00 a.m. (New York City time) on such date, or (B) on the immediately following Domestic Business Day, if the Borrower shall have received such notice after 11:00 a.m. (New York City time) (either of such dates,

as applicable, the “**Honor Date**”), the Borrower shall reimburse such Issuing Bank through the Administrative Agent whether with its own funds or with the proceeds of Loans in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse such Issuing Bank by such time, the Administrative Agent shall promptly notify each Bank of the Honor Date, the amount of the unreimbursed drawing (the “**Unreimbursed Amount**”), and the amount of such Bank’s Pro Rata Share thereof. In such an event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, and, so long as no Default has occurred and is continuing, such disbursement shall be deemed to occur automatically without further act and without regard to the minimum and multiples specified in Section 2.01 for the principal amount of Base Rate Loans (but subject to the other conditions set forth in Section 2.01) and without need to satisfy the conditions set forth in Section 3.03. Any notice given by such Issuing Bank or the Administrative Agent pursuant to this Section 2.20(b) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Bank (including the Bank acting as Issuing Bank) shall upon any notice pursuant to Section 2.20(b)(i) make funds available to the Administrative Agent for the account of such Issuing Bank in an amount equal to its Pro Rata Share of the Unreimbursed Amount with respect to such Letter of Credit not later than 1:00 p.m. (New York City time) on the Domestic Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.20(b)(iii), each Bank that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to such Issuing Bank.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 2.20(b)(i) have not been satisfied or for any other reason, the Borrower shall be deemed to have incurred from the Issuing Bank an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate equal to the sum of (A) the Base Rate in effect from time to time, *plus* (B) the Base Rate Margin in effect from time to time, *plus* (C) 2% *per annum*. In such an event, each Bank’s payment to the Administrative Agent for the account of such Issuing Bank pursuant to Section 2.20(b)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Bank in satisfaction of its participation obligation under this Section 2.20.

(iv) Until each Bank funds its Loan or L/C Advance pursuant to this Section 2.20(b) to reimburse such Issuing Bank for any Unreimbursed Amount in respect of such Letter of Credit, interest in respect of such Bank's Pro Rata Share of the related Unreimbursed Amount shall be solely for the account of such Issuing Bank.

(v) Each Bank's obligation to make Loans or L/C Advances to reimburse any Issuing Bank for Unreimbursed Amounts in respect of such Letter of Credit, as contemplated by this Section 2.20(b), shall be irrevocable, absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Bank may have against the Issuing Bank, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse any Issuing Bank for the amount of any payment made by the Issuing Bank under any Letter of Credit, together with interest as provided herein.

(vi) If any Bank fails to make available to the Administrative Agent for the account of any Issuing Bank any amount required to be paid by such Bank pursuant to the foregoing provisions of this Section 2.20(b) by the time specified in Section 2.20(b)(ii), such Issuing Bank shall be entitled to recover from such Bank (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such Issuing Bank at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. A certificate of such Issuing Bank submitted to any Bank (through the Administrative Agent) with respect to any amounts owing under this Section 2.20(b)(vi) shall be conclusive absent manifest error.

(c) *Repayment of Participations.* (i) At any time after an Issuing Bank has made a payment under any Letter of Credit and has received from any Bank such Bank's L/C Advance in respect of such payment in accordance with Section 2.20(b), if the Administrative Agent receives for the account of such Issuing Bank any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including the proceeds of Cash Collateral, if any, applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Bank its Pro Rata Share thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Bank's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of an Issuing Bank pursuant to Section 2.20(b)(i) is required to be returned under any circumstances (including pursuant to any settlement entered into by such Issuing Bank in its discretion), each Bank shall pay to the Administrative Agent for the account of such Issuing Bank its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Bank, at a rate per annum equal to the Federal Funds Rate from time to time in effect.

(d) *Role of Issuing Bank.* Each Bank and the Borrower agree that, in paying any drawing under a Letter of Credit, each Issuing Bank shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by any Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuing Bank, the Administrative Agent nor any of the respective correspondents, participants or assignees of such Issuing Bank, nor any of their respective officers, directors, agents, employees, attorneys and advisors, shall be liable to any Bank for (i) any action taken or omitted in connection herewith at the request or with the approval of the Banks or the Required Banks, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application.

(e) *Cash Collateral.* (i) Upon the occurrence and during the continuance of any Event of Default, at the request of the Administrative Agent or the Required Banks, if, as of the Letter of Credit Expiration Date (or, if the expiry date of such Letter of Credit is after the Letter of Credit Expiration Date (as may be agreed by the Banks in accordance with Section 2.01(c)(i)), as of such later expiry date), any Letter of Credit for any reason remains outstanding and partially or wholly undrawn, the Borrower shall immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount determined as of the date of such Letter of Credit Expiration Date (or such later date as may be agreed by the Banks in accordance with Section 2.01(c)(i)), as the case may be).

(ii) The Borrower, and to the extent provided by any Bank, such Bank hereby grants to the Administrative Agent, for the benefit of each Issuing Bank and the Banks, a security interest in all such cash, deposit accounts, securities accounts and all balances held in the Cash Collateral Account and all proceeds of the foregoing. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall

be applied, to the extent permitted under Applicable Law, to reimburse each Issuing Bank and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the L/C Obligations at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Banks with L/C Obligations representing at least 51% of the total L/C Obligations), be applied to satisfy other obligations of the Borrower under this Agreement.

(iii) The Administrative Agent shall invest for the account of the Borrower the funds from time to time held by it in the Cash Collateral Account in such overnight U.S. treasury or similar short-term instruments as are selected by the Borrower and approved by the Administrative Agent, and shall maintain records adequate to determine the interest from time to time earned on such funds. The Administrative Agent shall have no responsibility for any loss on any investments made by it with respect to the funds in such Cash Collateral Account.

(f) *Applicability of ISP and UCP.* Unless otherwise expressly agreed by an Issuing Bank and the Borrower upon issuing an L/C Credit Extension, (i) the rules of the ISP shall apply to each Standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each Trade Letter of Credit or Backup Letter of Credit in support of a trade letter of credit issued by the Borrower.

(g) *Conflict with Issuer Documents.* In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(h) *Letters of Credit Issued for Consolidated Entities, Members, members of Consolidated Entities or Beneficiaries of Letter of Credit Issued by the Borrower.* Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Consolidated Entity, Member or member of a Consolidated Entity, the Borrower shall be obligated to reimburse the Issuing Bank hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the L/C Credit Extensions for the account of Consolidated Entities, Members or members of the Consolidated Entities inure to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Consolidated Entities, Members and members of such Consolidated Entities.

(i) *Letter of Credit Reports.* Each Issuing Bank shall furnish (A) to the Administrative Agent (with a copy to the Borrower) on the first Domestic Business Day of each month a written report summarizing issuance and expiration dates of L/C Credit Extensions issued during the preceding month and drawings during such month under each Letter of Credit and (B) to the Administrative

Agent and each Bank (with a copy to the Borrower) on the first Domestic Business Day of each calendar quarter a written report setting forth the average daily aggregate L/C Obligations during the preceding calendar quarter of all Letters of Credit.

(j) *Obligations Absolute.* The obligation of the Borrower to reimburse each Issuing Bank for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, the Notes, the Issuer Documents or any other instrument in connection herewith;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), such Issuing Bank or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by such Issuing Bank under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit (so long as such draft or certificate substantially complies with such terms); or any payment made by such Issuing Bank under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit; or

(v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it pursuant to Section 2.20(a)(iv) and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will notify the Issuing Bank promptly upon becoming aware thereof. The Borrower shall be conclusively deemed to have waived any such claim against the Issuing Bank and its correspondents unless such notice is given as aforesaid.

(k) *Liability.* The Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to such Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Neither any Issuing Bank, any of its affiliates, nor any of its respective officers, directors, agents, employees, attorneys and advisors shall be liable or responsible for: (i) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by such Issuing Bank against presentation of documents that do not comply with the terms of any Letter of Credit (so long as such draft or certificate substantially complies with such terms); or (iv) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit, except that, anything in such clauses (i) through (iv) to the contrary notwithstanding, the Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to the Borrower, to the extent of any direct (but not special, indirect, consequential or punitive) damages suffered by the Borrower that the Borrower proves were caused by (A) such Issuing Bank's willful misconduct or gross negligence as determined in a final, non-appealable judgment by a court of competent jurisdiction in determining whether documents presented under any Letter of Credit comply with the terms thereof or (B) such Issuing Bank's willful failure to make lawful payment under any Letter of Credit after the presentation to it by the beneficiary of a draft and certificate(s) strictly complying with the terms and conditions of any Letter of Credit. In furtherance and not in limitation of the foregoing, such Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

(l) *Replacement or Addition of Issuing Bank.* An Issuing Bank may be replaced or added at any time by written agreement among the Borrower, the Administrative Agent (unless, in the case of the replacement of an Issuing Bank, the successor Issuing Bank is a Bank and, if applicable, such agreement not to be unreasonably withheld, conditioned or delayed) and the successor or additional Issuing Bank, as applicable. The Administrative Agent shall notify the Banks of any such replacement or addition, as applicable, of an Issuing Bank. Where an

Issuing Bank is replaced, at the time such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for account of the replaced Issuing Bank. Furthermore, from and after the effective date of such replacement, the successor Issuing Bank, shall have all the rights and obligations of the replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter. References herein to the term “Issuing Bank” shall be deemed to refer to any successor or additional Issuing Bank, as applicable, or to any previous Issuing Bank, or to any successor or additional Issuing Banks, as applicable, and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

Section 2.21. *2019 Conversions.* Notwithstanding anything to the contrary in this Agreement, subject to the consent of the Administrative Agent and the Issuing Bank, such consent not to be unreasonably withheld, conditioned or delayed and pursuant to an offer (a “**2019 Conversion Offer**”) made by the Borrower after the Amendment Effective Date to any 2019 Bank, the Borrower is hereby permitted to consummate from time to time transactions **with** any individual 2019 Bank that in its sole and absolute discretion elects to consent to and accept such 2019 Conversion Offer to convert all (but not less than all) of such accepting 2019 Bank’s 2019 Commitment and 2019 Credit Exposure to an equal principal amount of a 2020 Commitment and 2020 Credit Exposure (a “**2019 Conversion**”). Upon the effectiveness of any such 2019 Conversion, (i) such accepting 2019 Bank shall become a 2020 Bank, (ii) such accepting 2019 Bank’s 2019 Commitments shall become 2020 Commitments in an aggregate principal amount equal to such accepting 2019 Bank’s 2019 Commitments and (iii) such accepting 2019 Bank’s 2019 Credit Exposure shall become a 2020 Credit Exposure in an aggregate principal amount equal to such accepting 2019 Bank’s 2019 Credit Exposure. In connection with any 2019 Conversion, the Borrower shall provide the Administrative Agent and Issuing Bank at least five Domestic Business Days’ (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof.

ARTICLE 3 CONDITIONS

Section 3.01. *Effectiveness.* (i) The Existing Credit Agreement became effective on the Effective Date and this Agreement shall become effective on the

date (the “**Amendment Effective Date**”) on which the Administrative Agent shall have received the following documents or other items, each dated the Amendment Effective Date unless otherwise indicated:

(a) receipt by the Administrative Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it in facsimile transmission, electronic submission or other writing from such party of execution of a counterpart hereof by such party);

(b) receipt by the Administrative Agent for the account of each Bank that has requested a Note of a duly executed Note dated on or before the Amendment Effective Date complying with the provisions of Section 2.05;

(c) receipt by the Administrative Agent of an opinion of the General Counsel of the Borrower, substantially in the form of Exhibit F hereto, *provided* that an enforceability opinion under New York law, that is reasonably acceptable to the Administrative Agent, shall be furnished by the Borrower’s New York counsel, Norton Rose Fulbright US LLP, subject to customary assumptions, qualifications and limitations;

(d) receipt by the Administrative Agent of a certificate signed by any one of the Chief Financial Officer, the Chief Executive Officer, the Chief Operating Officer, an Assistant Secretary-Treasurer, the Controller or the Vice President, Capital Markets Relations of the Borrower to the effect that the conditions set forth in clauses (c) through (g), inclusive, of Section 3.03 have been satisfied as of the Amendment Effective Date and, in the case of clauses (c), (e) and (g), setting forth in reasonable detail the calculations required to establish such compliance;

(e) receipt by the Administrative Agent, with a copy for each Bank, of a certificate of an officer of the Borrower acceptable to the Administrative Agent stating that all consents, authorizations, notices and filings required or advisable in connection with this Agreement are in full force and effect, and the Administrative Agent shall have received evidence thereof reasonably satisfactory to it;

(f) receipt by the Administrative Agent and the Syndication Agent (or their respective assigns) and by each Bank Party of all fees required to be paid in the respective amounts heretofore mutually agreed in writing, and all expenses for which invoices have been presented, on or before the Amendment Effective Date;

(g) receipt by the Administrative Agent and the Banks of all documentation and other information requested by the Administrative Agent or such Bank and required by regulatory authorities under applicable “know your

customer” and anti-money laundering rules and regulations, including, without limitation, the USA PATRIOT Act (Title III of Pub. L. 107-56; and

(h) receipt by the Administrative Agent of all documents the Required Banks may reasonably request relating to the existence of the Borrower, the corporate authority for and the validity of this Agreement and the Notes, and any other matters relevant hereto, all in form and substance reasonably satisfactory to the Administrative Agent.

The Administrative Agent shall promptly notify the Borrower and the Bank Parties of the Amendment Effective Date, and such notice shall be conclusive and binding on all parties hereto.

