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April 23, 2008

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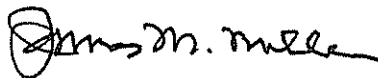
Hon. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: The Applications of Big Rivers Electric Corporation for: (I) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (II) Approval of Transactions, (III) Approval to Issue Evidences of Indebtedness, and (IV) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp. and LG&E Energy Marketing, Inc. for Approval of Transactions, PSC Case No. 2007-00455

Dear Ms. Stumbo:

Enclosed for filing on behalf of Big Rivers Electric Corporation ("Big Rivers") are an original and ten copies of (i) a Motion to Amend and Supplement Application, (ii) a Third Amendment and Supplement to Application ("Amendment") supplementing its prior filings with the balance of the evidences of indebtedness Big Rivers purposes to issue, and (iii) a petition seeking confidential treatment of certain documents filed as exhibits to the Amended Application. One sealed copy of the confidential documents, and ten copies of the confidential documents with the confidential information redacted, are attached to the petition. A copy of this cover letter, the motion, the Amended Application, the petition and a redacted copy of the confidential documents has been served on the attached service list.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

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David Spainhoward
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

THE APPLICATION OF BIG RIVERS)	
ELECTRIC CORPORATION FOR:)	
(I) APPROVAL OF WHOLESALE TARIFF)	
ADDITIONS FOR BIG RIVERS ELECTRIC)	
CORPORATION, (II) APPROVAL OF)	
TRANSACTIONS, (III) APPROVAL TO)	
ISSUE EVIDENCES OF INDEBTEDNESS,)	CASE NO. 2007-00455
AND (IV) APPROVAL OF AMENDMENTS)	
TO CONTRACTS; AND)	
)	
OF E.ON U.S., LLC, WESTERN)	
KENTUCKY ENERGY CORP. AND)	
LG&E ENERGY MARKETING, INC.)	
FOR APPROVAL OF TRANSACTIONS)	

**PETITION OF BIG RIVERS ELECTRIC CORPORATION FOR CONFIDENTIAL
PROTECTION**

Big Rivers Electric Corporation ("Big Rivers") hereby petitions the Kentucky Public Service Commission ("Commission"), pursuant to 807 KAR 5:001 Section 7 and KRS 61.878(1)(c), to grant confidential protection to a proposed letter agreement between Big Rivers and Bank of America Leasing Corporation ("Bank of America"), for which Big Rivers is seeking approval in this matter (the "Agreement"), and to grant confidential protection to descriptions of the terms of the Agreement contained in the Supplemental Testimony of C. William Blackburn ("Blackburn Testimony"), attached as Exhibit 77 to Big Rivers' Third Amendment and Supplement to Application ("Amended Application"), filed with this petition. The Agreement is further described in Paragraph 4 of the Amended Application, and in the Blackburn Testimony. In support of this petition, Big Rivers states as follows:

1. The Agreement and the descriptions of the terms of the Agreement that Big Rivers seeks to protect (the "Confidential Information") contain commercially sensitive

information representing the costs, concessions, terms, and conditions that Big Rivers has been able to negotiate for its and its members' benefit in the Agreement. The Confidential Information is derived from Big Rivers and Bank of America's internal examinations, criteria and related analytical methods which should not be disclosed, and it involves estimates and evaluations with respect to financial instruments that are proprietary and should not be disclosed.

2. Public disclosure of the Confidential Information could have a material adverse affect on Big Rivers and would give an unfair competitive advantage to Big River's competitors. Public disclosure of the Confidential Information would put other financial institutions in a position to determine which terms and conditions Big Rivers is willing to accept, thus placing Big Rivers at a competitive disadvantage with other financial institutions who could use the information in future negotiations or proposals, resulting in increased prices for Big Rivers and its members and less favorable contracts for Big Rivers. Moreover, Big Rivers operates in a competitive marketplace for wholesale power, and such increased prices and less favorable contracts would place it at a severe competitive disadvantage among other wholesale power generators with which it competes.

3. Thus, the Confidential Information contains confidential and proprietary information regarding the terms on which Big Rivers and Bank of America have agreed to enter to into the Agreement, and it falls within a category of commercial information "generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors" of Big Rivers. KRS 61.878(1)(c)(1); 807 KAR 5:001 Section 7(2)(a)(1).

4. The Confidential Information is not publicly known, it is not disseminated within Big Rivers except to those persons with a legitimate business need to know and act on the information, and the terms of the Agreement are governed by confidentiality provisions.

