

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION Kentucky 33 Daviess

THE WITHIN Agreement for Purchase of Power dated May 15, 1978,
between Green River Electric Corporation and Martin - Marietta
Aluminum, Inc.

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

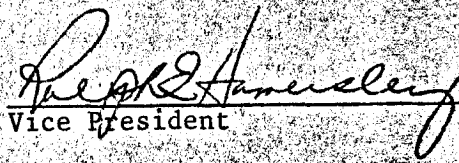

FOR THE ADMINISTRATOR

DATED

August 30, 1978

LOUISVILLE BANK FOR COOPERATIVES

Dated: 9/12/78


Vice President

AGREEMENT FOR RETAIL ELECTRIC SERVICE

THIS AGREEMENT FOR RETAIL ELECTRIC SERVICE made and entered into on this the 15th day of May, 1978, by and between GREEN RIVER ELECTRIC CORPORATION, a Kentucky corporation organized under Chapter 279 of the Kentucky Revised Statutes, of Owensboro, Kentucky, hereinafter "Utility", and MARTIN-MARIETTA ALUMINUM, INC., a corporation formed under the laws of the State of California, with principal offices at 6801 Rockledge Drive, Bethesda, Maryland, 20034, hereinafter "Consumer".

WHEREAS, Consumer desires to purchase from Utility and Utility desires to sell and deliver, subject to the terms of this agreement, all retail electric service to electric consuming facilities owned by the Consumer and located in Hancock County, Kentucky;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1.0 Contract Demand. The Utility will supply, and the Consumer will take and pay for, all of the electric power and energy required for the operation of the aluminum rolling mill owned by the Consumer and located near Lewisport in Hancock County, Kentucky, up to a maximum contract demand of 42,000 kilowatts, in accordance with the terms and provisions of this Agreement and of the rules and regulations of the Public Service Commission of Kentucky which may be applicable and effective from time to time. The contract demand obligation of the utility shall be measured by the recording instantaneous KW meters of Utility's wholesale power supplier.

2.0 Power Supply Characteristics. The electric power and energy delivered shall be in the form of Three-Phase alternating current (60 hertz) at 13,800 volts.

3.0 Point of Delivery. The point of delivery for the power and energy to be supplied shall be at the point of connection of Consumer's 13,800 volt bus with Utility's stepdown transformers located in the existing substation at the Consumer's electric consuming facility referred to above.

4.0 Facilities to be Provided by Consumer. The Consumer will provide or cause to be provided, without cost to the Utility, the following facilities which are or may be necessary for the Utility to supply the electric consuming facilities of the Consumer with retail electric service:

4.01 All easements for rights-of-way upon Consumer's property at such locations and of such dimensions as mutually agreed upon, for transmission lines operating at 12,470 volts and higher;

4.02 Adequate sites for such additions to the existing substation site, or adequate additional substation sites, at such locations and of such dimensions as mutually agreed upon with the fee simple title thereto, rough graded to the Utility's requirements, as may be from time to time required by Utility.

4.03 All required 13,800 volt substation equipment including buses to connect to transformers owned by Utility or Utility's wholesale power supplier, but not including the 13,800 volt transformer lightning arresters, revenue metering equipment, and station service equipment for Utility's portion of substation.

4.04 Facilities for Utility's metering equipment or the metering equipment belonging to Utility's wholesale power supplier.

5.0 Facilities to be Provided by Utility. Utility will furnish or cause to be furnished all required substation facilities for delivering the contract demand capacity to Consumer except those facilities specified in Section 4.0. Utility may use the substation site, without cost, for the purpose of constructing or installing facilities to serve other customers from its substation.

6.0 Operation and Maintenance of Facilities. The Utility will maintain all substation facilities owned by it. The Consumer will maintain the equipment owned by it. The Utility will operate all transmission and substation facilities required to supply retail electric service to the Consumer as provided herein.

Consumer shall furnish, install, maintain and operate such facilities and equipment as may be necessary to enable it to receive and use electric power and energy purchased hereunder, and to afford reasonable protection to the facilities of the Utility. Plans for equipment to be installed for the protection of the facilities of Consumer or Utility shall be submitted to the Utility for prior approval.