Section 3.02. [Reserved]

Section 3.03. *Borrowings and L/C Credit Extensions.* The obligation of any Bank to make a Loan on the occasion of any Borrowing and the obligation of the Issuing Bank to issue, amend or increase the principal amount thereof or extend any Letter of Credit (other than an extension pursuant to an Auto-Extension Letter of Credit in accordance with the original terms thereof) is subject to the satisfaction of the following conditions, in each case at the time of such Borrowing or L/C Credit Extensions and immediately thereafter:

(a) The Amendment Effective Date shall have occurred on or prior to November 19, 2015;

(b) receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02 or 2.03, as the case may be;

(c) the fact that the Borrower is in compliance with Section 7.11 of the 1994 Indenture, as such Indenture is in effect as of the Effective Date and the Amendment Effective Date;

(d) Prior to the 2019 Commitment Termination Date, the fact that the sum of (i) the aggregate outstanding principal amount of the Loans and (ii) the Outstanding Amount of L/C Obligations will not exceed the Aggregate Commitments (as such Commitments may be increased or decreased from time to time in accordance with the terms and conditions of this Agreement) and that after the 2019 Commitment Termination Date, the fact that the sum of (i) the aggregate outstanding principal amount of the 2020 Loans and (ii) the Outstanding Amount of L/C Obligations will not exceed the 2020 Agreement Commitments (as such Commitments may be increased or decreased from time to time in accordance with the terms and conditions of this Agreement);

(e) the fact that no Default shall have occurred and be continuing;

(f) the fact that the representations and warranties of the Borrower (in the case of a Borrowing or L/C Credit Extension, other than the representations set forth in Section 4.02(c), Section 4.03 and Section 4.14) contained in this Agreement shall be true in all material respects (other than any such representations or warranties that, by their terms, refer to a specific date other than the date of Borrowing or L/C Credit Extension, in which case such representations and warranties shall be true in all material respects as of such specific date); *provided that*, (i) in the case of the representations set forth in Section 4.02(a) and Section 4.02(b) being made after the Amendment Effective Date shall be deemed to refer to the most recent balance sheets and statements furnished pursuant to Section 5.03(b)(ii) and Section 5.03(b)(i), respectively and (ii) in the case of the representation set forth in Section 4.06 being made after the Amendment Effective Date, such representation shall be true except to the extent not reasonably expected to have a material adverse effect on the business, financial position or results of operations of the Borrower; and

(g) the fact that (i) there shall be no collateral securing Bonds issued pursuant to any Indenture of a type other than the types of collateral permitted to secure Bonds issued pursuant to such Indenture as of the date hereof, (ii) the allowable amount of eligible collateral then pledged under any Indenture shall not exceed 150% of the aggregate principal amount of Bonds then outstanding under such Indenture and (iii) no collateral shall secure Bonds other than (A) eligible collateral under such Indenture, the allowable amount of which is included within the computation under subsection (ii) above or (B) collateral previously so pledged which ceases to be such eligible collateral not as a result of any acts or omissions to act of the Borrower (other than the declaration of an “**event of default**” as defined in a mortgage which results in the exercise of any right or remedy described in such mortgage).

Each Borrowing or L/C Credit Extension hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing or L/C Credit Extension as to the facts specified in clauses (c), (d), (e), (f) and (g) of this Section 3.03.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

The Borrower makes the following representations, warranties and agreements, which shall survive the execution and delivery of this Agreement and the Notes and the making of the Loans or L/C Credit Extensions:

Section 4.01. *Corporate Existence, Power and Authority.* The Borrower is a cooperative association duly incorporated, validly existing and in good standing under the laws of the District of Columbia and has the corporate power and authority and all material governmental licenses, authorizations, consents and

approvals required to own its property and assets and to transact the business in which it is engaged. The Borrower is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction in which the nature of the business in which it is engaged makes such qualification or licensing necessary, except in those jurisdictions in which the failure to be so qualified or licensed would not (after qualification, assuming that the Borrower could so qualify without the payment of any fee or penalty and retain the rights as they existed prior to such qualification all to an extent so that any fees or penalties required to be so paid or any rights not so retained would not, individually or in the aggregate, have a material adverse effect on the business or financial position of the Borrower), individually or in the aggregate, have a material adverse effect upon the business or financial position of the Borrower and its Consolidated Entities, taken as a whole. The Borrower has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and the Notes. This Agreement has been, and the Notes when executed and delivered will have been, duly and validly authorized, executed and delivered by the Borrower, and this Agreement constitutes a legal, valid and binding agreement of the Borrower, and the Notes, when executed and delivered by the Borrower in accordance with this Agreement, will constitute legal, valid and binding obligations of the Borrower, in each case enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law).

Section 4.02. *Financial Statements.* (a) The consolidated balance sheets of the Borrower and its Consolidated Entities as at May 31, 2015 and the related consolidated statements of operations, changes in equity and cash flows for the fiscal year ended May 31, 2015, including the related notes, accompanied by the opinion and report thereon of KPMG LLP, independent public accountants, heretofore delivered to the Banks, present fairly in all material respects in accordance with U.S. GAAP (i) the consolidated financial position of the Borrower and its Consolidated Entities as at the date of said balance sheets and (ii) the consolidated results of the operations of the Borrower and its Consolidated Entities for said fiscal year. The Borrower has no material liabilities (contingent or otherwise) of the type required to be disclosed in financial statements or footnotes which are not disclosed by or reserved against in the most recent audited financial statements or in the notes thereto other than (i) Indebtedness incurred and (ii) loan and guarantee commitments issued in each case by the Borrower in the ordinary course of business since the date of such financial statements. All such financial statements have been prepared in accordance with U.S. GAAP applied on a basis consistent with prior periods, except as disclosed therein. The same representations as are set forth in this Section 4.02 shall be deemed to have been made by the Borrower in respect of the most recent annual and quarterly financial statements of the Borrower and its Consolidated Entities

(except that the annual opinion and report of KPMG LLP may be replaced by an opinion and report of another nationally recognized firm of independent public accountants) furnished or required to be furnished to the Banks prior to or at the time of the making of each Loan hereunder, at the time the same are furnished or required to be furnished.

(b) The unaudited consolidated balance sheets of the Borrower and its Consolidated Entities as of August 31, 2015 and the related unaudited consolidated statements of operations, changes in equity and cash flows for the three months then ended, heretofore delivered to the Banks, present fairly in conformity with U.S. GAAP applied on a basis consistent with the financial statements referred to in subsection (a) of this Section 4.02, the consolidated financial position of the Borrower and its Consolidated Entities as of such date and their consolidated results of operations and changes in financial position for such three-month period (subject to normal year-end adjustments). The Borrower and its Consolidated Entities have no material liabilities (contingent or otherwise) of the type required to be disclosed in financial statements or footnotes which are not disclosed by or reserved against in such financial statements for such three-month period other than (i) Indebtedness incurred and (ii) loan and guarantee commitments issued in each case by the Borrower or its Consolidated Entities in the ordinary course of business since the date of such financial statements.

(c) Since August 31, 2015 and except as disclosed in the Borrower's public filings two Domestic Business Days prior to the date of this Agreement, there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Entities, considered as a whole.

Section 4.03. *Litigation.* There are no actions, suits, proceedings or investigations pending or, to the Borrower's knowledge, threatened by or before any court or any Governmental Authority, body or agency or any arbitration board which are reasonably likely to materially adversely affect the business, financial position or results of operations of the Borrower and its Consolidated Entities, taken as a whole or the authority or ability of the Borrower to perform its obligations under this Agreement or the Notes.

Section 4.04. *Governmental Authorizations.* No material authorization, consent, approval or license of, or declaration, filing or registration with or exemption by, any Governmental Authority, body or agency is required in connection with the execution, delivery or performance by the Borrower of this Agreement or the Notes. The Banks acknowledge that the Borrower may file this Agreement with the Securities and Exchange Commission after the Amendment Effective Date.

Section 4.05. *Members' Subordinated Certificates.* The holders of the Borrower's Members' Subordinated Certificates are not and will not be entitled to

receive any payments with respect to the principal thereof or interest thereon solely because of withdrawing or being expelled from membership in the Borrower.

Section 4.06. *No Violation of Agreements.* Neither the Borrower nor any Subsidiary is in default in any material respect under any material agreement or other material instrument to which it is a party or by which it is bound or its property or assets may be affected. No event or condition exists which constitutes, or with the giving of notice or lapse of time or both would constitute, such a default under any such material agreement or other instrument. Neither the execution and delivery of this Agreement or the Notes, nor the consummation of any of the transactions herein or therein contemplated, nor compliance with the terms and provisions hereof or thereof, will contravene any material provision of law, statute, rule or regulation to which the Borrower is subject or any material judgment, decree, award, franchise, order or permit applicable to the Borrower, or will conflict or be inconsistent with, or will result in any breach of, any of the material terms, covenants, conditions or provisions of, or constitute (or with the giving of notice or lapse of time, or both, would constitute) a material default under (or condition or event entitling any Person to require, whether by purchase, redemption, acceleration or otherwise, the Borrower to perform any obligations prior to the scheduled maturity thereof), or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower pursuant to the terms of, any material indenture, mortgage, deed of trust, agreement or other instrument to which it may be subject, or violate any provision of the certificate of incorporation or by-laws of the Borrower. Without limiting the generality of the foregoing, the Borrower is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Borrower, any agreement or indenture relating thereto or any other material contract or agreement (including its certificate of incorporation and by-laws), which would be violated by the incurring of the Indebtedness to be evidenced by the Notes.

Section 4.07. *No Event of Default under the Indentures.* The Borrower has complied fully with all of the material provisions of each Indenture. No Event of Default (within the meaning of such term as defined in each Indenture) and no event, act or condition (except for possible non-compliance by the Borrower with any immaterial provision of such Indenture which in itself is not such an Event of Default under such Indenture) which with notice or lapse of time, or both, would constitute such an Event of Default has occurred and is continuing under such Indenture. The Borrowings by the Borrower contemplated by this Agreement will not cause such an Event of Default under, or the violation of any covenant contained in, any Indenture.

Section 4.08. *Compliance with ERISA.* The Plans (other than Plans consisting of multiemployer plans (as defined in Section 4001 of ERISA)) are in substantial compliance with ERISA other than any failure to comply that is not

reasonably likely to have a material adverse effect on the business, results of operations or financial position of the Borrower, no such Plan is insolvent or in reorganization other than an insolvency or reorganization that is not reasonably likely to have a material adverse effect on the business, results of operations or financial position of the Borrower, and no such Plan has an accumulated or waived funding deficiency within the meaning of Section 412 of the Internal Revenue Code other than any accumulated or waived funding deficiency that is not reasonably likely to have a material adverse effect on the business, results of operations or financial position of the Borrower. No Plan consisting of a multiemployer plan (as defined in Section 4001 of ERISA) is in reorganization. Neither the Borrower nor a Subsidiary of the Borrower nor any member of the ERISA Group has incurred any material liability (including any material contingent liability) to or on account of a Plan pursuant to Section 4062, 4063, 4064, 4201 or 4204 of ERISA, no proceedings have been instituted to terminate any Plan, and no condition exists which presents a material risk to the Borrower of incurring a material liability to or on account of a Plan pursuant to any of the foregoing Sections of ERISA.

Section 4.09. *Compliance with Other Laws.* The Borrower and each Subsidiary is in compliance with all applicable requirements of law and all applicable rules and regulations of each Federal, State, municipal or other governmental department, agency or authority, domestic or foreign, except to the extent that the failure to comply would not reasonably be expected to have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities, taken as a whole.

Section 4.10. *Tax Status.* The Borrower is exempt from payment of Federal income tax under Section 501(c)(4) of the Internal Revenue Code.

Section 4.11. *Investment Company Act.* The Borrower is not an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

Section 4.12. *Disclosure.* Neither this Agreement nor any document, certificate or financial statement furnished to any Bank by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains, as of the date of delivery thereof and taken as a whole, any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein, in the light of the circumstances under which they were made, not misleading; *provided* that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time.

Section 4.13. *Subsidiaries.* Each of the Borrower’s corporate Subsidiaries is a corporation duly incorporated, validly existing and in good

standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Section 4.14. *Environmental Matters.* In the ordinary course of its business, the Borrower conducts reviews, to the extent appropriate given the nature of its business operations, of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted thereat, any costs or liabilities in connection with off-site disposal of wastes or Hazardous Substances, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that such associated liabilities and costs, including the cost of compliance with Environmental Laws, are unlikely to have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities, considered as a whole.

Section 4.15. *Anti-Corruption Laws and Sanctions.* The Borrower has implemented and maintains in effect policies and procedures designed to cause compliance by the Borrower and its Subsidiaries and, when conducting business of behalf of the Borrower or its Subsidiaries, their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and the Borrower and its Subsidiaries and, to the knowledge of the Borrower, their respective officers, employees and directors, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or directly benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE 5
COVENANTS

The Borrower agrees that, so long as any Bank Party has any Commitment hereunder or any amount payable under any Note or any fee payable pursuant to Section 2.09 or any other amount then due and payable hereunder remains unpaid or any Letter of Credit remains outstanding:

Section 5.01. *Corporate Existence.* Except as otherwise permitted by Section 5.02 hereof, the Borrower, at its own cost and expense, will, and will cause each Subsidiary to, do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, and its material rights and franchises; *provided, however,* that neither the Borrower nor any Subsidiary shall be required to preserve any right or franchise or, in the case of a Subsidiary, its corporate existence, if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower or such Subsidiary (*provided* that the termination of the corporate existence of a Subsidiary shall be permitted if the Board of Directors of the Borrower shall determine that its existence is not desirable in the conduct of the business of the Borrower) and that the loss thereof is not disadvantageous in any material respect to the Banks.

Section 5.02. *Disposition of Assets, Merger, Character of Business, etc.* The Borrower will not wind up or liquidate its business or sell, lease, transfer or otherwise dispose of all or substantially all of its assets as an entirety or in a series of related transactions and will not consolidate with or merge with or into any other Person other than a merger with a Subsidiary in which the Borrower is the surviving Person. The Borrower will not engage in any business other than the business contemplated by its certificate of incorporation and by-laws, each as in effect on the Amendment Effective Date.

Section 5.03. *Financial Information.* (a) The Borrower will, and will cause each Subsidiary other than the Subsidiaries listed on Schedule 5.03(a) to, keep its books of account in accordance with U.S. GAAP.

(b) The Borrower will (subject to the last paragraph of this Section 5.03) furnish to the Administrative Agent for distribution to the Banks:

(i) as soon as available and in any event within 60 days after the close of each of the first three quarters of each fiscal year of the Borrower, as at the end of, and for the period commencing at the end of the previous fiscal year and ending with, such quarter, unaudited consolidated balance sheets of the Borrower and its Consolidated Entities and the related unaudited consolidated statements of operations, changes in equity and cash flow of the Borrower and its Consolidated Entities for such quarter and for the portion of the Borrower's fiscal year ended at the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of the Borrower's previous fiscal year, all in reasonable detail and certified

(subject to normal year-end adjustments) as to fairness of presentation in accordance with U.S. GAAP in all material respects and consistency (except for changes concurred in by the Borrower's independent public accountants) by the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer, an Assistant Secretary-Treasurer or the Controller of the Borrower;

(ii) as soon as practicable and in any event within the earlier of (i) two Domestic Business Days after filing with the Securities and Exchange Commission and (ii) 120 days after the close of each fiscal year of the Borrower, as at the end of and for the fiscal year just closed, consolidated balance sheets of the Borrower and its Consolidated Entities and the related consolidated statements of operations, changes in equity and cash flow for such fiscal year for the Borrower and its Consolidated Entities, all in reasonable detail and certified (without any qualification as to the scope of the audit) by KPMG LLP or other independent public accountants of nationally recognized standing selected by the Borrower, who shall have audited the books and accounts of the Borrower for such fiscal year;

(iii) with reasonable promptness, copies of all regular and periodical reports (including Current Reports on Form 8-K) filed with, or furnished to, the Securities and Exchange Commission;

(iv) promptly after the public announcement of, or promptly after receiving a written notice of, a change (whether an increase or decrease) in any rating issued by either S&P or Moody's, solely to the extent that the Borrower is then under an existing contract with such agency for the provision of ratings information pertaining to any securities of, or guaranteed by, the Borrower or any of its Subsidiaries or affiliates, a notice setting forth such change; and

(v) with reasonable promptness, such other information respecting the business, operations and financial condition of the Borrower or any of its Subsidiaries or any Joint Venture as any Bank may, from time to time, reasonably request, including, without limitation, with respect to the performance and observance by the Borrower of the covenants and conditions contained in this Agreement.

