

**SECURITY AND LOCK BOX AGREEMENT**

Dated as of August 19, 2013

by and among

**BIG RIVERS ELECTRIC CORPORATION,**

**KENERGY CORP.,**

**CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP**

and

**OLD NATIONAL BANK**

OHSUSA:753906547.4

**KENTUCKY  
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN  
EXECUTIVE DIRECTOR**

TARIFF BRANCH

*Brent Kirtley*

EFFECTIVE

**8/20/2013**

PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

## SECURITY AND LOCK BOX AGREEMENT

This SECURITY AND LOCK BOX AGREEMENT, dated as of August 19, 2013 (this "Lockbox Agreement"), is made by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky electric generation and transmission cooperative (together with its successors and assigns, "Big Rivers"), KENERGY CORP., a Kentucky electric cooperative corporation (together with its successors and assigns, "Kenergy") and CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP, a Kentucky general partnership (together with its successors and assigns, "Century"), and OLD NATIONAL BANK, of Evansville, Indiana (the "Depository Bank"). Big Rivers, Kenergy, Century and the Depository Bank are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

### PRELIMINARY STATEMENTS

A. Reference is made to that certain Electric Service Agreement, dated the date hereof, between Kenergy and Century (as amended, modified or supplemented from time to time, the "Electric Service Agreement"), pursuant to which Kenergy is obligated to sell to Century and Century agrees to purchase from Kenergy retail electric service in accordance with the terms and conditions specified therein.

B. Reference is made to that certain Arrangement and Procurement Agreement, dated the date hereof, between Kenergy and Big Rivers, pursuant to which Big Rivers agrees to provide wholesale electric service to Kenergy for resale to Century under terms described therein (collectively the "Arrangement Agreement").

C. Reference is made to any additional agreements entered into from time to time, between Big Rivers and Kenergy that provide for the sale of wholesale electric service by Big Rivers to Kenergy (for resale by Kenergy to Century) which Big Rivers, Century and Kenergy agree, in writing, shall be covered by the terms of this Lockbox Agreement (collectively, the "Additional Big Rivers Agreements" and together with the Arrangement Agreement, the "Total Big Rivers Agreements").

D. Reference is made to any additional agreements entered into, from time to time between Kenergy and Century that provide for the sale to Century of additional retail electric service procured from the Big Rivers by Kenergy which Big Rivers, Century and Kenergy agree, in writing, shall be covered by the terms of this Lockbox Agreement (collectively, the "Additional Electric Service Agreements" and together with the Electric Service Agreement, the "Total Electric Service Agreements").

E. The parties hereto wish to provide security to Big Rivers for obligations arising to Big Rivers from Kenergy pursuant to the Total Big Rivers Agreements (the "Secured Obligations") and for the orderly application of all amounts owing by Century with respect to retail electric service pursuant to the Total Electric Service Agreements (collectively, the "Century Payments"), without setoff for any other amounts that may be owing from Century to Century. Accordingly, Kenergy has agreed to establish, in the name of Kenergy, a bank account with the Depository Bank, which account shall be designated as, and hereinafter referred to as, the Lockbox Account (as hereinafter defined).

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F. The Depository Bank has agreed to maintain the Lockbox Account pursuant to and in accordance with this Lockbox Agreement.

G. The Parties further understand and agree that Century's only responsibility under this Lockbox Agreement is to make Century Payments to the Depository Bank in accordance with the instructions set forth in Section 1 hereof (or such other instructions as may be subsequently agreed to by Big Rivers and Kenergy pursuant to this Lockbox Agreement and delivered to Century).

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Payments by Century. Unless otherwise agreed in writing, Big Rivers, Century and Kenergy hereby irrevocably agree that Century Payments shall be paid by wire transfer or through the Automated Clearing House (ACH) network to the Depository Bank for deposit in the Lockbox Account in accordance with Section 3 hereof and coincident with date payments are due and owing under the Total Big Rivers Agreements and the Total Electric Service Agreements applicable to this service. Big Rivers, Century and Kenergy agree that Century Payments shall be deemed to have been made to Kenergy and shall be credited toward Century's payment obligations under the Total Electric Service Agreements and satisfaction of Century's obligation to make Century Payments. Kenergy and Big Rivers agree that amounts received by the Depository Bank from Century shall be deemed to have been paid to Big Rivers by Kenergy, shall be thereafter the property of Big Rivers and shall be credited toward the Secured Obligations, subject to Section 3.