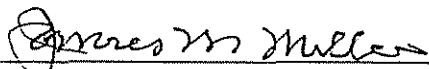
5. One (1) sealed copy of the Agreement, which is confidential in its entirety, and one (1) sealed copy of the Blackburn Testimony with the Confidential Information highlighted with transparent ink, are attached to this petition. Ten (10) copies of the Agreement and the Blackburn Testimony with the Confidential Information redacted, are attached as Exhibits 67 and 77 (respectively) to the copies of the Amended Application filed contemporaneously with this petition. 807 KAR 5:001 Sections 7(2)(a)(2), 7(2)(b).

6. This petition, the redacted Agreement, and the redacted Blackburn Testimony have been served on all parties. 807 KAR 5:001 Section 7(2)(c).

7. If and to the extent that any of the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Big Rivers will notify the Commission and have its confidential status removed. 807 KAR 5:001 Section 7(9)(a).

WHEREFORE, Big Rivers respectfully requests that the Commission classify and protect as confidential the Confidential Information filed with this petition.

On this the 23rd day of April, 2008.


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COUNSEL FOR BIG RIVERS
ELECTRIC CORPORATION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)
ELECTRIC CORPORATION FOR:)
(I) APPROVAL OF WHOLESALE TARIFF)
ADDITIONS FOR BIG RIVERS ELECTRIC)
CORPORATION, (II) APPROVAL OF)
TRANSACTIONS, (III) APPROVAL TO ISSUE)
EVIDENCES OF INDEBTEDNESS, AND) CASE NO. 2007-00455
(IV) APPROVAL OF AMENDMENTS TO)
CONTRACTS; AND)
OF E.ON U.S., LLC, WESTERN KENTUCKY)
ENERGY CORP. AND LG&E ENERGY MARKETING,)
INC. FOR APPROVAL OF TRANSACTIONS)

MOTION TO AMEND AND SUPPLEMENT APPLICATION

Big Rivers Electric Corporation ("Big Rivers") moves the Public Service Commission ("Commission") pursuant to 807 KAR 5:001 Section 3(5), for an order allowing it to amend and supplement the application in this matter (the "Application") to seek the Commission's approval for Big Rivers to file the Third Amendment and Supplement to Application attached hereto (the "Third Amendment"), which supplements its prior filings with the balance of the evidences of indebtedness Big Rivers proposes to issue.

The Application contemplated that Big Rivers would subsequently file its request for approval to issue evidences of indebtedness. Big Rivers filed two previous Motions to Amend and Supplement Application, in which it sought leave to amend the Application to include details and evidence in support of its request for approval to issue evidences of indebtedness (the "First Amendment" and the "Second Amendment"). Application ¶¶

1 65-67. The First Amendment explained the necessity of making staggered filings of the
2 financing documents as they become substantially complete (First Amendment ¶ 16), and
3 contained the information required for a filing seeking approval to issue the proposed
4 evidences of indebtedness. The Second Amendment added additional financing
5 documents to the request for approval. This motion seeks to add the remaining financing
6 documents that Big Rivers will enter as part of the Unwind Transaction to the request.

7 Big Rivers submits that it is both reasonable and appropriate that the Commission
8 exercise its discretion to allow the amendment and supplementation of the Application
9 proposed by Big Rivers, for the reasons stated in the motion seeking to file the First
10 Amendment.

11 WHEREFORE, Big Rivers requests that the Commission enter its order allowing
12 Big Rivers to amend and supplement its Application with the Third Amendment, attached
13 to this motion, and granting all other relief to which Big Rivers may appear entitled.

14 On this the 23rd day of April, 2008.

15
16 
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32 COUNSEL FOR BIG RIVERS
33 ELECTRIC CORPORATION

1 COMMONWEALTH OF KENTUCKY

2 BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

3 In the Matter of:

4 THE APPLICATIONS OF BIG RIVERS)
5 ELECTRIC CORPORATION FOR:)
6 (I) APPROVAL OF WHOLESALE TARIFF)
7 ADDITIONS FOR BIG RIVERS ELECTRIC)
8 CORPORATION, (II) APPROVAL OF)
9 TRANSACTIONS, (III) APPROVAL TO ISSUE)
10 EVIDENCES OF INDEBTEDNESS, AND) CASE NO. 2007-00455
11 (IV) APPROVAL OF AMENDMENTS TO)
12 CONTRACTS; AND)
13)
14 OF E.ON U.S., LLC, WESTERN KENTUCKY)
15 ENERGY CORP. AND LG&E ENERGY MARKETING)
16 INC. FOR APPROVAL OF TRANSACTIONS)
17)

18 **THIRD AMENDMENT AND SUPPLEMENT TO APPLICATION**

19 Big Rivers Electric Corporation (“Big Rivers”) amends and supplements the
20 portion of its application in this matter (“Application”) that seeks approval to issue
21 additional evidences of indebtedness in conjunction with the transaction proposed in this
22 proceeding (the “Unwind Transaction”) with this Third Amendment and Supplement to
23 Application, hereinafter referred to as the “Third Amendment.”