Reports or financial information required to be delivered pursuant to clauses (b)(i), (b)(ii) and (b)(iii) of this Section 5.03 shall be deemed to have been delivered on the date on which the Borrower posts such reports or financial information on the Borrower's website (www.nrucfc.org) or at such other website as may be notified to the Administrative Agent and the Banks or when such reports or financial information are posted on the SEC's website at www.sec.gov; *provided*, that the Borrower shall notify the Administrative Agent of any such

posting; and *provided* further that the Borrower shall deliver paper copies of the reports or financial information required to be delivered pursuant to clauses (b)(i), (b)(ii) and (b)(iii) of this Section 5.03 to the Administrative Agent, if so requested by any Bank to the Administrative Agent, until written notice to cease delivering such paper copies is given by such Bank to the Administrative Agent.

Section 5.04. *Default Certificates.* Concurrently with each financial statement delivered to the Administrative Agent pursuant to clauses (i) and (ii) of Section 5.03(b), the Borrower will furnish to the Administrative Agent a certificate signed by the Chief Executive Officer, the Chief Financial Officer, the Treasurer, an Assistant Secretary-Treasurer or the Controller of the Borrower to the effect that the review of the activities of the Borrower during such year or the portion thereof covered by such financial statement and of the performance of the Borrower under this Agreement has been made under his supervision and that to the best of his knowledge, based on such review, there exists no event which constitutes a Default or an Event of Default under this Agreement or, if any such event exists, specifying the nature thereof, the period of its existence and what action the Borrower has taken and proposes to take with respect thereto, which certificate shall set forth the calculations or other data required to establish compliance with the provisions of Section 5.09 and Sections 5.12 through 5.14, inclusive, at the end of such fiscal quarter or fiscal year, as the case may be. The Borrower further covenants that upon any such officer of the Borrower obtaining knowledge of any Default or Event of Default under this Agreement, it will forthwith, and in no event later than the close of business on the fourth (4th) Domestic Business Day immediately after the day such knowledge is obtained, deliver to the Administrative Agent a statement of any officer referred to above specifying the nature and the period of existence thereof and what action the Borrower has taken and proposes to take with respect thereto.

Section 5.05. *Notice of Litigation and Defaults.* The Borrower will promptly give written notice to the Administrative Agent of (i) any action, proceeding or claim of which the Borrower may have notice, which may be commenced against the Borrower or any Subsidiary in which the amount involved is \$50,000,000 or more and is not covered in full by insurance or as to which any insurer has disclaimed liability; and (ii) any default by the Borrower or any Subsidiary or event or condition known to the Borrower which with the giving of notice or lapse of time, or both, would constitute a default, with respect to any payment or payments in respect of Indebtedness of the Borrower or such Subsidiary aggregating in excess of \$50,000,000 (whether in payment of principal thereof or interest thereon or with respect to any material covenant or agreement contained in any instrument, mortgage, deed of trust or agreement evidencing or relating to such Indebtedness or otherwise), *provided* that if any matter described in clauses (i) or (ii) of this Section has previously been disclosed by the Borrower in its regular or periodical reports filed with, or furnished to, the Securities and

Exchange Commission, then no additional written notice shall be required under this Section.

Section 5.06. *ERISA*. As soon as possible and, in any event, within 10 days after the Borrower or a Subsidiary of the Borrower knows or has reason to know that a Reportable Event has occurred, that an accumulated funding deficiency has been incurred or an application may be or has been made to the Secretary of the Treasury for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code with respect to a Plan, that a Plan has been or may be terminated, that proceedings may be or have been instituted to terminate a Plan, or that the Borrower, a Subsidiary of the Borrower or any member of the ERISA Group will or may incur any liability in excess of \$5,000,000 to or on account of a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA, the Borrower will deliver to the Administrative Agent a certificate of the Chief Financial Officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or such Subsidiary is required or proposes to take, together with any notices required to be filed by the Borrower, such Subsidiary, such member of the ERISA Group or the plan administrator with the PBGC with respect thereto.

Section 5.07. *Payment of Charges*. The Borrower will, and will cause each Subsidiary to, duly pay and discharge (i) all taxes, assessments and governmental charges or levies imposed upon or against it or its property or assets, prior to the date on which material penalties attach thereto, unless and to the extent only that such taxes, assessments and governmental charges or levies are being contested in good faith by appropriate proceedings or unless the failure to do so will not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities taken as a whole; and (ii) all lawful claims, including, without limitation, claims for labor, materials, supplies or services, which might or could, if unpaid, become a Lien upon such property or assets, unless and to the extent only that the validity or the amount thereof is being contested in good faith by appropriate proceedings or unless the failure to do so will not have a material adverse effect on the business, financial position or results of operations of the Borrower and its Consolidated Entities taken as a whole.

Section 5.08. *Inspection of Books and Assets*. The Borrower will, and will cause each Subsidiary to, permit any representative of any Bank Party (or any agent or nominee of such Bank) to visit and inspect any of the property of the Borrower or such Subsidiary, to examine the books of record and account of the Borrower or such Subsidiary and to discuss the affairs, finances and accounts of the Borrower or such Subsidiary with the officers and independent public accountants of the Borrower or such Subsidiary, all at such reasonable times and as often as such Bank may reasonably request.

Section 5.09. *Indebtedness.* (a) The Borrower will not, and will not permit any of its Consolidated Entities (other than Rural Telephone Finance Cooperative and National Cooperative Services Corporation) to, incur, assume or Guarantee any Superior Indebtedness, or make any optional prepayment on any Members' Subordinated Certificate; *provided* that (i) subject to the provisions of Section 5.12, any such Subsidiary may incur Superior Indebtedness owing to the Borrower or assume or Guarantee Indebtedness of any Person (other than the Borrower or any of its Subsidiaries) owing to the Borrower and (ii) the Borrower may incur, assume or Guarantee Superior Indebtedness or make optional prepayments on Members' Subordinated Certificates if, after giving effect to any such action specified above in this clause (ii), on the date of such incurrence, assumption or Guarantee or making of such optional prepayment (the "**Determination Date**") the aggregate principal amount of Superior Indebtedness then outstanding would not exceed ten times the sum of (a) the aggregate principal amount of Members' Subordinated Certificates outstanding on the Determination Date, (b) the aggregate amount of the line item "total equity" shown on the consolidated balance sheet of the Borrower and its Consolidated Entities on the Determination Date, and (c) the aggregate principal amount of Qualified Subordinated Indebtedness outstanding on the Determination Date; *provided* that the non-cash adjustments (whether positive or negative) required to be made pursuant to ASC 815 and ASC 830 shall be excluded from calculations under clause (ii) above to the extent otherwise included therein. The respective principal amounts of Superior Indebtedness, Members' Subordinated Certificates and Qualified Subordinated Indebtedness to be outstanding on such given future date shall be determined after giving effect to mandatory sinking fund payments, other mandatory prepayments and serial and other maturity payments required to be made on or prior to said given future date by the terms of such Superior Indebtedness, Members' Subordinated Certificates, Qualified Subordinated Indebtedness or any indenture or other instrument pursuant to which they are respectively issued.

(b) If any Loan or L/C Obligation is outstanding hereunder, the Borrower will not take any action which would prevent it from then complying, or fail to take any action which would enable it then to comply, with the provisions of Section 3.03(g), assuming for this purpose only that the Borrower then intended to borrow from one or more of the Bank Parties hereunder.

Section 5.10. *Liens.* The Borrower will not create or permit to exist any Lien on or with respect to any Indebtedness of any Member which is an asset of the Borrower, now existing or hereafter created, or on any notes, mortgages or other documents or instruments evidencing any such Indebtedness, and the Borrower will not permit any Consolidated Entity to create or permit to exist any Lien on or with respect to any of such Subsidiary's assets, except (i) Liens granted by the Borrower to the trustee pursuant to any Indenture, (ii) Liens on any such Indebtedness granted by the Borrower or its Consolidated Entity to secure any

borrowing for the purpose of making loans to Member power supply systems or loans to Members for bulk power supply projects or loans to Members for the purpose of providing financing to telephone and related systems eligible to borrow from the RUS or loans to borrowers borrowing from National Cooperative Services Corporation or Rural Telephone Finance Cooperative, which borrowing or borrowings are on terms (except as to terms of interest, premium, if any, and amortization) not materially more disadvantageous to the Borrower's unsecured creditors than the borrowings under any Indenture (it being understood that the Borrower cannot pledge such assets to an extent the aggregate value is greater than 150% of the aggregate principal amount of such Indebtedness), (iii) Liens of current Taxes not delinquent or a security for Taxes being contested in good faith, (iv) Liens other than in favor of the PBGC, created by or resulting from any legal proceedings (including legal proceedings instituted by the Borrower or any Subsidiary) which are being contested in good faith by appropriate proceedings, including appeals of judgments as to which a stay of execution shall have been issued, and adequate reserves shall have been established, (v) Liens created by the Borrower to secure Guarantees by the Borrower of Indebtedness, the interest on which is excludable from the gross income of the recipient thereof for Federal income tax purposes as provided in Section 103(a) of the Internal Revenue Code or Section 103(a) of the Internal Revenue Code of 1954, as amended, (x) of a Member which is a state or political subdivision thereof or (y) of a state or political subdivision thereof incurred to benefit a Member for one of the purposes provided in Section 142(a)(2), (4), (5), (6), (8), (9), (10) or (12) of the Internal Revenue Code or Section 103(b)(4)(D), (E), (F), (G), (H) or (J) of the Internal Revenue Code of 1954, as amended, (vi) Liens granted by any Subsidiary to the Borrower, (vii) REDLG Program Liens securing REDLG Obligations with respect to government Guarantees of Indebtedness of the Borrower, (viii) Farmer Mac Master Note Purchase Agreement Liens securing Farmer Mac Master Note Purchase Agreement Obligations *provided* that the Borrower cannot grant liens on such assets to the extent that the aggregate value of such assets on which Liens are granted is greater than 150% of the Farmer Mac Master Note Purchase Agreement Limit and (ix) Liens on any such Indebtedness granted by the Borrower to secure any borrowings, which borrowings are on terms (except as to terms of interest, premium, if any, and amortization) not materially more disadvantageous to the Borrower's unsecured creditors than the borrowings under any Indenture (it being understood that the Borrower cannot pledge such assets to an extent that the aggregate value is greater than 150% of the aggregate principal amount of such Indebtedness); *provided* that Liens incurred in reliance on clauses (ii), (vii), (viii) and (ix) of this Section 5.10 shall not secure amounts exceeding, in the aggregate, the Lien Exception Amount at any one time outstanding.

Section 5.11. *Maintenance of Insurance.* The Borrower will maintain, and will cause each Subsidiary to maintain, insurance in such amounts, on such forms and with such companies as is necessary or appropriate for its business.

Section 5.12. *Subsidiaries and Joint Ventures.* The Borrower will not permit (a) the sum of (i) the amount of Indebtedness owing to the Borrower by all of its Subsidiaries and Joint Ventures *plus* (ii) the amount paid by the Borrower in respect of the stock, obligations or securities of or any other interest in such Subsidiaries and Joint Ventures *plus* (iii) any capital contributions by the Borrower to such Subsidiaries and Joint Ventures (the amounts referred to in paragraphs (i) through (iii), the “**Investments**”) *plus* (iv) the amount of assets (excluding Foreclosed Assets) otherwise sold or transferred by the Borrower to such Subsidiaries and Joint Ventures (other than sales at fair market value) *minus* (v) any Start-up Investments *minus* (vi) any Investment made in cash by the Borrower in any Special Purpose Subsidiary (up to a maximum amount not to exceed the lesser of (x) the amount necessary to provide such Special Purpose Subsidiary with sufficient working capital to conduct its business as contemplated hereby and (y) \$150,000,000) to exceed at any time (b) 10% of the sum of (i) all accounts which, in accordance with U.S. GAAP, constitute equity in the Borrower and its Consolidated Entities at such time *plus* (ii) all Indebtedness of the Borrower shown on its balance sheet dated as of May 31, 2015 as Members’ Subordinated Certificates as such Indebtedness shall be reduced from time to time and any other Indebtedness of the Borrower incurred after May 31, 2015 having substantially similar provisions as to subordination as those contained in said outstanding certificates as such other Indebtedness shall be reduced from time to time, in each case at such time *plus* (iii) all Qualified Subordinated Indebtedness outstanding at such time; *provided* that non-cash adjustments (whether positive or negative) required to be made pursuant to ASC 815 and ASC 830 shall be excluded from the calculation of the amounts specified in clauses (b)(i), (b)(ii), and (b)(iii) of this Section 5.12 to the extent otherwise included therein; *provided, further,* that, in addition to the foregoing, the Borrower may transfer assets with an aggregate fair market value of not more than \$150,000,000 to a bankruptcy remote trust required to be established to support REDLG Obligations of the Borrower, and any such transfer shall be excluded from any calculation under clauses (a) and (b) above to the extent otherwise included therein. For the purpose of this Section 5.12, “**Foreclosed Asset**” means (x) any property distributed to the Borrower with the authority of any Bankruptcy Court in connection with the bankruptcy of any of the Borrower’s debtors and (y) property received by the Borrower upon enforcement by the Borrower of its security interest (if any) in such property or in settlement of delinquent accounts or other overdue amounts owed to it by any of the Borrower’s debtors; “**Special Purpose Subsidiary**” means any domestic Subsidiary (which shall include any Subsidiary organized under the laws of the United States Virgin Islands) and any Subsidiary organized under the laws of the Netherlands Antilles or the British Virgin Islands all of the shares of capital stock or other ownership interest of which are directly or indirectly owned by the Borrower, which Subsidiary is established for the sole purpose of, and whose sole business shall at all times be, holding Foreclosed Assets; and “**Start-up Investments**” means Investments made in a Special

Purpose Subsidiary solely to finance such Special Purpose Subsidiary's initial acquisition of Foreclosed Assets.

