

Approved Copy
116.0.5.1
Contract 220

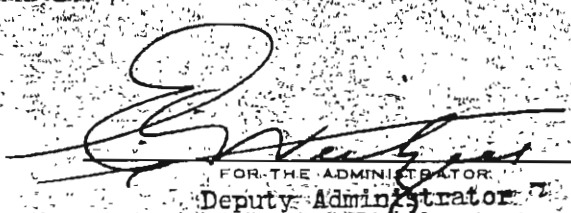
U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION Kentucky 62 Big Rivers

THE WITHIN Amendment No. 1 dated March 2, 1971, to Power
Plant Construction and Operation Agreement with the City of
Henderson, Kentucky

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.

DATED MAR 26 1971


FOR THE ADMINISTRATOR
Deputy Administrator

116.0.3.1
3-2-71

Amendment #1

POWER PLANT CONSTRUCTION AND OPERATION AGREEMENT

BETWEEN

CITY OF HENDERSON, KENTUCKY

AND

BIG RIVERS RURAL ELECTRIC CO-OPERATIVE CORPORATION

POWER PLANT CONSTRUCTION AND OPERATION AGREEMENT

Amendment #1

The Power Plant Construction and Operation Agreement entered into as of August 1, 1970 by and between the City of Henderson, Kentucky and Big Rivers Rural Electric Co-operative Corporation is hereby amended in the following particulars:

1. Section 2.6 shall be amended so as when amended the same shall read as follows:

2.6 Contract Year: With respect to the first contract year, the period from Date of Commercial Operation or June 30, 1974, whichever shall first occur, to and including the next succeeding December 31, and thereafter, the successive twelve-month periods beginning January 1 and ending December 31; provided that in the event that City shall exercise its right under the Bond Ordinance to change from a calendar year accounting period to another fiscal year accounting period, as shall be specified in a Supplemental Ordinance adopted in accordance with the Bond Ordinance, the term Contract Year as used herein shall thereupon refer to the same period as such new fiscal year accounting period with such changes in

the accounting and budgeting procedures, including the adoption of a new Annual Budget hereunder, as shall be necessary or appropriate to effect such change in the Contract Year.

2. Section 5.3 shall be amended so as when amended the same shall read as follows:

5.3 Big Rivers shall permit the City to use, at no cost to City, any surplus capacity which it may have on its two existing 69 KV transmission lines from point of City's Station Two switchyard to points of substations of City's Existing System, and will likewise permit the City to use any surplus capacity on additional transmission facilities which Big Rivers may hereafter construct in such manner as to permit the transmission of electric energy from City's Station Two to its Existing System. In its use of such transmission facilities, City will not, except for reasons beyond its control, disrupt or adversely effect Big Rivers' service to its own customers.

3. Section 18.1 shall be amended so as when amended the same shall read as follows:

18.1 Except to the extent that City's Station Two is

insured during construction, installation and other acquisition thereof by City, its contractors and/or suppliers, at all times during the term of this Agreement City will, to the extent reasonably obtainable, maintain at least the following insurance on its Station Two, the costs thereof prior to Date of Commercial Operation to be paid as a construction cost, and thereafter as an operating expense:

(a) fire, extended coverage and vandalism, broad form, in an amount at least equal to ninety per cent (90%) of the full insurable value of City's Station Two, Twenty-Five Thousand Dollars (\$25,000) deductible, against loss or damage from fire, lightning, tornado, windstorm, flood or wavewash, hail, explosion, riot, riot attending a strike, civil commotion, vandalism and malicious mischief, aircraft, vehicles and smoke. In determining the full insurable value recognition of risks applicable to individual coverages shall be taken into consideration and such value with respect thereto shall be established as would be carried in accordance with sound business practices for electric utilities.

(b) A standard form of comprehensive general liability

insurance against claims for personal injury (including wrongful death) and property damage with minimum limits as follows:

(1) personal injury, \$1,000,000 each person
\$1,000,000 each occurrence

(2) property damage, \$1,000,000 each occurrence

(c) A standard form of comprehensive automobile liability insurance with minimum limits as follows:

(1) personal injury, \$ 500,000 each person
\$1,000,000 each occurrence

(2) property damage, \$ 100,000 each occurrence
100,000 aggregate

(d) Workmen's Compensation Insurance as required by the laws of Kentucky.

(e) Prior to the initial firing of the boiler, broad form boiler and machinery breakdown, in the minimum amount of \$7,000,000 for Unit One and an additional \$7,000,000 for Unit Two, \$200,000 deductible.

(f) Inland Marine Insurance on all off-highway vehicles and Marine Insurance on docks, barges, work boats and other marine items, in amounts equal to maximum insurable values.

4. Section 29.1 shall be amended so as when amended the same shall read as follows:

29.1 It is understood and agreed that, space being available, additional generating units may be added to City's Station Two during the term of this Agreement in order to provide additional firm capacity for the future and expanding needs of City and its inhabitants for electric power and energy with sales of surplus power and energy to Big Rivers, subject to mutual agreement of the parties as to the terms and conditions applicable thereto.

All provisions of the parties' Power Plant Construction and Operation Agreement of August 27, 1970 not herein amended shall remain in full force and effect as originally adopted.

Executed at Henderson, Kentucky this 3rd day of

March, 1971.

CITY OF HENDERSON, KENTUCKY

BY William L. Newman
William L. Newman, Mayor

ATTEST:

Thomas Crofton
City Clerk

(City Seal)

CITY OF HENDERSON UTILITY COMMISSION

BY *Louis Hatchett*
Louis Hatchett, Chairman

ATTEST:

Dudley H. Emerson
Secretary

BIG RIVERS RURAL ELECTRIC
CO-OPERATIVE CORPORATION

BY *Robert Reid Sr.*
Robert Reid, Sr., President

ATTEST:

D. B. Wilson
D. B. Wilson, Secretary

This instrument prepared by:

Paul R. Wood
of WEST MARKWELL & BRYANT
Suite 380 Imperial Building
110 Third Street
Henderson, Kentucky 42420