2. Lockbox Account. The Depository Bank has established account number \_\_\_\_\_ in the name "Kenergy Lockbox Account" (such account and any successor account are referred to as the "Lockbox Account") and the Depository Bank shall not change the name or account number without the prior written consent of Big Rivers. Big Rivers shall possess exclusive dominion and control, as a secured party, of the funds (and any and all proceeds therefrom) from time to time in the Lockbox Account. Neither Kenergy nor any person or entity claiming by, through or under Kenergy shall have any control over the use of, or any right to withdraw any amount from, the Lockbox Account, except that Big Rivers shall have the right to withdraw or direct the withdrawal of amounts from the Lockbox Account. The Depository Bank shall be entitled to rely on, and shall act in accordance with, all instructions given to it by Big Rivers with respect to the Lockbox Account and the funds therein without further consent by Kenergy.

3. Kenergy Fees. Prior to each day that Century deposits funds in the Lockbox Account or if such deposits are received by the Depository Bank after 12:00 noon, Henderson, Kentucky time, then the next business day, (a "Payment Day") Big Rivers will provide a notice in writing to the Depository Bank (the "Fee Notice"), setting forth the amount to be applied to Kenergy with respect to the Retail Fee (as defined in the Electric Service Agreement) for the month in which such Fee Notice is received (the "Kenergy Fees"), and attaching copies of (i) the monthly statement provided by Kenergy to Century pursuant to the Total Electric Service Agreements and (ii) the monthly statement provided by Big Rivers to Kenergy pursuant to the Total Big Rivers Agreements. The Depository Bank shall be under no obligation to verify or confirm any of the information or calculations contained in the Fee

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Notice. Concurrently with delivery of the Fee Notice to the Depository Bank, Big Rivers shall deliver a copy thereof to Kenergy and Century, but the effectiveness of any such Fee Notice, as it relates to the Depository Bank's obligations under this Section 3, shall not depend on the delivery thereof to the Depository Bank and Century.

4. Duties of the Depository Bank.

(a) The Depository Bank shall apply and credit to the Lockbox Account all wire transfers directed to such Lockbox Account, even though such wire transfers may identify the Lockbox Account as an account of Kenergy. Century shall direct Century Payments to the Depository Bank in accordance with the following instructions:

Account Name: Kenergy Lockbox Account (Century)  
Bank ABA No. |  
Account No. \_\_\_\_\_  
Reference: Kenergy Corp. – Century Aluminum of Kentucky

The Depository Bank agrees (x) to maintain the Lockbox Account as a segregated account from Kenergy's other accounts, if any, maintained with the Depository Bank, (y) to refrain from commingling the funds deposited in the Lockbox Account with any other funds of Kenergy and (z) that the location of the Lockbox Account shall not be changed without the prior written consent of Big Rivers.

(b) On each Payment Day, the Depository Bank shall, on behalf of Kenergy, withdraw and distribute the following amounts from funds on deposit in the Lockbox Account in the following priority, and, in each case to the extent of the amount on deposit after giving effect to any prior withdrawal and distribution provided that prior to each application of funds, the Depository Bank shall have received from Big Rivers a Fee Notice for the month in which such distribution is to be made:

(i) to the Depository Bank, to pay fees, costs, expenses and indemnities as and when due to the Depository Bank on such Payment Day; then

(ii) to Kenergy in an amount equal to Kenergy Fees, pursuant the following wire transfer instructions:

Bank: US Bank  
Bank ABA No. |  
Account No. |  
Beneficiary: Kenergy - General Fund; and then

(iii) the remainder to Big Rivers, pursuant to the following wire transfer instructions:

Bank: Old National Bank, Evansville, IN  
Bank ABA No. |  
Account No. |

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Beneficiary: Big Rivers Electric General Fund.