Section 5.13. *Minimum TIER.* The Borrower shall not permit, as of the last day of each fiscal quarter, the average of the TIERS for the six (6) immediately preceding fiscal quarters (including the fiscal quarter ending on such date) of the Borrower to be less than 1.025:1.00.

Section 5.14. *Retirement of Patronage Capital.* The Borrower shall not make, or permit any Subsidiaries of the Borrower to make, any payments to Members in respect of Patronage Capital Certificates unless (i) the TIER for the immediately preceding fiscal year for which financial statements have been delivered to the Administrative Agent pursuant to Section 5.03(b) equals or exceeds 1.05:1.00 and (ii) there exists (and would exist after giving effect to any such payment) no Default or Event of Default under this Agreement.

Section 5.15. *Use of Proceeds.* The proceeds of the Loans or L/C Credit Extensions made hereunder may be used by the Borrower for general corporate purposes. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock", within the meaning of Regulation U. Neither the Borrower nor any of its Subsidiaries has taken or will take any action which might cause this Agreement or the Notes to violate Regulation U or Regulation X. The Borrower has implemented and maintains in effect policies and procedures designed to cause compliance by the Borrower and its Subsidiaries and, when conducting business on behalf of the Borrower or its Subsidiaries, their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and, to the knowledge of the Borrower, their respective officers, employees and directors, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary or to the knowledge of the Borrower or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or directly benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

Section 5.16. *Compliance with Laws.* The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and, when conducting business on behalf of the Borrower or its Subsidiaries, their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions.

ARTICLE 6
DEFAULTS

Section 6.01. *Events of Default.* If one or more of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

(a) *Principal and Interest.* The Borrower shall (i) fail to pay when due (whether upon stated maturity, by acceleration or otherwise) any principal of any Loan or any L/C Obligation or (ii) fail, and such failure shall continue uncured for five or more Domestic Business Days, to pay when due (whether upon stated maturity, by acceleration or otherwise) any interest on any Loan or any L/C Obligation;

(b) *Other Amounts.* The Borrower shall fail to pay when due any fee or other amount payable under this Agreement (including pursuant to Section 2.09 (b)) and such failure remains uncured for ten (10) or more Domestic Business Days after the due date thereof;

(c) *Covenants Without Notice.* The Borrower shall fail to observe or perform any covenant or agreement on its part to be observed or performed which is set forth in Section 5.01 (only with respect to the Borrower’s corporate existence), Section 5.02, Section 5.09, Section 5.10, Section 5.12, Section 5.13, Section 5.14 or 5.15;

(d) *Covenants With 10 Days Grace.* The Borrower shall fail to observe or perform any covenant or agreement on its part to be observed or performed, which is set forth in the last sentence of Section 5.04, or in Section 5.05(ii) and such non-observance or non-performance shall continue unremedied for a period of more than 10 days;

(e) *Other Covenants.* The Borrower shall fail to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a), (b), (c), and (d) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given by any Bank Party to the Borrower and the other Bank Parties; *provided* that, if the failure be such that it cannot be corrected within the applicable period, but can be corrected within a reasonable period of time thereafter, it shall not constitute a Default if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected, but any such failure that is not so corrected within 60 days after such applicable period shall constitute a Default;

(f) *Representations.* Any representation, warranty, certification or statement made or deemed to be made by the Borrower in this Agreement or in

any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed to be made;

(g) *Non-Payments of Indebtedness and/or Derivatives Obligations.*

The Borrower or any Subsidiary of the Borrower shall fail to make any payment or payments aggregating for the Borrower and its Subsidiaries in excess of \$50,000,000 in respect of Indebtedness and/or Derivatives Obligations of the Borrower or any Subsidiary (other than the Loans or any Indebtedness under this Agreement) when due (whether upon stated maturity, by acceleration or otherwise) or within any applicable grace period;

(h) *Defaults Under Other Agreements.*

The Borrower or any Subsidiary shall fail to observe or perform within any applicable grace period any covenant or agreement contained in any agreement or instrument relating to any Indebtedness of the Borrower or any Subsidiary, aggregating for the Borrower and its Subsidiaries in excess of \$50,000,000 if the effect of such failure is to accelerate, or to permit the holder of such Indebtedness or any other Person to accelerate, the maturity of such Indebtedness;

(i) *Bankruptcy.*

Any proceeding shall be instituted by or against the Borrower or any Subsidiary seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, conservation or proceeding in the nature thereof, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or seeking the entry of an order for relief or the appointment of a receiver (including state regulatory authorities acting in a similar capacity), trustee, custodian or other similar official for it or for any substantial part of its property, and, in the case of any such proceeding instituted against it (but not instituted by it) shall remain undismissed or unstayed for a period of 60 days; or the Borrower or any Subsidiary shall take any action to authorize any of the actions set forth above in this subsection (i);

(j) *ERISA.*

A Plan shall fail to maintain the minimum funding standard required by Section 412 of the Internal Revenue Code for any plan year or a waiver of such standard is sought or granted under Section 412(d) of the Internal Revenue Code, or a Plan is, shall have been or is likely to be terminated or the subject of termination proceedings under Section 4042 of ERISA, or the Borrower or a Subsidiary of the Borrower or any member of the ERISA Group has incurred or is likely to incur a liability to or on account of a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA, and there shall result from any such event or events either a liability or a material risk of incurring a liability to the PBGC or a Plan, which in the opinion of the Required Banks, will have a material adverse effect upon the business, results of operations or financial position of the Borrower; or

(k) *Money Judgment.* A final judgment or order for the payment of money in excess of \$50,000,000 shall be rendered against the Borrower or any Subsidiary and such judgment or order shall continue unsatisfied and in effect for a period of 45 days during which execution shall not be effectively stayed or deferred (whether by action of a court, by agreement or otherwise); *provided, however,* that any such judgment or order shall not give rise to an Event of Default under this paragraph (k) if and for so long as (i) the amount of such judgment or order is covered by a valid and binding policy of insurance and (ii) within 90 days of the rendering of such judgment or order the insurer thereunder has affirmed liability;

(l) *Insolvency.* The Borrower or any Subsidiary shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors;

then, and in any such event, and at any time thereafter, if any Event of Default shall then be continuing, the Administrative Agent, upon the request of the Required Banks, shall by notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent, any Bank or the holder of any Note to enforce its claims against the Borrower: (a) declare the Commitments terminated, whereupon the Commitment of each Bank shall forthwith terminate immediately and any fee payable pursuant to Section 2.09 shall forthwith become due and payable without any other notice of any kind; and/or (b) declare the principal of and accrued interest on the Loans, and all other obligations owing hereunder, to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; *provided that,* if an Event of Default specified in subsection (i) shall occur, the result which would occur upon the giving of written notice by the Administrative Agent to the Borrower, as specified in clauses (a) and (b) above, shall occur automatically without the giving of any such notice.

Section 6.02. *Actions In Respect Of Letters Of Credit Upon Default.* If any Event of Default shall have occurred and be continuing, the Administrative Agent may, or shall at the request of the Required Banks, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, subject to Section 2.20(e) and after giving effect to Section 2.19(a)(iv) and any Cash Collateral provided by the Defaulting Bank, make demand upon the Borrower to, and forthwith upon demand the Borrower will, Cash Collateralize, for deposit in the Cash Collateral Account, an amount equal to the Outstanding Amount of all L/C Obligations. Subject to Section 2.19(a)(iv) and 2.20(e), if at any time the Administrative Agent determines that any Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Bank Parties or that the Cash Collateral is less than the Outstanding Amount of all L/C Obligations, the Borrower, and to the extent provided by any Bank, such Bank

will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent additional Cash Collateral to be deposited and held in the Cash Collateral Account, in an amount equal to the excess of (a) such aggregate Outstanding Amount of all L/C Obligations over (b) the total amount of Cash Collateral that the Administrative Agent determines to be free and clear of any such right and claim.

Section 6.03. *Notice of Default.* The Administrative Agent shall give notice to the Borrower under Section 6.01(e) promptly upon being requested to do so by any Bank Party and shall thereupon notify all the Bank Parties thereof.

ARTICLE 7 THE ADMINISTRATIVE AGENT

Section 7.01. *Appointment and Authorization.* Each Bank Party irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the Notes as are delegated to the Administrative Agent by the terms hereof or thereof, together with all such powers as are reasonably incidental thereto.

Section 7.02. *Administrative Agent and Affiliates.* JPMorgan Chase Bank, N.A. shall have the same rights and powers under this Agreement as any other Bank Party and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and JPMorgan Chase Bank, N.A. and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower or any Subsidiary or affiliate of the Borrower as if it were not the Administrative Agent hereunder.

Section 7.03. *Action by Administrative Agent.* The obligations of the Administrative Agent hereunder are only those expressly set forth herein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article 6.

Section 7.04. *Consultation with Experts.* The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 7.05. *Liability of Administrative Agent.* Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents, or employees shall be liable for any action taken or not taken by it in connection herewith (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct.

Neither the Administrative Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower; (iii) the satisfaction of any condition specified in Article 3, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Notes or any other instrument or writing furnished in connection herewith. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a bank wire, facsimile transmission or similar electronic submission) reasonably believed by it to be genuine or to be signed by the proper party or parties.

Section 7.06. *Indemnification.* Each Bank shall, ratably in accordance with the sum of (i) its unused Commitment, (ii) its Pro Rata Share of all L/C Obligations outstanding and (iii) any Loans outstanding of such Bank, indemnify the Administrative Agent, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including counsel fees and disbursements), claim, demand, loss, damages or liability (except such as result from such indemnitee's gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction) that such indemnitees may suffer or incur in connection with the Existing Credit Agreement or this Agreement, as the case may be, or any action taken or omitted by such indemnitees hereunder. Each Bank severally agrees to indemnify each Issuing Bank (to the extent not promptly reimbursed by the Borrower and without limiting its obligation to do so in accordance with the Existing Credit Agreement or this Agreement) from and against such Bank's Pro Rata Share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Issuing Bank in its capacity as such in any way relating to or arising out of the Existing Credit Agreement or this Agreement, the Notes or the Issuer Documents, or any action taken or omitted by such Issuing Bank under the Existing Credit Agreement or this Agreement, the Notes or the Issuer Documents (including the issuance or transfer of, or payment or failure to pay under, any Letter of Credit); provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting directly and primarily from such Issuing Bank's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. Without limitation of the foregoing, each Bank agrees to reimburse such Issuing Bank promptly upon demand for its Pro Rata Share of any costs and expenses (including, without limitation, reasonable fees and expenses of counsel) payable by the Borrower under Section 9.03, to the extent that such Issuing Bank is not promptly

reimbursed for such costs and expenses by the Borrower in accordance with the Existing Credit Agreement or this Agreement.

Section 7.07. *Credit Decision.* Each Bank Party acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Bank Party, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank Party also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Bank Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under this Agreement.

Section 7.08. *Successor Administrative Agent.* The Administrative Agent may, upon giving 5 Domestic Business Days prior written notice to the Borrower, and for so long as long as no Event of Default has occurred and is continuing, at the request of the Borrower, shall, resign at any time by giving written notice thereof to the Banks and the Borrower. Upon any such resignation, the Borrower shall have the right, with the consent of the Required Banks, such consent not to be unreasonably withheld, conditioned or delayed, to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Borrower, and shall have accepted such appointment, within 15 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Bank Parties, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$1,000,000,000. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

Section 7.09. *Co-Documentation Agents, Syndication Agent and Co-Lead Arrangers Not Liable.* Nothing in this Agreement shall impose upon the Co-Documentation Agents, the Syndication Agent, or the Co-Lead Arrangers, each in such capacity, any duties or responsibilities whatsoever.

Section 7.10. *Calculations.* The Administrative Agent shall not be liable for any calculation, apportionment or distribution of payments made by it in good faith. If such calculation, apportionment or distribution is subsequently

determined to have been made in error, the sole recourse of any Lender to whom payment was due but not made shall be to recover from the other Banks any payment in excess of the amount to which they are determined to be entitled or, if the amount due was not paid by the Borrower, to recover such amount from the Borrower.

ARTICLE 8 CHANGE IN CIRCUMSTANCES

Section 8.01. *Basis for Determining Interest Rate Inadequate or Unfair.* If on or prior to the first day of any Interest Period for any Fixed Rate Borrowing:

(a) the Administrative Agent determines that the London Interbank Offered Rate is not available in the manner set forth in the definition of London Interbank Offered Rate for any such Interest Period (each such Interest Period an “**Affected Interest Period**”), or

(b) in the case of a Committed Borrowing, Banks having 50% or more of the aggregate amount of the Commitments advise the Administrative Agent in writing that the Adjusted London Interbank Offered Rate, as determined by the Administrative Agent, will not adequately and fairly reflect the cost to such Banks of funding their Euro-Dollar Loans for such Interest Period, in either the case of clause (a) or clause (b) above, the Administrative Agent shall forthwith give notice thereof to the Borrower and the Banks, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (i) the obligations of the Banks to make Euro-Dollar Loans or to continue or convert outstanding Loans as or into Euro-Dollar Loans shall be suspended and (ii) each outstanding Euro-Dollar Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period applicable thereto. Unless the Borrower notifies the Administrative Agent at least two Domestic Business Days before the date of any Fixed Rate Borrowing for which a Notice of Borrowing has previously been given that it elects not to borrow on such date, (i) if such Fixed Rate Borrowing is a Euro-Dollar Borrowing, such Borrowing shall instead be made as a Base Rate Borrowing and (ii) if such Fixed Rate Borrowing is a Money Market LIBOR Borrowing, the Money Market LIBOR Loans comprising such Borrowing shall bear interest for each day from and including the first day to but excluding the last day of the Interest Period applicable thereto at the Base Rate for such day.

Section 8.02. *Illegality.* If a Change in Law shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Loans and such Bank shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Banks and the Borrower, whereupon until such Bank notifies the Borrower and

the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make Euro-Dollar Loans or to convert outstanding Loans into Euro-Dollar Loans or continue outstanding Loans as Euro-Dollar Loans, shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Bank shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. The Borrower hereby agrees to pay the reasonable costs and expenses incurred by such Bank in connection with any such designation. If such Bank shall determine that it may not lawfully continue to maintain and fund any of its outstanding Euro-Dollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then-outstanding principal amount of each such Euro-Dollar Loan, together with accrued interest thereon. Concurrently with prepaying each such Euro-Dollar Loan, the Borrower shall borrow a Base Rate Loan in an equal principal amount from such Bank (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and such Bank shall make such a Base Rate Loan.