7.0 Construction Standards. The Utility shall construct and maintain its facilities in accordance with specifications at least equal to those provided by the National Electrical Safety Code of the United

States Bureau of Standards. Nothing in this Agreement shall be construed to render the Utility liable for any claim, demand, cost, loss, cause of the action, damage, or liability of whatsoever kind or nature arising out of or resulting from the construction or operation and maintenance of the Utility's electric system.

8.0 Right of Access. Each party grants to the other party right of access to their respective premises to install, maintain, operate, repair, and renew any and all equipment, apparatus, and devices owned by such other party and necessary in the performance of this agreement.

9.0 Right of Removal. Any and all equipment, apparatus, devices, or facilities placed or installed, or caused to be placed or installed, by either of the parties hereto on or in the premises of the other party shall be and remain the property of the party owning and installing such equipment, apparatus, devices or facilities regardless of the mode or manner of annexation or attachment to real property of the other and upon the termination of this agreement the owner thereof shall have the right to enter upon the premises of the other and shall within a reasonable time remove such equipment, apparatus, devices or facilities, except that Consumer may not recover any easements or sites conveyed to Utility prior to the date of this agreement or any additional easements or sites referred to in paragraph 4.0 hereof.

10.0 Rates. The Consumer shall pay the Utility for all electric power and energy furnished hereunder at the rates and on the additional terms and conditions set forth in Schedule A to this agreement. The demand and energy rates in Schedule A shall at all times equal the wholesale rate paid by Utility plus an adder of 0.30 mill per KWH.

Upon receipt by Utility of notice of an adjustment or proposed adjustment in the rates of its wholesale power supplier (notice given in accordance with the rules and regulations of the Public Service Commission of Kentucky) Utility shall prepare a revised Schedule A to reflect such rate adjustment and forward the revised Schedule A to Consumer. The revised Schedule A shall automatically become a part of this agreement concurrently with the effective date and time of the adjustment in the rates of Utility's wholesale power supplier. This procedure shall apply to any adjustment in the rates of Utility's wholesale power supplier, whether permanent or interim.

No provision in this agreement shall be construed or operate to deny the Consumer the right to appear before any administrative or legal tribunal to protest any rate adjustment proposed by Utility's wholesale power supplier.

11.0 Billing Demand.

11.01 Billing Demand shall be the greater of 20,000 kilowatts or the average number of kilowatts supplied during the thirty-minute period of maximum use during the month as determined by meters which will record on a tape at the end of each thirty-minute period the kilowatts delivered during

the preceding thirty minutes. In no event shall Utility be obligated to supply capacity in excess of the contract demand as defined in Section 1.0.

11.02 If the Consumer notifies the Utility thirty (30) days in advance of any reduction in demand which causes the level of demand to fall below the minimum billing demand obligation of paragraph 11.01, above, Utility will attempt to sell that unused capacity and will credit the proceeds of any sale of unused capacity to the minimum billing demand obligation of Consumer during the billing month in which the demand reduction occurs. Credit given for the sale of unused capacity shall never exceed the minimum billing demand obligation of the Consumer for the billing month in which the demand reduction occurs.

12.0 Power Factor. The Consumer shall at all times take and use power in such manner that the power factor shall exceed 95% as is consistent with good operating practice for the aluminum rolling mill, provided, however, that whenever the power factor at the time of monthly maximum load is consistently determined to be less than 95%, the Utility may install corrective power factor equipment at Consumer's expense to raise the power factor to at least 95%.

13.0 Term of Agreement.

13.01 Primary Term plus Options. This agreement shall remain in effect until May 15, 1998. At the expiration of the original term, or if extended then at the expiration of any extension

thereof, this agreement shall remain in effect until terminated by either party giving the other party at least twelve (12) months written notice prior to the effective date of such termination. Notwithstanding any other provision herein contained, but subject to the provisions of Section 13.02, Consumer may terminate this agreement effective upon the closing of its plant and cessation of operations provided the Consumer shall give Utility at least twelve (12) months written notice prior to the effective date of such termination.