5. Assignment; Acknowledgement of Release; Grant of Security Interest; Remedies Upon Default.

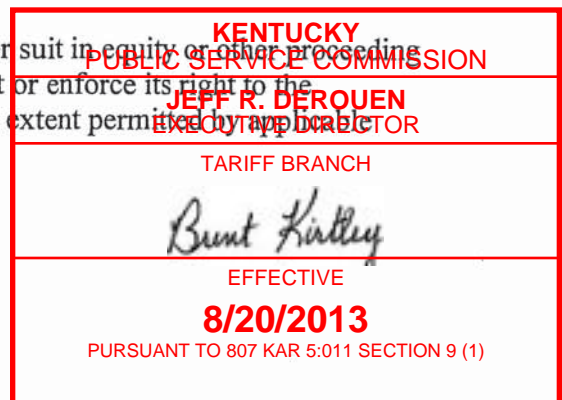
(a) As security for Kenergy's obligations to Big Rivers under the Total Big Rivers Agreements and for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, Kenergy hereby assigns to Big Rivers all of its rights to receive Century Payments and all of its rights to collect and enforce collection of such amounts due from Century (collectively, the "Century Contract Rights"). Century hereby acknowledges and consents to such assignment, and further agrees that, in realizing its rights in respect of Century Contract Rights, Big Rivers may sell and foreclose on such rights separately and apart from the disposition in respect of the rest of the Total Electric Service Agreements. Kenergy agrees to cooperate with and assist Big Rivers with respect to any collections of amounts due from Century to Kenergy which are assigned to Big Rivers pursuant to this Section, provided that Big Rivers will reimburse Kenergy for any expenses it incurs in providing such cooperation and assistance. Kenergy represents and warrants to Big Rivers that such assigned payments and rights are not subject to any existing liens or encumbrances.

(b) Upon execution of this Lockbox Agreement by Kenergy and the execution by Kenergy of any and all UCC Financing Statements requested by Big Rivers as of the execution hereof, and so long as this Lockbox Agreement remains in effect, Big Rivers hereby releases Kenergy from further liability under the Total Big Rivers Agreements for any Century Payments assigned hereby, *provided* that such release does not relieve Kenergy of its other liabilities or responsibilities under each of the Total Big Rivers Agreements.

(c) To secure the performance by Kenergy of all its obligations under the Total Big Rivers Agreements, Kenergy hereby irrevocably pledges and/or assigns to Big Rivers, and grants to Big Rivers a security interest in (i) Century Contract Rights, (ii) all Century Payments, excluding the Retail Fee, (to the extent such Century Payments have not been previously assigned to Big Rivers by Kenergy) (iii) all of its right, title and interest in, to and under the Lockbox Account and all funds contained therein, and in all obligations of the Depository Bank to Kenergy with respect thereto and (iv) in all proceeds of the foregoing (such items in respect of which such security interest is given hereinafter collectively referred to as the "Collateral"). Upon the occurrence of a default by Kenergy under the Arrangement Agreement, Big Rivers may, in addition to exercising any of the remedies available to it under the Total Big Rivers Agreements,

(x) enforce its right to all or any portion of the Collateral by such appropriate judicial proceedings as it shall deem most effective to protect and enforce such right;

(y) cause any action at law or suit in equity or other proceeding to be instituted and prosecuted to collect or enforce its right to the Collateral, or any portion thereof, to the extent permitted by applicable law; or



(z) sell, assign or otherwise liquidate any or all of the Collateral and take possession of the proceeds of any such sale or liquidation.

(d) Following the occurrence of a default by Kenergy under any Total Big Rivers Agreement and the enforcement by Big Rivers of its rights with respect to the Collateral in accordance with clause (c) above, Big Rivers shall be entitled to retain the proceeds received from any such enforcement.

6. Indemnity. Big Rivers hereby agrees to indemnify and hold the Depository Bank harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, reasonable legal fees) (collectively, "Claims") with respect to the performance of this Lockbox Agreement unless such Claims arise from the Depository Bank's gross negligence or willful misconduct. Big Rivers further agrees, so long as Century pays all Century Payments to the Depository Bank, to pay, indemnify and hold Century harmless from and against any and all Claims of or against the Depository Bank with respect to the performance, interpretation, construction and enforcement of this Lockbox Agreement.