Section 8.03. *Increased Cost and Reduced Return.* (a) If on or after (x) the Effective Date, in the case of any Committed Loan or L/C Credit Extension or any obligation to make or participate in Committed Loans or L/C Credit Extensions or (y) the date of the related Money Market Quote, in the case of any Money Market Loan, any Change in Law shall:

(i) impose on any Bank Party or the London interbank market any other condition, cost or expense affecting this Agreement or Fixed Rate Loans made by such Bank Party or participation therein; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Taxes described in clauses (c) and (d) of Excluded Taxes and (C) Other Connection Taxes on gross or net income, profits or revenue (including value-added or similar Taxes)) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(iii) impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Euro-Dollar Loan any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank Party (or its Applicable Lending Office) or shall impose on any Bank Party (or its Applicable Lending Office) or the London interbank market any other condition affecting its Fixed Rate

Loans, its Notes or its obligation to make Fixed Rate Loans or make or participate in L/C Credit Extensions; and the result of any of the foregoing is to increase the cost to such Bank Party (or its Applicable Lending Office) of making or maintaining any Fixed Rate Loan or any L/C Credit Extension (or participation therein), or to reduce the amount of any sum received or receivable by such Bank Party (or its Applicable Lending Office) under this Agreement or under its Note with respect thereto, by an amount deemed by such Bank Party to be material,

then, within 15 days following the Borrower's receipt of the certificate referenced in clause (c) by such Bank Party or such other Recipient (with a copy to the Administrative Agent), (i) the Borrower shall pay to such Bank Party such additional amount or amounts as will compensate such Bank Party or such other Recipient for such increased cost or reduction suffered (including any amount or amounts equal to any taxes on the overall net income of such Bank Party or such other Recipient payable by such Bank Party or such other Recipient with respect to the amount of payments required to be made pursuant to this Section 8.03(a)) as reasonably determined by such Bank Party (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and only if such additional amount or amounts are passed on in a similar manner by such Bank Party to similarly situated borrowers (which are parties to credit or loan documentation containing a provision similar to this Section 8.03(a), as determined by such Bank Party in its reasonable discretion, or (ii) convert such Bank Party's Loans so affected by such Change in Law to Base Rate Loans and pay any related breakage costs pursuant to Section 2.14 and any accrued increased costs pursuant to this Section 8.03).

(b) If a Bank Party, other than a Defaulting Bank, determines that any Change in Law, will have the effect of increasing the amount of capital required or expected to be maintained by such Bank Party based on the existence of such Bank Party's Commitment hereunder or its obligations hereunder, it will notify the Borrower. This determination will be made on a Bank Party-by-Bank Party basis. The Borrower shall (i) within 15 days following the Borrower's receipt of the certificate referenced in clause (c) pay to each Bank Party on demand such additional amounts as are necessary to compensate for the increased cost to such Bank Party as a result of any Change in Law or (ii) convert such Bank Party's Loans so affected by such Change in Law to a Base Rate Loan and pay any related breakage costs pursuant to Section 2.14 and any accrued increased costs pursuant to this Section 8.03. In determining such amount, such Bank Party will act reasonably and in good faith (and not on an arbitrary or capricious basis) and will use averaging and attribution methods which are reasonable, and such Bank Party will pass such costs on to the Borrower only if such costs are passed on in a similar manner by such Bank Party to similarly situated borrowers (which are parties to credit or loan documentation containing a provision similar to this Section 8.03(b)), as determined by such Bank Party in its reasonable discretion.

Each Bank Party's determination of compensation shall be conclusive if made in accordance with this provision. Each Bank Party, upon determining that any increased costs will be payable pursuant to this Section 8.03(b), will give prompt written notice thereof to the Borrower, which notice shall show the basis for calculation of such increased costs, although the failure to give any such notice shall not release or diminish any of the Borrower's obligations to pay increased costs pursuant to this Section 8.03(b).

(c) Each Bank Party will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank Party to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank Party, be otherwise disadvantageous to such Bank Party. The Borrower hereby agrees to pay the reasonable costs and expenses incurred by such Bank Party in connection with any such designation. A Bank Party claiming compensation under this Section shall furnish a certificate to the Borrower setting forth the additional amount or amounts to be paid to it hereunder, which shall be conclusive in the absence of manifest error. In determining such amount, such Bank Party may use any reasonable averaging and attribution methods.

(d) Failure or delay on the part of any Bank Party to demand compensation pursuant to this Section 8.03 shall not constitute a waiver of such Bank Party's right to demand such compensation; *provided* that the Borrower shall not be required to compensate any Bank Party pursuant to this Section 8.03 for any increased costs or reductions incurred more than six months prior to the date that such Bank Party notifies the Borrower and the Administrative Agent of the Change in Law giving rise to such increased costs or reductions and of such Bank Party's intention to claim compensation therefor; *provided, further*, that, if the Change in Law giving rise to such increased costs or reductions are retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

Section 8.04. *Base Rate Loans Substituted for Affected Euro-Dollar Loans.* If (i) the obligation of any Bank to make, or to continue or convert outstanding Loans as or to, Euro-Dollar Loans has been suspended pursuant to Section 8.02 or (ii) any Bank has demanded compensation under Section 8.03(a) with respect to its Fixed Rate Loans or its obligation to make Fixed Rate Loans, and the Borrower shall, by at least five Euro-Dollar Business Days' prior notice to such Bank through the Administrative Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Loans which would otherwise be made by such Bank as Euro-Dollar Loans shall be made instead as Base Rate Loans (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Loans of the other Banks), and

(b) after each of its Euro-Dollar Loans has been repaid, all payments of principal which would otherwise be applied to repay such Euro-Dollar Loans shall be applied to repay its Base Rate Loans instead.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Notices.* (a) All notices, requests, directions, consents, approvals and other communications to any party hereunder shall be in writing (including bank wire, facsimile transmission or other electronic submission or similar writing) and shall be given to such party (subject to subparagraph (b) below): (w) in the case of the Borrower:

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attn: Capital Markets Relations
Phone: (703) 467-7402
Fax: (703) 467-5178
Email: BankingRelations@nrucfc.coop

with a copy to:

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attn: General Counsel
Phone: (703) 467-7404
Fax: (703) 467-5651

(x) in the case of the Administrative Agent:

JPMorgan Chase Bank, N.A.
500 Stanton Christiana Road, Ops 2, Floor 03
Newark, DE 19713
Attn: Ido Yehuda
Fax: 302-634-1911
Telephone: 302-634-1417

with a copy to:

JPMorgan Chase Bank, N.A.
383 Madison Ave, 24th Floor
New York, NY 10079
Attn: Bridget Killackey
Fax: 212-270-3308
Telephone: 212-270-3308

(y) in the case of any Bank, at its address, email address or telecopier number set forth in its Administrative Questionnaire or (z) in the case of any other party, such other address, email address or telecopier number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower. Each such notice, request, direction, consent, approval or other communication shall be effective (i) if given by facsimile transmission or other electronic submission, when such facsimile transmission or other electronic submission is transmitted to the facsimile number or email address specified in this Section and receipt is confirmed or (iii) if given by any other means, when delivered or received at the address specified in this Section; *provided* that (A) notices to the Administrative Agent under Article 2 or Article 8 shall also be confirmed by telephone call and shall not be effective until received and (B) any communications deemed received hereunder must have been received during the recipient's normal business hours; *provided, however*, that any communication that is not received during the recipient's normal business hours on a particular Domestic Business Day, shall be deemed to be received on the immediately following Domestic Business Day.

(b) Notices and other communications to the Bank Parties hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices pursuant to Article 2 or Article 8 unless otherwise agreed by the Administrative Agent and the applicable Bank Party. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(c) The address, telephone number or facsimile number for any party hereto may be changed at any time and from time to time upon written notice given by such changing party to each other party hereto.

Section 9.02. *No Waivers.* No failure or delay by the Administrative Agent or any Bank in exercising any right, power or privilege hereunder or under any Note shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03. *Expenses; Documentary Taxes; Indemnification.* (a) The Borrower shall pay (i) all documented reasonable out-of-pocket expenses of the Administrative Agent, including reasonable fees and disbursements of special counsel for the Administrative Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all documented reasonable out-of-pocket expenses incurred by the Administrative Agent or any Bank, including reasonable fees and disbursements incurred by counsel or in-house counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom. The Borrower shall indemnify each Bank Party against any transfer Taxes, documentary Taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement or the Notes and any and all liabilities with respect to or resulting from any delay or omission (unless solely attributable to such Bank) to pay such Taxes. This Section 9.03(a) shall not apply with respect to Taxes other than any Taxes that represent losses or damages arising from any non-Tax claim.

(b) The Borrower agrees to indemnify each Bank Party, their respective affiliates and the respective directors, officers and employees of the foregoing (each an “**Indemnitee**”) and hold each Indemnitee harmless from and against any and all liabilities, losses, damages, costs, claims, demands and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by any Indemnitee (or by the Administrative Agent in connection with its actions as Agent hereunder) in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) relating to or arising out of this Agreement or any actual or proposed use of proceeds of Loans hereunder; *provided* that no Indemnitee shall have the right to be indemnified hereunder for its own gross negligence, willful misconduct or unlawful conduct as determined by a final, non-appealable judgment of a court of competent jurisdiction.

Section 9.04. *Sharing of Set-offs.* Each Bank agrees that if it shall, by exercising any right of set-off or counterclaim or otherwise, receive payment of a proportion of the aggregate amount of principal and interest then due with respect to any Loans made by it which is greater than the proportion received by any other Bank in respect of the aggregate amount of principal and interest due with respect to any Loans made by such other Bank, the Bank receiving such proportionately greater payment shall purchase such participations in the Loans held by the other Banks, and such other adjustments shall be made, as may be required so that all such payments of principal and interest with respect to the Loans held by the Banks shall be shared by the Banks *pro rata*; *provided* that nothing in this Section shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such

exercise to the payment of indebtedness of the Borrower other than its indebtedness under the Loans. The Borrower agrees, to the fullest extent it may effectively do so under applicable law, that any holder of a participation in a Loan, whether or not acquired pursuant to the foregoing arrangements, may exercise rights of set-off or counterclaim and other rights with respect to such participation as fully as if such holder of a participation were a direct creditor of the Borrower in the amount of such participation.

Section 9.05. *Amendments and Waivers.* Except as provided by Section 2.17 or Section 2.19(a)(iii), any provision of this Agreement or the Notes may be amended or waived if such amendment or waiver is in writing and is signed by the Borrower and either (a) the Required Banks (and, if the rights or duties of the Administrative Agent are affected thereby, by the Administrative Agent) or (b) the Administrative Agent if, but only if, the Administrative Agent has received the prior written consent of the Required Banks; *provided* that, no such amendment or waiver shall (i) increase the Commitment of any Bank or subject any Bank to any additional obligation without the written consent of such Bank, (ii) reduce the principal of or rate of interest on any Loan or any fees hereunder without the written consent of each Bank directly affected thereby, (iii) postpone the date fixed for any payment of principal of or interest on any Loan or any fees hereunder without the written consent of each Bank directly affected thereby, (iv) change the aggregate unpaid principal amount of the Notes without the written consent of each Bank directly affected thereby, (v) change any provision which requires the pro rata sharing of payments among the Banks hereunder without the written consent of each Bank directly affected thereby, (vi) change clauses (i) through (vi) of this *proviso* to this Section 9.05 or the definition of “Required Banks” (other than the percentage indicated therein, which, for the avoidance of doubt, is subject to clause (vii) below) without the written consent of each Bank (including, notwithstanding Section 2.19(a)(iii), any Defaulting Bank) or (vii) modify or change (x) the percentage indicated in the definition of “Required Banks” or (y) subject to clause (vi) above, any other provision hereof specifying the number or percentage of Banks required to waive, amend or modify any rights hereunder, make any determination or grant any consent hereunder or take any other action under any provision of this Agreement, without the written consent of each Bank (excluding, for the avoidance of doubt, any Defaulting Bank to the extent of its unfunded Commitment). For the avoidance of doubt, no consent or any other action will be required of any Bank (other than the Defaulting Bank and the Administrative Agent to the extent required by Section 2.18) for any assignment of any Loans or termination of any Commitments pursuant to Section 2.18.

Whenever a waiver, amendment or modification requires the consent of a Bank “affected” or “directly affected” thereby, such waiver, amendment or modification shall, upon consent of such Bank, become effective as to such Bank

whether or not it becomes effective as to any other Bank, so long as the Required Banks consent to such waiver, amendment or modification as provided above.

If the Required Banks shall have approved any amendment which requires the consent of all of the Banks, the Borrower shall be permitted to replace any non-consenting Bank with a replacement institution; *provided* that (i) the replacement institution shall purchase at par all Loans and other amounts owing to such replaced Bank on or prior to the date of replacement, (ii) the Borrower shall be liable to such replaced Bank under Section 2.13 if any Euro-Dollar Loan owing to such replaced Bank shall be purchased other than on the last day of the Interest Period relating thereto (as if such purchase constituted a prepayment of such Loans), (iii) such replacement institution, if not already a Bank, shall be reasonably satisfactory to the Administrative Agent, (iv) the replaced Bank shall be obligated to make such replacement in accordance with the provisions of Section 9.06(c) and (v) any such replacement shall not be deemed to be a waiver of any rights the Borrower, Administrative Agent or any Bank shall have against the replaced Bank.

Section 9.06. *Successors and Assigns.* (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of all Banks.