13.02 Termination within Five Years. If termination of this agreement is requested by the Consumer prior to the end of the first five (5) years of operation under this agreement, a termination charge shall be paid to the Utility by the Consumer equal to the estimated investment of \$300,000.00 to be made by Utility or its power supplier exclusively to supply power and energy to Consumer, which sum shall be reduced by one-sixtieth per month for each month Consumer purchases power and energy from Utility.

14.0 Force Majeure. In the event of either party being rendered unable, wholly or in part, by force majeure or uncontrollable forces to carry out its obligations, on such party's giving notice and reasonably full particulars of such force majeure or uncontrollable forces, in writing or by telegraph, to the other party within a reasonable time after the occurrence of the cause relied on, then the obligations, so far as and to the extent

that they are affected by such force majeure or uncontrollable forces, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as possible, be remedied with all reasonable dispatch.

The term "force majeure", as used herein, shall mean an act of God, strikes, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of government, either federal or state, civil or military, civil disturbances, explosions, breakage or accident to machinery or transmission lines, inability of either party hereto to obtain necessary materials, supplies or permits, due to existing or future rules, regulations, orders, laws or proclamations of governmental authorities (either federal or state), including both civil and military, which are not reasonably within the control of the party claiming suspension.

In no event shall this agreement subject either party to consequential damage or damages for loss of anticipated profits.

15.0 Metering. The Utility will install, maintain and operate the metering equipment located in the step-down substation at the aluminum rolling mill. Each meter used under this agreement shall be read on or about the first day of each month (or such other date as may be mutually agreed upon) by a representative of the Utility, and may be simultaneously read by the representative of the Consumer if the Consumer so elects. The

Utility will make such tests and inspections of the meters as may be necessary to maintain them at the highest practical commercial standard of accuracy. If periodic tests show that a meter used for billing is accurate within 1% slow or fast, no correction shall be made in the billing. If any such tests show that such meter is inaccurate by more than 1% slow or fast, correction shall be made in the billing to the proper party for the period during which the parties agree that the inaccuracy existed. The Utility will make additional tests of meters at the request and expense of the Consumer and in the presence of Consumer's representative. In all other respects meters shall be installed, operated, maintained and tested in accordance with the rules and regulations of the Public Service Commission of Kentucky.

16.0 Remedies of Parties. Except as otherwise provided herein, nothing contained in this agreement shall be construed to abridge, limit, or deprive either party of any means of enforcing any remedy either at law or at equity for the breach of any of the provisions herein.

Waiver at any time by either party of rights with respect to a default or any other matter arising in connection with this agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

17.0 Notices. Any written notice, demand or request required or authorized under this agreement shall be deemed properly given to or served on the Utility if mailed to it: Green River Electric Corporation, P. O. Box 1389, Owensboro, Kentucky. Any such notice, demand or request shall be deemed properly given to or served on the Consumer if mailed to: Martin-Marietta Aluminum, Inc., P.O. Box 480, Lewisport, Kentucky, 42351.

18.0 Reports and Information. Each party hereto shall furnish to the other such reports and information concerning its operations as the other party may reasonably request from time to time.

19.0 Successors in Interest. The terms and conditions of this agreement shall inure to and be binding upon the parties together with their respective successors and assigns. The Consumer may, at its election, assign or transfer this agreement to any subsidiary or affiliate of Consumer which may become engaged in the operation of the aluminum rolling mill; and, in such event, if such assignee or transferee shall assume all obligations or responsibilities of Consumer under this agreement, then Consumer shall become only secondarily liable for such obligations and responsibilities.

20.0 Effective Date. The effective date of this agreement shall be May 15, 1973, except that the effective date of this agreement shall be postponed and this agreement shall not become effective unless and until:

20.01 Its approval by the Administrator of the Rural Electrification Administration, and

20.02 Approval or acceptance by the Public Service Commission of Kentucky and such other state or federal regulatory agencies having jurisdiction by law to confirm and approve the rates and other conditions of this contract, and

20.03 The securing of all necessary and final approvals and authority for Utility's power supplier to construct any additional transmission and substation facilities as may be required by Utility or its power supplier to fulfill the requirements of this agreement.

21.0 This agreement, upon its effective date, shall supersede and render void and unenforceable any previous agreements between the parties for retail electric service.