7. Fees and Expenses. Big Rivers hereby agrees that all fees and charges associated with the Lockbox Account as shall from time to time be mutually agreed upon by Big Rivers and the Depository Bank shall be included on a monthly consolidated account analysis statement which the Depository Bank shall submit to Big Rivers. This statement shall set forth the fees and charges payable by Big Rivers for such month and be accompanied by such supporting documentation as the Depository Bank shall deem reasonable. All fees and charges set forth in the statement described above shall be deducted from the Lockbox Account by Depository Bank.

8. Limitations on Liability of the Depository Bank. The Depository Bank undertakes to perform those duties as are expressly set forth herein and the other processing requirements as may be covered in any procedure agreement consented to by Kenergy and Big Rivers. Notwithstanding any other provisions of this Lockbox Agreement, it is agreed by the Parties that the Depository Bank shall not be liable for any action taken by it or any of its directors, officers, agents or employees in accordance with this Lockbox Agreement except for its or their own gross negligence or willful misconduct. In no event shall the Depository Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities, labor difficulties or other causes beyond the Depository Bank's reasonable control or for indirect, special or consequential damages.

9. Account Information. Upon the request of any party, the Depository Bank shall provide to each of Big Rivers and Kenergy statements summarizing the activity in the Lockbox Account. In addition, the Depository Bank will provide to each of Big Rivers and Kenergy copies of all information reasonably requested by either of them.

The Depository Bank may rely, and shall be protected in acting, upon any notice (including but not limited to electronically confirmed facsimiles of such

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notice) reasonably believed by the Depository Bank to be genuine and to have been given by the proper Party or Parties.

The Depository Bank shall have no obligation to review or confirm that any actions taken pursuant to this Lockbox Agreement comply with any other agreement or document between the Big Rivers, Century and Kenergy or between any of them. The provisions of this paragraph shall survive termination of this Lockbox Agreement.

10. Waiver of Right of Set-Off. So long as any obligation of Kenergy to Big Rivers under this Lockbox Agreement remains outstanding, the Depository Bank waives, with respect to all of its existing and future claims against Kenergy or any affiliate thereof, all existing and future rights of set-off and banker's liens against the Lockbox Account and all items (and proceeds thereof) that come into its possession in connection with the Lockbox Account; *provided* that the Depository Bank retains the right to charge the Lockbox Account for all items deposited in and credited to the Lockbox Account after the date hereof and subsequently returned to the Depository Bank unpaid and for all fees and charges associated with such returned items.

11. Effectiveness; Integration; Amendments. This Lockbox Agreement shall be effective as of the date first written above, and the Depository Bank shall be in a position to process remittances to the Lockbox Account commencing the date hereof. This Lockbox Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter contained herein. To the extent that any other agreement or understanding, whether in writing or oral, relating to the matters referred to herein is inconsistent with this Lockbox Agreement, this Lockbox Agreement shall supersede such other agreement, including any procedures agreement and any other agreement between Kenergy and the Depository Bank relating to the collection of Century Payments. No provision of this Lockbox Agreement may be amended, modified or waived, except by a written instrument executed by the Parties. Any provision of this Lockbox Agreement which is or is declared illegal, invalid or unenforceable under any law or regulation shall not affect the legality, validity or enforceability of any other provisions hereof.

12. Termination. This Lockbox Agreement shall terminate on the earliest of (a) the date on which the Depository Bank receives a certificate of an authorized officer of Big Rivers to the effect that all Secured Obligations have been paid in full, (b) the date of termination of this Lockbox Agreement by Big Rivers (with the consent of Kenergy, which consent shall not be unreasonably withheld) upon 60 days prior written notice to the Depository Bank and to Kenergy or (c) the date of termination of this Lockbox Agreement by the Depository Bank (with the consent of Big Rivers, which consent shall not be unreasonably withheld) upon 60 days prior written notice to Kenergy and to Big Rivers, provided that such 60 day period shall be extended at the request of Big Rivers if a substitute depository bank cannot be established during such 60 day period. Upon termination of this Lockbox Agreement pursuant to this Section, Big Rivers shall be released from any and all liability and obligations with respect to such Lockbox Account or arising hereunder, and the Lockbox Account shall, at the option of Kenergy, be transferred to Kenergy's name and become an account from which Kenergy may withdraw any and all funds contained therein, or the account shall be closed.