(b) Any Bank may at any time grant to one or more affiliates of such Bank, banks or other institutions (each a “**Participant**”) participating interests in its Commitment or any or all of its Loans or L/C Obligations. In the event of any such grant by a Bank of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Bank shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Bank in connection with such Bank’s rights and obligations under this Agreement. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such participation agreement may provide that such Bank will not agree to any modification, amendment or waiver of this Agreement described in clauses (i), (ii) or (iii) of Section 9.05 that directly affects such Participant without the consent of such Participant. Subject to the provisions of subsection (e), the Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits, and be bound by the obligations, of Article 8 and Section 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(f) (it being understood that the documentation required under Section 2.16(f)

shall be delivered to the participating Bank)) with respect to its participating interest; provided that such Participant (A) agrees to be subject to the provisions of Section 2.18, Section 2.19 and Section 9.04, as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.15 or 2.17, with respect to any participation, than its participating Bank would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. An assignment or other transfer which is not permitted by subsection (c) or (d) below shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this subsection (b). Each Bank that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"); provided that no Bank shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any this Agreement or the Notes) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Bank shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(c) Any Bank may at any time assign to one or more banks or other institutions other than a Defaulting Bank or a bank or other institution that is subject to Sanctions (each an "**Assignee**") all, or a proportionate part (but not in any case in an amount less than \$5,000,000, unless (x) such Assignee is another Bank or an affiliate of such transferor Bank or (y) such assignment is for all of such transferor Bank's rights and obligations under this Agreement and the Notes) of all of its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement in substantially the form of Exhibit G hereto executed by such Assignee and such transferor Bank, with (and subject to) the written consent of (1) the Borrower and the Administrative Agent, such consents not to be unreasonably withheld and (2) each Issuing Bank in its sole discretion; *provided* that (i) if an Assignee is another Bank or an affiliate of such transferor Bank, or (ii) in the case of an assignment by any Bank to one or more Assignees after the occurrence and during the continuance of an Event of Default, no such consent of the Borrower shall be required; and *provided further* that such assignment may, but need not, include the rights of the transferor Bank in respect of outstanding Money Market Loans. Upon execution and delivery of such an instrument and

payment by such Assignee to such transferor Bank of an amount equal to the purchase price agreed between such transferor Bank and such Assignee, such Assignee shall be a Bank party to this Agreement and shall have all the rights and obligations of a Bank with a Commitment as set forth in such instrument of assumption, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this subsection (c), the transferor Bank, the Administrative Agent and the Borrower shall make appropriate arrangements so that, if required, a new Note is issued to the Assignee. In connection with any such assignment, the transferor Bank shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of \$3,500, and if it shall not be an existing Bank, the Assignee shall deliver to the Administrative Agent and the Borrower a duly completed and executed Administrative Questionnaire and all relevant information for notices hereunder. If the Assignee is not incorporated under the laws of the United States of America or a state thereof, it shall, prior to the first date on which interest or fees are payable hereunder for its account, deliver to the Borrower and the Administrative Agent certification as to exemption from deduction or withholding of any United States federal income taxes in accordance with Section 2.16.

(d) Any Bank Party may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement and its Note to a Federal Reserve Bank or any other Central Banking Authority to secure the obligations of such Bank thereto. No such pledge or assignment shall release the transferor Bank from its obligations hereunder or substitute any such pledge or assignee for such Bank as a party hereto or thereto.

(e) No Assignee, Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment under Section 8.03 than such Bank would have been entitled to receive with respect to the rights transferred, unless such transfer is made with the Borrower's prior written consent.

(f) Any Issuing Bank may assign all of its rights and obligations under the undrawn portion of its commitment hereunder to issue Letters of Credit at any time; *provided, however*, that (i) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and record, an Assignment and Assumption Agreement, together with a processing and recordation fee of \$3,500 and (ii) so long as no Event of Default has occurred and is continuing, the Borrower has consented to the assignment (such consent not to be unreasonably withheld).

Section 9.07. *Collateral.* Each of the Banks represents to the Administrative Agent and each of the other Banks that it in good faith is not

relying upon any “margin stock” (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for in this Agreement.

Section 9.08. *Governing Law.* (a) This Agreement and each Note shall be governed by and construed in accordance with the laws of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees, to the fullest extent permitted by law, that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Bank may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.09. *Counterparts; Integration.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire agreement and understanding among the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.10. *Several Obligations.* The obligations of the Bank Parties hereunder are several. Neither the failure of any Bank Party to carry out its

obligations hereunder nor of this Agreement to be duly authorized, executed and delivery by any Bank Party shall relieve any other Bank Party of its obligations hereunder (or affect the rights hereunder of such other Bank). No Bank Party shall be responsible for the obligations of, or any action taken or omitted by, any other Bank Party hereunder.

Section 9.11. *Severability*. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 9.12. *Confidentiality*. The Administrative Agent and each Bank Party represent that they will maintain the confidentiality of any written or oral information provided by or on behalf of the Borrower or any of its Consolidated Entities (hereinafter collectively called “**Confidential Information**”), subject to the Administrative Agent’s and each Bank’s (a) obligation to disclose any such Confidential Information pursuant to a request or order under applicable laws or regulations or from a regulatory authority or pursuant to a subpoena or other legal process, (b) right to disclose any such Confidential Information to its bank examiners, auditors, counsel and other professional advisors, and its employees, officers and directors, and to other Bank Parties (it being understood that such Persons shall be informed of the confidential nature of such information and instructed to keep it confidential), (c) right to disclose any such Confidential Information in connection with any litigation or dispute involving the Bank Parties and the Borrower or any of its Subsidiaries and affiliates, (d) right to provide such information to Participants, prospective Participants to which sales of participating interests are permitted pursuant to Section 9.06(b) and prospective Assignees to which assignments of interests are permitted pursuant to Section 9.06(c) if such Participant, prospective Participant or prospective Assignee agrees in writing to maintain the confidentiality of such information on terms substantially similar to those of this Section as if it were a “Bank” party hereto, and (e) right to disclose Confidential Information to its affiliates if such affiliate agrees in writing to maintain the confidentiality of such information on terms substantially similar to those of this Section. Notwithstanding the foregoing, any such information supplied to a Bank Party, Participant, prospective Participant or prospective Assignee under this Agreement shall cease to be Confidential Information if it is or becomes known to such Person by other than unauthorized disclosure, or if it becomes a matter of public knowledge other than as a result of a breach of this Section by such Person.

Section 9.13. *WAIVER OF JURY TRIAL*. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 9.14. *USA Patriot Act.* Each Bank hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Bank to identify the Borrower in accordance with the Act.

Section 9.15. *ICC Transactions.* Notwithstanding anything to the contrary set forth in this Agreement (without limiting the terms of the penultimate sentence of this Section 9.15) or in any of the Notes or other instruments or documents that have been or are in the future executed or delivered pursuant to, or that otherwise relate to this Agreement, or to any Committed Borrowings or Loans hereunder (all of the foregoing, collectively with this Agreement, the “**Credit Documentation**”), (a) to the extent necessary under the Credit Documentation, the Banks hereby consent to, and waive any Default, Event of Default or other breach, violation, default or noncompliance with the provisions of the Credit Documentation that might otherwise be caused by or be attributable to, the “ICC Transactions” as such term is defined in Schedule 9.15 hereto, and (b) the ICC Transactions, the “ICC Assets,” the “ICC Related Companies” (as such terms are respectively defined in Schedule 9.15 hereto), and the assets, liabilities and operations of the ICC Related Companies (including without limitation any circumstances, events, occurrences, actions or omissions relating to, of or by any of the ICC Related Companies), are hereby excluded from, and shall not be taken into account in applying, interpreting or determining compliance with, the provisions of the Credit Documentation (including without limitation, the definitions, representations, warranties, covenants, agreements, conditions and events of default set forth in the Credit Documentation) and may be excluded from any certifications, notices, reports or statements delivered or to be delivered pursuant to the Credit Documentation. Without limiting the generality of the foregoing, the defined terms “ERISA Group,” “Joint Venture,” “Member” and “Subsidiary,” among others, as used in the Credit Documentation shall not include the ICC Related Companies. Notwithstanding the preceding provisions of this Section 9.15, any new investments in the ICC Related Companies by purchase of equity and/or debt securities, funding (through capital contributions and/or newly originated loans) of working capital or capital expenditure needs of the ICC Related Companies, payment by RTFC (as such term is defined in Schedule 9.15 hereto) or the Borrower of claims of other creditors of the ICC Related Companies, and/or provision of any new guarantees, letters of credit and/or other new credit support or credit enhancement of the debt or other obligations of the ICC Related Companies, in the case of each of the foregoing, made or provided by the Borrower and/or RTFC at any time from December 9, 2008 shall not exceed in the aggregate (but without double-counting any such new investments) \$275,000,000 without the consent of the Required Banks. To the extent that the Credit Documentation provides that any of the ICC Transactions may be implemented if certain advance notice thereof is given, all

such conditions or requirements of advance notice shall be deemed to have been complied with and all such notices shall be deemed to have been duly and timely given in accordance with the terms of the Credit Documentation.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: /s/ J. ANDREW DON

Name: J. Andrew Don

Title: Senior Vice President and Chief
Financial Officer

JPMORGAN CHASE BANK, N.A., as
Administrative Agent, as Initial Issuing
Bank and as a Bank

By: /s/ JUAN JAVELLANA

Name: Juan Javellana

Title: Executive Director

MIZUHO BANK (USA), as Syndication Agent
and as a Bank

By: /s/ NELSON CHANG

Name: Nelson Chang

Title: Senior Vice President

THE BANK OF TOKYO-MITSUBISHI
UFJ, LTD.

By: /s/ ROBERT MACFARLANE
Name: Robert MacFarlane
Title: Director

ROYAL BANK OF CANADA

By: /s/ R RAHUL D. SHAH

Name: Rahul D. Shah

Title: Authorized Signatory

KEYBANK NATIONAL ASSOCIATION,
as a Co-Documentation Agent and as a
Bank

By: /s/ BENJAMIN C. COOPER
Name: Benjamin C. Cooper
Title: Vice President

THE BANK OF NOVA SCOTIA, as a
Bank

By: /s/ DAVID DEWAR

Name: David Dewar

Title: Director

U.S. BANK NATIONAL ASSOCIATION

By: /s/ ERIC J. COSGROVE

Name: Eric J. Cosgrove

Title: Vice President

SUNTRUST BANK, as a Lender

By: /s/ SHANNON JUHAN

Name: Shannon Juhan

Title: Director

PNC BANK, NATIONAL
ASSOCIATION, as a Bank

By: /s/ NANCY ROSA BONNELL

Name: Nancy Rosa Bonnell

Title: Vice President

REGIONS BANK

By: /s/ KEVIN MCCONOLA

Name: Kevin McConola

Title: Portfolio Manager

INDUSTRIAL AND COMMERCIAL
BANK OF CHINA LIMITED, New
York Branch as a Bank

By: /s/ YUQIANG XIAO

Name: Yuqiang Xiao

Title: General Manager

APPLE BANK FOR SAVINGS

By: /s/ JOHATHAN C. BYRON

Name: Jonathan C. Byron

Title: Senior Vice President

NATIONAL COOPERATIVE SERVICES
CORPORATION, as a Bank

By: /s/ J. ANDREW DON

Name: J. Andrew Don

Title: Senior Vice President and
Chief Financial Officer

COMPASS BANK, as a Bank

By: /s/ MARK HADDAD

Name: Mark Haddad

Title: Vice President

BANK OF COMMUNICATIONS CO.,
LTD., NEW YORK BRANCH, as a
Bank

By: /s/ SHELLEY HE

Name: Shelley He

Title: Deputy General Manager

AGENT SCHEDULE

<u>Institution</u>	<u>Title</u>
JPMorgan Chase Bank, N.A.	Administrative Agent
Mizuho Bank (USA)	Syndication Agent
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Co-Documentation Agent
KeyBank National Association	Co-Documentation Agent
Royal Bank of Canada	Co-Documentation Agent

EXISTING COMMITMENT SCHEDULE

<u>Institution</u>	<u>Commitment Prior to the Amendment Effective Date</u>	<u>Loans Outstanding on the Amendment Effective Date</u>
JPMorgan Chase Bank, N.A.	\$180,000,000.00	\$0
Mizuho Bank (USA)	\$180,000,000.00	\$0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$180,000,000.00	\$0
KeyBank National Association	\$180,000,000.00	\$0
Royal Bank of Canada	\$180,000,000.00	\$0
The Bank of Nova Scotia	\$180,000,000.00	\$0
U.S. Bank National Association	\$125,000,000.00	\$0
SunTrust Bank	\$125,000,000.00	\$0
PNC Bank, National Association	\$125,000,000.00	\$0
National Cooperative Services Corporation	\$77,500,000.00	\$0
Regions Bank	\$75,000,000.00	\$0
Industrial and Commercial Bank of China Limited, New York Branch	\$40,000,000.00	\$0
Compass Bank	\$25,000,000.00	\$0
Bank of Communications Co., Ltd., New York Branch	\$20,000,000.00	\$0
Apple Bank for Savings	\$7,500,000.00	\$0
<u>Total:</u>	<u>\$1,700,000,000.00</u>	<u>\$0</u>

COMMITMENT SCHEDULE

2019 Commitment Schedule

<u>2019 Bank</u>	<u>2019 Commitment</u>
National Cooperative Services Corporation	\$55,000,000.00
Compass Bank	\$25,000,000.00
Bank of Communications	\$20,000,000.00
<u>Total:</u>	<u>\$100,000,000.00</u>

2020 Commitment Schedule

<u>2020 Bank</u>	<u>2020 Commitment</u>
JPMorgan Chase Bank, N.A.	\$180,000,000.00
Mizuho Bank (USA)	\$187,500,000.00
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$187,500,000.00
Royal Bank of Canada	\$187,500,000.00
KeyBank National Association	\$180,000,000.00
The Bank of Nova Scotia	\$180,000,000.00
U.S. Bank National Association	\$125,000,000.00
SunTrust Bank	\$125,000,000.00
PNC Bank, National Association	\$125,000,000.00
Regions Bank	\$75,000,000.00
Industrial and Commercial Bank of China Limited, New York Branch	\$40,000,000.00
Apple Bank for Savings	\$7,500,000.00
<u>Total:</u>	<u>\$1,600,000,000.00</u>

EXISTING LETTERS OF CREDIT SCHEDULE

L/C# TFTX-374881 – Deseret Generation & Transmission Cooperative

Beneficiary: Rockwood Casualty Insurance Company

Amount: \$1,000,000

Effective Date: October 16, 2012

Expiration Date: October 16, 2016

PRICING SCHEDULE

The “**Euro-Dollar Margin**”, the “**Base Rate Margin**” and the “**Facility Fee Rate**” for the Borrower at any date are the respective percentages set forth below in the applicable row and column based upon the Status of the Borrower that exists on such date.

Status	Level I	Level II	Level III	Level IV	Level V
Euro-Dollar Margin	0.6900%	0.8000%	0.9000%	1.0000%	1.1000%
Base Rate Margin	0%	0%	0%	0%	0.1000%
Facility Fee Rate	0.0600%	0.0750%	0.1000%	0.1250%	0.1500%

For purposes of this Pricing Schedule, the following terms have the following meanings, subject to the concluding paragraph of this Pricing Schedule:

“**Level I Status**” exists at any date if, at such date, the Borrower’s Unsecured Long-Term Debt is rated AA- or higher by S&P or Aa3 or higher by Moody’s.

