

RESOLUTION NO. 14-_____

WHEREAS, the City of Huntsville, Alabama (hereinafter referred to as Distributor), and Tennessee Valley Authority (hereinafter referred to as TVA), did heretofore enter into a contract dated May 26, 1980 (which contract, as amended and supplemented, is hereinafter called the Power Contract); and

WHEREAS, the Distributor and TVA entered into an agreement dated October 22, 2012 (Project Agreement), providing for TVA to construct the Madison-Charity Lane 161-kV Transmission Line to accommodate two underbuilt 46-kV circuits for Distributor's use; and

WHEREAS, under the Project Agreement, Distributor makes milestone payments to TVA and, due to a mutual mistake of the parties, Distributor's milestone payments are being held in an interest-bearing account; and

WHEREAS, the parties wish to amend the Project Agreement to correct the milestone payment provisions; and

WHEREAS, there is now presented to the City Council of the City of Huntsville, Alabama, an agreement amending the milestone payment provisions of the Project Agreement, with the representation that the said agreement has been approved by the Huntsville Electric Utility Board.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that it does approve the aforesaid Amendatory Agreement and Tommy Battle, as Mayor of the City of Huntsville, Alabama, be, and the he is authorized to execute said agreement for and on behalf of the City of Huntsville, Alabama, and the Clerk-Treasurer be and he is hereby authorized to attest the same and to affix thereto the seal of the City of Huntsville, Alabama, all in as may counterparts as may be necessary.

BE IT FURTHER RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized to enter into an amendatory agreement by and between the City of Huntsville and the Tennessee Valley Authority on behalf of the City of Huntsville, a municipal corporation in the State of Alabama, which said amendatory agreement is substantially in words and figures similar to that certain document attached hereto and identified as "Amendatory Agreement between City of Huntsville, Alabama, and Tennessee Valley Authority," consisting of 2 pages and the date of _____, 2014, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk-Treasurer of the City of Huntsville, Alabama.

ADOPTED this the _____ day of _____, 2014.

President of the City Council of
The City of Huntsville, Alabama

APPROVED this the _____ day of _____, 2014.

Mayor of the City of Huntsville,
Alabama



4/14
Elec. Bd / Council
WCF

Tennessee Valley Authority, 4960 Corporate Drive, Suite 125, Huntsville, Alabama 35805

April 1, 2014

Mr. William C. Pippin
President and Chief Executive Officer
Huntsville Utilities
Post Office Box 2048
Huntsville, Alabama 35804-2048

Dear Bill:

Enclosed for your review and execution are triplicate originals of a proposed amendatory agreement that modifies the project agreement for the Madison - Charity Lane transmission line construction. The project agreement provided for interest on LPC milestone payments and business services determined that these payments should not accrue interest.

Upon execution of the amendatory agreement by Huntsville Utilities, all of the originals of the agreement should be returned to me for further handling. Upon execution by TVA, two fully executed originals of the amendatory agreement will be returned to you. Please note that the agreement will be dated by TVA upon its execution.

If you have any questions concerning this agreement, please contact me at (256) 386-2614.

Sincerely,

Kevin C. Chandler
General Manager

Enclosures

**AMENDATORY AGREEMENT
BETWEEN
CITY OF HUNTSVILLE, ALABAMA
AND
TENNESSEE VALLEY AUTHORITY**

Date: _____

Contract No. 6500, Supp. No. 1

THIS AGREEMENT, made and entered into between the CITY OF HUNTSVILLE, ALABAMA (Distributor), a municipal corporation created and existing under and by virtue of the laws of the State of Alabama, and TENNESSEE VALLEY AUTHORITY (TVA), a corporation created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended (TVA Act);

WITNESSETH:

WHEREAS, Distributor and TVA entered into an agreement dated October 22, 2012 (Project Agreement), providing for TVA to construct the Madison - Charity Lane 161-kV Transmission Line to accommodate two underbuilt 46-kV circuits for Distributor's use; and

WHEREAS, under the Project Agreement, Distributor provides milestone payments to TVA, and, due to a mutual mistake of the parties, Distributor's milestone payments are being held in an interest-bearing account; and

WHEREAS, the parties wish to amend the Project Agreement to correct the milestone payment provisions;

NOW, THEREFORE, for and in consideration of the premises and of the agreements set forth below, and subject to the TVA Act, the parties agree as follows:

SECTION 1 - TERM OF AGREEMENT

This agreement shall be effective as of the date above first written (Effective Date), and shall continue in effect until the expiration or termination of the Project Agreement.

SECTION 2 - REPLACEMENT LANGUAGE

As of the Effective Date, the last paragraph of section 3 of the Project Agreement shall be replaced with the following:

TVA may make changes to the Milestone Payment Schedule, including, but not limited to, changes to the Total Cost, upon at least thirty (30) days' prior written notice to Distributor to reflect changes in the estimated TVA Cost. If Distributor fails to make milestone payments in accordance with the Milestone Payment

Schedule by the payment due date, TVA shall be entitled to immediately stop work on the TVA Work.

SECTION 3 - RATIFICATION OF THE PROJECT AGREEMENT

The Project Agreement, as supplemented and amended by this agreement, is ratified and confirmed as the continuing obligation of the parties.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives, as of the day and year first above written.

CITY OF HUNTSVILLE, ALABAMA

By _____
Title:

TENNESSEE VALLEY AUTHORITY

By _____
Senior Manager
Power Customer Contracts