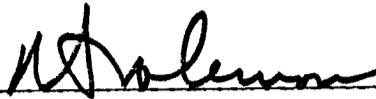
IN WITNESS WHEREOF, the parties hereto have caused their names to be hereunto subscribed by their representatives thereunto duly authorized by their respective Boards of Directors as of the day and year first hereinabove written.

GREEN RIVER ELECTRIC CORPORATION,

By: *W. M. Mole*
President

Robert J. ...
Secretary

MARTIN-MARIETTA ALUMINUM, INC.,

By: 
Vice President

ASS'T 
Secretary

SCHEDULE A

Effective May 15, 1978, and continuing in effect thereafter unless changed by Utility in accordance with the terms of this Agreement, Consumer agrees to pay for the power and energy purchased under this agreement in accordance with the following monthly rate schedule:

1. Base Rate:

- (a) A demand charge of \$3.40 per kilowatt of billing demand.
- (b) plus an energy charge of 9.262 mills per KWH consumed.

2. Cost Adjustment: In the event the rate under which Utility purchases power at wholesale is adjusted in accordance with cost adjustment provisions now or in the future contained in either the tariff of Utility's wholesale power supplier or in Utility's wholesale power contract, the foregoing energy charges shall be adjusted each month by the same amount per kilowatt hour of sales by Utility equal to the dollar amount of those cost adjustments in Utility's wholesale power costs for the next preceding month.

3. Plus a surcharge equal to any surcharge charged to Green River by Big Rivers Electric Corporation, attributable to sales of electric energy by Green River to the customer, for recovery of the unbilled fuel clause adjustment revenue lag as allowed Big Rivers in P.S.C. No. 6761.

SANDIDGE, HOLLEROOK & CRAIG, P. S. C.

ATTORNEYS AT LAW

P. O. BOX 727

100 ST. ANN BUILDING

OWENSBORO, KENTUCKY 42301

RIDLEY M. SANDIDGE
MORTON J. HOLBROOK
WILLIAM G. CRAIG
WILLIAM E. GARY, III
RALPH W. WIBLE
RONALD M. SULLIVAN
JOHN H. HELMERS
JESSE T. MOUNTJOY
R. FRANK STAINBACK, JR.
JAMES M. MILLER
WILLIAM G. CRAIG, JR.
RIDLEY M. SANDIDGE, JR.

AREA CODE: 502
TELEPHONE NUMBER: 926-4000

July 17, 1978

Mr. J.R. Miller
Green River Electric Corporation
3111 Fairview Drive
P.O. Box 1389
Owensboro, Kentucky 42301

RE: Kentucky 33 Daviess
Agreement for Electric Service
Between Green River Electric
Corporation and Martin-Marietta
Aluminum, Inc.

Dear J.R.:

Paragraph 2 of the letter from REA returning the copies of the Martin-Marietta agreement suggested that the force majeure provision of the contract (Paragraph 14.0) might affect the obligation of Martin-Marietta to pay the termination charge in Paragraph 13.02, and suggested that you obtain an opinion from counsel concerning this question.

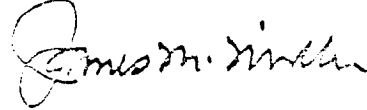
Our opinion is that the force majeure paragraph would not affect Martin-Marietta's obligation to pay the termination charge under Paragraph 13.02. The obligation created under Paragraph 13.02 (the charge for termination within five [5] years) is not an obligation which we believe could be affected "by force majeure or uncontrollable forces". If an earthquake levelled Martin-Marietta's plant within five years of the date of the agreement, the obligation of Martin-Marietta to take power under the contract would obviously be suspended. If Martin-Marietta wanted to rebuild the plant, its obligation to take power would be suspended during the rebuilding. If Martin-Marietta wanted to abandon its Hancock County operations, only then would the obligation to pay the termination charge arise under Paragraph 13.02. In other words, the obligation to pay the termination charge would not be affected by force majeure as that

Mr. J.E. Miller
July 17, 1978
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obligation would not arise until after the force majeure.

Sincerely yours,

SANDIDGE, HOLBROOK & CRAIG, P.S.C.



James M. Miller

JMM/rbt