“**Level II Status**” exists at any date if, at such date, (i) the Borrower’s Unsecured Long-Term Debt is rated A+ or higher by S&P or A1 or higher by Moody’s, and (ii) Level I Status does not exist.

“**Level III Status**” exists at any date if, at such date, (i) the Borrower’s Unsecured Long-Term Debt is rated A or higher by S&P or A2 or higher by Moody’s, and (ii) Level II Status does not exist.

“**Level IV Status**” exists at any date if, at such date, (i) the Borrower’s Unsecured Long-Term Debt is rated A- or higher by S&P or A3 or higher by Moody’s, and (ii) Level III Status does not exist.

“**Level V Status**” exists at any date if, at such date, neither Level I Status, Level II Status, Level III Status or Level IV Status exists.

“**Moody’s**” means Moody’s Investors Services, Inc.

“**Rating Agencies**” means each of S&P and Moody’s.

“**S&P**” means Standard & Poor’s Rating Services.

“**Status**” refers to the determination of which of Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status exists at any date.

The credit ratings to be utilized for purposes of this Pricing Schedule are those assigned to the senior unsecured long-term debt securities of the Borrower without third-party credit enhancement (the “**Borrower’s Unsecured Long-Term**

Debt”), and any ratings assigned to any other debt security of the Borrower shall be disregarded; *provided* that if at any date there is no such rating assigned by a particular Rating Agency, such Rating Agency’s rating of the Borrower’s Unsecured Long-Term Debt shall be deemed to be one notch below such Rating Agency’s rating of the senior secured debt of the Borrower at such date. In the event that the two assigned ratings differ, then the higher rating assigned to the Borrower’s Unsecured Long-Term Debt (after giving effect to the proviso in the first sentence of this paragraph) shall be used if the ratings assigned differ by only one rating (e.g., A+/A2 results in Level II Status). In the event the two assigned ratings differ by more than one rating, the rating below the highest rating shall be used (e.g., A+/A3 results in Level III Status).

SCHEDULE 5.03(a)
NON-GAAP SUBSIDIARIES

NONE

SCHEDULE 9.15

ICC TRANSACTIONS

Background

As described in the Borrower's filings with the U.S. Securities and Exchange Commission, Rural Telephone Finance Cooperative ("RTFC"), a Consolidated Entity of the Borrower, made secured loans to Innovative Communication Corporation ("ICC"), a diversified telecommunications company organized under the laws of the United States Virgin Islands ("USVI") and headquartered in St. Croix, USVI and its affiliates. Through operating divisions and subsidiaries, ICC provided cellular, wireline local and long-distance telephone, cable television, Internet access and other telecommunications services in the eastern and southern Caribbean among other places. ICC and its subsidiaries are hereby defined as the "ICC Companies."

Beginning in 2006, ICC and certain of its affiliates were the subject of pending bankruptcy proceedings and a Bankruptcy Trustee was appointed to manage the operations and assets of the ICC bankruptcy estate (the "Trustee"). The Trustee separated the assets of the bankruptcy estates, including certain of the ICC Companies, into three asset groups ("Group 1," "Group 2" and "Group 3"). Group 2 and Group 3 were sold in 2009 and 2010 to parties unrelated to the Borrower, with the proceeds from the sale being applied to pay administrative expenses of the estates and a portion of RTFC debt. Group 1, which was sold to direct and indirect subsidiaries of the Borrower, as detailed in the ICC Transactions below, included companies engaged in wireline telephone operations in the USVI, wireless telephone operations in the USVI and St. Maarten, cable television service operations in the USVI, the British Virgin Islands and St. Maarten, and related telecommunications and complementary operations (collectively, as owned by direct and indirect subsidiaries of the Borrower, the "ICC Assets"):

ICC Transactions

Borrower's Acquisition of the ICC Assets.

In order to effect the acquisition of the ICC Assets, including the equity interests in the ICC Companies in Group 1, RTFC and the Trustee entered into a Purchase Agreement, approved by the Bankruptcy Court and providing for a \$250 million credit bid (collectively, "ICC Assets"). Following regulatory approval and satisfaction of other conditions, Borrower's direct subsidiary, Caribbean Asset Holdings, LLC ("CAH"), and its direct and indirect subsidiaries took ownership of the ICC Assets (collectively as the "ICC Related Companies") in 2010 and 2011.

As part of and following the acquisitions of the ICC Related Companies, (i) the Borrower has provided equity and/or debt capitalization and ongoing funding, including working capital and capital expense to the ICC Related Companies; (ii) Borrower provided funding directly or through the ICC Related Companies for settlement or satisfaction of third-party claims against the ICC Companies; (iii) Borrower has provided credit support and/or credit enhancement for obligations of ICC Related Companies, including guaranties or letters of credit; (iv) Borrower holds such ICC Assets through the ICC Related Companies, and operates or provides for their operation for the purpose of preserving and rehabilitating such ICC Assets, preparing them for resale or other disposition and reselling or disposing of them in one or more transactions at a price or prices or for other consideration satisfactory to the Borrower; and (v) Borrower, through its subsidiaries, has engaged staff and outside consultants, agents, managers, management companies and other professional advisers to advise and assist with respect to, or to carry out, the foregoing.

Proposed Disposition of the ICC Companies and ICC Assets.

As set forth in greater detail in Borrower's Form 8-K filed with the U.S. Securities and Exchange Commission, dated September 30, 2015, Borrower has entered into a definitive agreement for a sale to ATN VI Holdings, LLC (the "Buyer") and Atlantic Tele-Network, Inc., the parent corporation of the Buyer ("Atlantic"), of all the issued and outstanding membership interests of Borrower's direct subsidiary CAH, which owns the other ICC Related Companies. (the "Disposition") for a purchase price of \$145 million, subject to certain adjustments. RTFC has committed to provide debt financing of up to \$60 million, providing Buyer with the option to finance a portion of the purchase price. Atlantic will provide a guarantee on an unsecured basis of Buyer's obligations to RTFC pursuant to the financing.

Completion of the Disposition is subject to the satisfaction or waiver of various closing conditions under the agreement, including, among other things, regulatory approvals in the United States, United States Virgin Islands, British Virgin Islands and St. Maarten, the expiration or termination of applicable waiting periods under applicable competition laws, and the absence of a material adverse effect or material adverse regulatory event.

All of the transactions, actions and other matters referred to above (together with such other related transactions and steps, occurring prior to or concurrently with or within a reasonable time after the transactions, actions and other matters referred to above and as may be reasonably necessary to carry out such transactions, actions and other matters) are hereby defined collectively as the "ICC Transactions."

Nothing in this Schedule 9.15 or in Section 9.15 of the Credit Agreement shall constitute an obligation on the Borrower, RTFC or any other Person to enter into all or any of the transactions, or to take all or any of the actions, described in this Schedule 9.15. Transactions and actions referred to in this Schedule 9.15 are not necessarily listed in the chronological order in which they may be entered into or taken.

EXHIBIT A

FORM OF NOTE

New York, New York

[DATE]

For value received, National Rural Utilities Cooperative Finance Corporation, a not-for-profit cooperative association incorporated under the laws of the District of Columbia (the “**Borrower**”), promises to pay to the order of [•] (the “**Bank**”), for the account of its Applicable Lending Office, the principal sum of \$_____ or, if less, the aggregate unpaid principal amount of each Loan and L/C Borrowing made by the Bank to the Borrower pursuant to the Revolving Credit Agreement referred to below on the Maturity Date with respect to such Loan or L/C Borrowing. The Borrower promises to pay interest on the unpaid principal amount of each such Loan and L/C Borrowing on the dates and at the rate or rates provided for in the Revolving Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in Federal or other immediately available funds at the office of JPMorgan Chase Bank, N.A., 1111 Fannin St., 10th Floor, Houston, TX 77002, Attn: Leslie Hill.

All Loans and L/C Borrowings made by the Bank, the respective types and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding may be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided* that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Revolving Credit Agreement.

This note is one of the Notes referred to in that certain Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada as Co-Documentation Agents (as the same may be amended, supplemented or otherwise modified, from time to time, in each case, pursuant to the terms and conditions thereof, the “**Revolving Credit Agreement**”). Terms defined in the Revolving Credit Agreement are used herein with the same meanings. Reference is made to the Revolving Credit Agreement for provisions for the prepayment hereof and the acceleration of the maturity hereof. This Note shall be governed by and construed in accordance with the laws of the State of New York.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: _____
Name:
Title:

FORM OF RUS GUARANTEE

The United States of America acting through the Administrator of the Rural Utilities Service (“**RUS**”) hereby unconditionally guarantees to [name of Payee] the making of [__%] of the payments of principal and interest when and as due on this Note of _____ (the “**Cooperative**”) in accordance with the terms hereof and of the Loan Agreement referred to in this Note, until such principal and interest shall be indefeasibly paid in full (which includes interest accruing on such principal between the date of default under this Note and the payment in full of this Guarantee), irrespective of receipt by RUS of any sums or property from its enforcement of its remedies for the Cooperative default. This Guarantee shall be incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder. RUS hereby waives diligence, presentment, demand, protest and notice of any kind, as well as any requirement that [name of Payee] exhaust any right or take any action against the Cooperative.

This Guarantee is issued pursuant to Title III of the Rural Electrification Act of 1936, as amended (7 U.S.C. “ 901, *et seq.*), and the Loan Guarantee and Servicing Agreement among RUS, the Cooperative, Bank One, NA and National Rural Utilities Cooperative Finance Corporation dated _____, ____.

UNITED STATES OF AMERICA

Date _____, ____

By: _____

Name:

Title: Administrator of Rural
Electrification
Administration

FORM OF RUS GUARANTEE

The United States of America acting through the Administrator of the Rural Utilities Service (“**RUS**”) hereby unconditionally guarantees to the Payee the making of the payments of principal and Guaranteed Interest when and as due on the Note of _____ (the “**Cooperative**”) dated _____ in the original principal amount of \$ _____ (the “**Note**”), in accordance with the terms thereof and of the Loan Agreement and the Master Loan Guarantee and Servicing Agreement referred to in the Note, until such principal and Guaranteed Interest shall be indefeasibly paid in full (which includes interest accruing at the Guaranteed Interest Rate between the date of default under the Note and the payment in full of this Guarantee), irrespective of receipt by RUS of any sums or property from its enforcement of its remedies for the Cooperative’s default. This Guarantee shall be incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder. RUS hereby waives diligence, presentment, demand, protest and notice of any kind (except the “Default Notice” required pursuant to Section 5.3(a) of the Master Loan Guarantee and Servicing Agreement), and acknowledges that the Payee does not have any right or obligation to exercise any right or take any action against the Cooperative.

This Guarantee is issued pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. “ 901, et seq.) (the “**Act**”), and the Master Loan Guarantee and Servicing Agreement between RUS and National Rural Utilities Cooperative Finance Corporation dated as of February 16, 1999.

THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE UNITED STATES OF AMERICA, TO THE EXTENT APPLICABLE, AND OTHERWISE THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

THE UNDERSIGNED, AS [ADMINISTRATOR] OF RUS, DOES HEREBY CERTIFY THAT I AM AUTHORIZED UNDER THE ACT AND 7 CFR PART 1700 TO DELIVER THIS GUARANTEE.

UNITED STATES OF AMERICA

By: _____
Name:
Title: [Administrator] of the
Rural Utilities Service

Dated: _____

RUS Loan No

FORM OF MONEY MARKET QUOTE REQUEST

[Date]

To: JPMorgan Chase Bank, N.A. (the “**Administrative Agent**”)

From: National Rural Utilities Cooperative Finance Corporation
(the “**Borrower**”)

Re: Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents (as amended, supplemented, or otherwise modified from time to time, in each case, pursuant to the terms and conditions thereof, the “**Revolving Credit Agreement**”)

We hereby give notice pursuant to Section 2.03 of the Revolving Credit Agreement that we request Money Market Quotes for the following proposed Money Market Borrowing(s):

Date of Borrowing: _____

<i>Principal Amount</i>	<i>Interest Period</i>
\$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Terms used herein have the meanings assigned to them in the Revolving Credit Agreement.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: _____
Name:
Title:

EXHIBIT D

FORM OF INVITATION FOR MONEY MARKET QUOTES

[Date]

To: [Name of Bank]

Re: Invitation for Money Market Quotes to the National Rural Utilities
Cooperative Finance Corporation (the “**Borrower**”)

Pursuant to Section 2.03 of the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents (as amended, supplemented or otherwise modified from time to time, in each case, pursuant to the terms and conditions thereof, the “**Revolving Credit Agreement**”):

Date of Borrowing: _____

<i>Principal Amount</i>	<i>Interest Period</i>
\$	

Such Money Market Quotes should offer a Money Market [Margin] [Absolute Rate]. [The applicable base rate is the London Interbank Offered Rate.]

Please respond to this invitation by no later than 9:30 A.M. (New York City time) on [date].

JPMORGAN CHASE BANK, N.A.

By: _____
Name:
Title: Authorized Officer

EXHIBIT E

FORM OF MONEY MARKET QUOTE

[Date]

JPMorgan Chase Bank, N.A.,
as Administrative Agent
c/o of JPMorgan Chase Bank, N.A.
1111 Fannin St., 10th Floor
Houston, TX 77002
Attn: Leslie Hill.

Attention:

Re: Money Market Quote to National Rural Utilities Cooperative
Finance Corporation (the “**Borrower**”)

In response to your invitation on behalf of the Borrower dated
_____, 20___, we hereby make the following Money Market Quote on
the following terms:

1. Quoting Bank: _____
2. Person to contact at Quoting Bank: _____
3. Date of Borrowing: _____*
4. We hereby offer to make Money Market Loan(s) in the following principal amounts, for the following Interest Periods and at the following rates:

<i>Principal Amount</i> ^{**}	<i>Interest Period</i> ^{***}	<i>Money Market [Margin^{****}]</i>	<i>[Absolute Rate^{*****}]</i>
\$			
\$			

[provided, that the aggregate principal amount of Money Market Loans for which the above offers may be accepted shall not exceed \$_____.]**

We understand and agree that the offer[s] set forth above [is][are] subject to the satisfaction of the applicable conditions set forth in the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015, among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents, as

amended, supplemented or otherwise modified from time to time, in each case, pursuant to the terms and conditions thereof.