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13. Substitute Depository Bank. In the event that the Depository Bank resigns or is removed by the Parties (other than due to the occurrence of the events contemplated by clause (a) of Section 12 hereof), a substitute bank shall be nominated by Big Rivers which nominee shall be approved by Kenergy (with notice to be provided to Century). Such substitute depository bank shall accept such appointment by executing a comparable Lockbox Agreement and shall thereafter succeed to all rights and responsibilities of the Depository Bank as therein provided.

14. Notices. All notices, requests or other communications given to Kenergy, Big Rivers or the Depository Bank shall be given in writing (including telex, facsimile transmission or similar writing) at the address or telex or facsimile number specified below:

Depository Bank:	Old National Bank 1 Main Street Evansville, Indiana 47708 Attn: Anna Lee Teepool Facsimile: (812) 465-0123
Big Rivers:	Big Rivers Electric Corporation 201 Third Street Henderson, Kentucky 42419 Attn: Vice President, CFO Facsimile: (270) 827-2101
Kenergy:	Kenergy Corp. P.O. Box 18 Henderson, Kentucky 42419-0018 Attn: President and CEO Facsimile: (270) 826-3999
Century:	Century Aluminum Company P.O. Box 500 State Route 271 North Hawesville, Kentucky 42348 Attn: Plant Manager Facsimile: (270) 852-2882

Any Party may change its address or facsimile number or notices hereunder by notice to each other Party hereunder. Each notice, request or other communication shall be effective (a) if given by facsimile transmission, when such facsimile is transmitted to the facsimile number specified in this Section, (b) if given by mail, two business days after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid or (c) if given by any other means, when delivered at the address specified in this Section.

15. Acknowledgment of Security Interest. By executing this Lockbox Agreement the Depository Bank acknowledges and consents to the security interest granted by Kenergy to Big Rivers pursuant to Section 5. Kenergy agrees to promptly e: all

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further instruments and documents that may be necessary or which Big Rivers may in good faith reasonably request, in order to perfect and protect any pledge or security interest granted hereby, including, without limitation, such financing or continuation statements, or amendments thereto, as Big Rivers may reasonably request.

16. Governing Law. Except to the extent that federal law or the laws of the state in which the Depository Bank is located govern the Lockbox Account, this Lockbox Agreement shall be governed by, and interpreted in accordance with, the laws of the Commonwealth of Kentucky, without regard to its conflicts of laws rules. For purposes of this Lockbox Agreement, the Commonwealth of Kentucky shall be deemed the bank's jurisdiction under the Kentucky Uniform Commercial Code.

17. Counterparts. This Lockbox Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

[Signatures Follow on Next Page]

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TARIFF BRANCH <i>Brent Kirtley</i>
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IN WITNESS WHEREOF, each of the Parties has caused this Lockbox Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

OLD NATIONAL BANK

By: *Butch Schutte*  
Name: BUTCH SCHUTTE  
Title: SUP Director of Cash Management

BIG RIVERS ELECTRIC CORPORATION

By: \_\_\_\_\_  
Name: Mark A. Bailey  
Title: President and Chief Executive Officer

KENERGY CORP.

By: \_\_\_\_\_  
Name: Gregory J. Starheim  
Title: President and Chief Executive Officer

CENTURY ALUMINUM OF KENTUCKY  
GENERAL PARTNERSHIP

By: \_\_\_\_\_  
Name:  
Title:

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OLD NATIONAL BANK

By: \_\_\_\_\_  
Name:  
Title:

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. Bailey  
Name: Mark A. Bailey  
Title: President and Chief Executive Officer

KENERGY CORP.

By: Gregory J. Starheim  
Name: Gregory J. Starheim  
Title: President and Chief Executive Officer

CENTURY ALUMINUM OF KENTUCKY  
GENERAL PARTNERSHIP

By: METALSCO LLC, its Managing Partner

By: Sean M. Byrne  
Name: Sean M. Byrne  
Title: Hawesville Plant Manager

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