Very truly yours,

[NAME OF BANK]

By: _____

Name:

Title: Authorized Officer

Dated: _____

OPINION OF GENERAL COUNSEL OF THE BORROWER

November 19, 2015

To the Administrative Agent and each of the Banks party
to the Revolving Credit Agreement referred to below
c/o JPMorgan Chase Bank, N.A.
1111 Fannin Street, 10th Floor
Houston, TX 77002

Ladies and Gentlemen:

I, Roberta B. Aronson, General Counsel of the National Rural Utilities Cooperative Finance Corporation (the “**Borrower**”), am delivering this opinion pursuant to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (the “**Agreement**”), among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as successor Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association, and Royal Bank of Canada, as Co-Documentation Agents. Terms defined in the Agreement are used herein as therein defined. This opinion is being rendered to you at the request of the Borrower, pursuant to Section 3.01(c) of the Agreement.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion. This opinion is limited to the laws of the District of Columbia.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is a cooperative association duly incorporated, validly existing and in good standing under the laws of the District of Columbia and has the corporate power and authority and all material governmental licenses, authorizations, consents and approvals required to own its property and assets and to transact the business in which it is engaged. The Borrower is duly qualified or licensed as a foreign corporation in good standing in every jurisdiction in which the nature of the business in which it is engaged makes such qualification or licensing necessary, except in those jurisdictions in which the failure to be so qualified or licensed would not (after qualification, assuming that the Borrower could so qualify without the payment of any fee or penalty and retain its rights as they existed prior to such qualification all to an extent so that any fees or penalties required to be so paid or any rights not so retained would not, individually or in

the aggregate, have a material adverse effect on the business or financial position of the Borrower), individually or in the aggregate, have a material adverse effect upon the business or financial position of the Borrower.

2. The Borrower has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Agreement and each of the Notes dated the date hereof (the “**Subject Notes**”). The Agreement and the Subject Notes have been duly and validly authorized, executed and delivered by the Borrower.

3. There are no actions, suits, proceedings or investigations pending or, to my knowledge, threatened against or affecting the Borrower by or before any court or any governmental authority, body or agency or any arbitration board which are reasonably likely to materially adversely affect the business, financial position or results of operations of the Borrower or the authority or ability of the Borrower to perform its obligations under the Agreement or the Subject Notes. Without limiting the foregoing opinion, I would like to draw your attention to the legal actions described on Annex A.

4. No authorization, consent, approval or license of, or declaration, filing or registration with or exemption by, any governmental authority, body or agency is required in connection with the execution, delivery or performance by the Borrower of the Agreement or the Subject Notes.

5. The holders of the Borrower’s Members’ Subordinated Certificates are not and will not be entitled to receive any payments with respect to the principal thereof or interest thereon solely because of withdrawing or being expelled from membership in the Borrower.

6. Neither the Borrower nor any Consolidated Entity is in default in any material respect under any material agreement or other instrument to which it is a party or by which it or its property or assets is bound. No event or condition exists which constitutes, or with the giving of notice or lapse of time or both would constitute, such a default under any such agreement or other instrument. Neither the execution and delivery of the Agreement or the Subject Notes, nor the consummation of any of the transactions therein contemplated, nor compliance with the terms and provisions thereof, will contravene any provision of law, statute, rule or regulation to which the Borrower is subject or any judgment, decree, award, franchise, order or permit applicable to the Borrower, or will conflict or be inconsistent with, or will result in any material breach of, any of the material terms, covenants, conditions or provisions of, or constitute (or with the giving of notice or lapse of time, or both, would constitute) a default under (or condition or event entitling any Person to require, whether by purchase, redemption, acceleration or otherwise, the Borrower to perform any obligations prior to the scheduled maturity thereof), or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower pursuant to the terms

of, any indenture, mortgage, deed of trust, agreement or other instrument to which it may be subject, or violate any provision of the certificate of incorporation or by-laws of the Borrower. Without limiting the generality of the foregoing, the Borrower is not a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Borrower, any agreement or indenture relating thereto or any other contract or agreement (including its certificate of incorporation and by-laws), which would be violated by the incurring of the Indebtedness to be evidenced by the Subject Notes.

7. The Borrower has complied fully with all of the material provisions of each Indenture. No Event of Default (within the meaning of such term as defined in any Indenture) and no event, act or condition (except for possible non-compliance by the Borrower with any immaterial provisions of such Indenture which in itself is not such an Event of Default under such Indenture) which with notice or lapse of time, or both, would constitute such an Event of Default has occurred and is continuing under such Indenture. The borrowings by the Borrower contemplated by the Agreement will not cause such an Event of Default under, or the violation of any covenant contained in, any Indenture.

8. Set forth on Annex B attached hereto is a true, correct and complete list of all of the Borrower's Subsidiaries and Joint Ventures, the jurisdiction of incorporation or organization of each such Subsidiary and Joint Venture and the nature and percentage of the Borrower's ownership of each such Subsidiary and Joint Venture.

9. The Borrower has received a ruling from the Internal Revenue Service to the effect that it is exempt from payment of Federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, and nothing has come to our attention that leads us to believe that the Borrower is not so exempt.

Sincerely,

Roberta B. Aronson
General Counsel

Annex A

In June 2015, the Rural Telephone Finance Cooperative (“RTFC”), a Consolidated Entity of CFC, received a notice of deficiency from the Virgin Islands Bureau of Internal Revenue (the “BIR”) alleging that RTFC owes tax or other amounts, plus interest, in connection with tax years 1996 and 1997, and 1999 through 2005. On September 4, 2015, RTFC filed a petition with the District Court of the Virgin Islands in response to the BIR’s notice of deficiency. RTFC believes that these allegations are without merit and plans to timely contest this determination in the Federal District Court of the Virgin Islands.

Nothing herein constitutes an admission that the foregoing are reasonably likely to materially adversely affect the business, financial position or results of CFC or the authority or ability of CFC to perform its obligations under the Agreement or the Subject Notes.

Annex B

Subsidiaries, Special Purpose Subsidiaries and Joint Ventures:

- a. Caribbean Asset Holdings, LLC, organized in the State of Delaware. Borrower owns 100% of the membership interests.

Caribbean Asset Holdings, LLC ownership interest:

1. DTR Holdings, LLC 100%

DTR Holdings, LLC ownership interest:

VI PowerNet, LLC	99.5%
Innovative Long Distance, Inc.	100%
Virgin Islands Telephone Corporation	100%
Vitelcom Cellular, Inc.	99.5%
Caribbean Communications Corp.	99.5%
St. Croix Cable T.V., Inc.	99.5%
iCC TV, Inc.	99.5%
Group B-200, Inc.	100%

2. BVI Asset Holdings, LLC 100%

BVI Asset Holdings, LLC ownership interest:

B.V.I. Cable T.V., Ltd.	100%
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3. STM Asset Holdings, LLC 100%

STM Asset Holdings LLC ownership interest:

Caribbean Teleview Services N.V.	100%
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EXHIBIT G

ASSIGNMENT AND ASSUMPTION AGREEMENT

AGREEMENT dated as of _____, 20__ among [ASSIGNOR] (the “**Assignor**”), [ASSIGNEE] (the “**Assignee**”), NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the “**Borrower**”) and JPMORGAN CHASE BANK, N.A., as Administrative Agent (the “**Agent**”).

W I T N E S S E T H

WHEREAS, this Assignment and Assumption Agreement (the “**Agreement**”) relates to the Amended and Restated Revolving Credit Agreement, dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, in each case pursuant to the terms and conditions thereof, (the “**Credit Agreement**”), among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank (the “**Agent**”), and Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

WHEREAS, as provided under the Credit Agreement, the Assignor has a Commitment to make Loans and/or make or participate in L/C Obligations to the Borrower in an aggregate principal amount at any time outstanding not to exceed \$ _____;

WHEREAS, Committed Loans and L/C Obligations made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of \$ _____ are outstanding at the date hereof; and

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit Agreement in respect of a portion of its Commitment thereunder in an amount equal to \$ _____ (the “**Assigned Amount**”), together with a corresponding portion of its outstanding Committed Loans and/or L/C Obligations, and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on such terms;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. *Definitions.* All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

SECTION 2. *Assignment.* The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement to the extent

of the Assigned Amount, and the Assignee hereby accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement to the extent of the Assigned Amount, including the purchase from the Assignor of the corresponding portion of the principal amount of the Committed Loans and/or L/C Obligations made by the Assignor outstanding at the date hereof. Upon the execution and delivery hereof by the Assignor, the Assignee, the Borrower and the Administrative Agent and the payment of the amounts specified in Section 3 required to be paid on the date hereof (i) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Bank under the Credit Agreement with a Commitment in an amount equal to the Assigned Amount, and (ii) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. *Payments.* As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them. It is understood that commitment and/or facility fees accrued to the date hereof are for the account of the Assignor and such fees accruing from and including the date hereof are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

SECTION 4. *Consent of the Borrower and the Administrative Agent.* This Agreement is conditioned upon the consent of [the Borrower,] the Administrative Agent and the Issuing Bank pursuant to Section 9.06(c) of the Credit Agreement. The execution of this Agreement [by the Borrower,] the Administrative Agent and the Issuing Bank is evidence of this consent. Pursuant to Section 9.06(c) of the Credit Agreement, if requested by the Assignee, the Borrower agrees to execute and deliver a Note payable to the order of the Assignee to evidence the assignment and assumption provided for herein.

SECTION 5. *Non-Reliance on Assignor.* The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial position, or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for

making its own independent appraisal of the business, affairs and financial position of the Borrower.

SECTION 6. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. *Counterparts.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____
Name:
Title:

[ASSIGNEE]

By: _____
Name:
Title:

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE
CORPORATION

By: _____
Name:
Title:

JPMORGAN CHASE BANK,
N.A., as Administrative Agent

By: _____
Name:
Title:

[FORM OF]

U.S. TAX CERTIFICATE

**(For Non-U.S. Bank Parties That Are Not Partnerships For U.S. Federal
Income Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a member of Borrower, it does not exercise voting power over Borrower and is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code and (v) the interest payments in question are not effectively connected with the undersigned’s conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF BANK PARTY]

By: _____
Name:
Title:

Date: _____, 20[]

[FORM OF]

**U.S. TAX CERTIFICATE
(For Non-U.S. Bank Parties That Are Partnerships For U.S. Federal Income
Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a member of Borrower, exercise voting power over Borrower or otherwise is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned’s or its direct or indirect partners/members’ conduct of a U.S. trade or business.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF BANK PARTY]

By: _____

Name:

Title:

Date: _____, 20[]

[FORM OF]

**U.S. TAX CERTIFICATE
(For Non-U.S. Participants That Are Not Partnerships For U.S. Federal
Income Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (v) the interest payments in question are not effectively connected with the undersigned’s conduct of a U.S. trade or business.

The undersigned has furnished its participating Bank with a certificate of its non-U.S. person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank in writing and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

[FORM OF]

**U.S. TAX CERTIFICATE
(For Non-U.S. Participants That Are Partnerships For U.S. Federal Income
Tax Purposes)**

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of November 19, 2015 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among the Borrower, the Banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent and Initial Issuing Bank, Mizuho Bank (USA), as Syndication Agent, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., KeyBank National Association and Royal Bank of Canada, as Co-Documentation Agents.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, (v) none of its partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code, and (vi) the interest payments in question are not effectively connected with the undersigned’s or its partners/members’ conduct of a U.S. trade or business.

The undersigned has furnished its participating Bank with IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of its partners/members claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Bank and (2) the undersigned shall have at all times furnished such Bank with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: __, 20[]

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NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Computation of Ratio of Earnings to Fixed Charges

(Dollars in thousands)	Six Months Ended	Years Ended May 31,				
	November 30,	2015	2014	2013	2012	2011
Earnings:						
Net income (loss)	\$ 18,607	\$ (18,927)	\$ 192,926	\$ 358,087	\$ (148,797)	\$ 151,215
Add: Fixed charges	332,824	635,684	654,655	692,025	761,849	841,288
Less: Interest capitalized ⁽¹⁾	—	—	—	—	(71)	(208)
Income available for fixed charges	<u>\$ 351,431</u>	<u>\$ 616,757</u>	<u>\$ 847,581</u>	<u>\$ 1,050,112</u>	<u>\$ 612,981</u>	<u>\$ 992,295</u>
Fixed charges:						
Interest on all borrowings ⁽²⁾	\$ 332,824	\$ 635,684	\$ 654,655	\$ 692,025	\$ 761,778	\$ 841,080
Interest capitalized	—	—	—	—	71	208
Total fixed charges	<u>\$ 332,824</u>	<u>\$ 635,684</u>	<u>\$ 654,655</u>	<u>\$ 692,025</u>	<u>\$ 761,849</u>	<u>\$ 841,288</u>
Ratio of earnings to fixed charges	<u>1.06</u>	<u>0.97</u>	<u>1.29</u>	<u>1.52</u>	<u>0.80</u>	<u>1.18</u>

⁽¹⁾Interest capitalized consists of interest paid in connection with financing the construction of our new headquarters building during the construction period.

⁽²⁾Interest expense includes the amortization of discounts and issuance costs.

National Rural Utilities Cooperative Finance Corporation
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

I, Sheldon C. Petersen, certify that:

1. I have reviewed this report on Form 10-Q of National Rural Utilities Cooperative Finance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 13, 2016

By: /s/ SHELDON C. PETERSEN

Sheldon C. Petersen

Chief Executive Officer

A signed original of this written statement required by Section 302 has been provided to National Rural Utilities Cooperative Finance Corporation and will be retained by National Rural Utilities Cooperative Finance Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

National Rural Utilities Cooperative Finance Corporation
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

I, J. Andrew Don, certify that:

1. I have reviewed this report on Form 10-Q of National Rural Utilities Cooperative Finance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's board of directors:
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 13, 2016

By: /s/ J. ANDREW DON

J. Andrew Don

Chief Financial Officer

A signed original of this written statement required by Section 302 has been provided to National Rural Utilities Cooperative Finance Corporation and will be retained by National Rural Utilities Cooperative Finance Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

National Rural Utilities Cooperative Finance Corporation
Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)

Pursuant to the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Sections 1350(a) and (b)), I, the Chief Executive Officer of National Rural Utilities Cooperative Finance Corporation (“CFC”), hereby certify to the best of my knowledge as follows:

1. CFC’s Quarterly Report on Form 10-Q for the quarterly period ended November 30, 2015 filed with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of CFC.

Date: January 13, 2016

By: /s/ SHELDON C. PETERSEN

Sheldon C. Petersen
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to National Rural Utilities Cooperative Finance Corporation and will be retained by National Rural Utilities Cooperative Finance Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