24 On or about March 31, 2008, Big Rivers filed a motion for leave to file a First
25 Amendment and Supplement to Application (the “First Amendment”), which motion is
26 pending before the Commission. In the First Amendment, Big Rivers supported approval
27 of certain evidences of indebtedness and provided a description of the balance of the
28 overall financing plan Big Rivers proposes to implement in the period beginning with the
29 closing of the Unwind Transaction.

1 Big Rivers also noted that the financial transaction documents not filed in the
2 First Amendment would be filed as they become available. On or about April 11, 2008,
3 Big Rivers filed a Second Amendment and Supplement to Application (the "Second
4 Amendment"), which added to Big Rivers' financing filing certain of the remaining
5 financing transaction documents for which Commission approval is required, and other
6 documents related to Big Rivers' overall financing plan, which Big Rivers believes do
7 not require Commission approval. With this Third Amendment, Big Rivers files the
8 remainder of its financing documents, all of which Big Rivers believes are in
9 substantially complete form. Again, Big Rivers believes some of these documents
10 require Commission approval, while Big Rivers is filing the rest to give the Commission
11 a complete picture of Big Rivers' financing arrangements. Exhibits attached to this Third
12 Amendment are numbered beginning with Exhibit 65, to continue the exhibit numbering
13 scheme used in the Application, the First Amendment, and the Second Amendment.

14 **PURPOSES AND DESCRIPTIONS OF EVIDENCES OF INDEBTEDNESS**
15 **FILED WITH THIS THIRD AMENDMENT, FOR WHICH COMMISSION**
16 **APPROVAL IS SOUGHT**
17

18 1. Big Rivers attaches to this Third Amendment in support of its financing
19 application the Supplemental Testimony of C. William Blackburn (Exhibit 77), and a
20 revision of the Unwind Financial Model showing the financial implications of Big
21 Rivers' financing arrangements (Exhibit 75).

22 2. Big Rivers seeks approval to enter into the **Intercreditor Agreement**
23 among Big Rivers; the United States of America, acting through the Administrator of the
24 Rural Utilities Service (the "RUS"); Ambac Assurance Corporation; PBR-1 Statutory
25 Trust; PBR-2 Statutory Trust; PBR-3 Statutory Trust; FBR-1 Statutory Trust; FBR-2

1 Statutory Trust; PBR-1 OP Statutory Trust; PBR-2 OP Statutory Trust; PBR-3 OP
2 Statutory Trust; FBR-1 OP Statutory Trust; FBR-2 OP Statutory Trust; Bluegrass
3 Leasing; Bank of America Leasing Corporation; AME Investments, LLC; CoBank, ACB;
4 AME Asset Funding, LLC; and Ambac Credit Products, LLC (the “New Intercreditor
5 Agreement”), attached hereto as Exhibit 65. The New Intercreditor Agreement will
6 replace an Existing Intercreditor Agreement.¹ The New Intercreditor Agreement is
7 greatly pared down from the existing agreement. It eliminates the E.ON U.S. subsidiaries
8 and Bank of America, and it reflects the fact that the lien of the Indenture proposed in the
9 Second Amendment runs in favor of a trustee rather than individual mortgagees.
10 Otherwise, the New Intercreditor Agreement reflects the arrangements under the Existing
11 Intercreditor Agreement.

12 3. Big Rivers seeks approval to enter into the **Letter Agreement** dated as of
13 _____, 2008, among Big Rivers, Ambac Assurance Corporation and Ambac Credit
14 Products, LLC (collectively, “Ambac”) (the “Ambac Agreement”), attached hereto as
15 Exhibit 66. The Ambac Agreement reflects commitments made to Ambac, which is a
16 party to both the Indenture and the New Intercreditor Agreement, in order to obtain
17 Ambac’s participation in these financing arrangements.

18 4. Big Rivers seeks approval to enter into the **Letter Agreement** dated as of
19 _____, 2008, between Big Rivers Electric Corporation and Bank of America Leasing
20 Corporation, attached hereto as Exhibit 67. Bank of America holds lease interests in Big
21 Rivers’ property under Big Rivers’ existing lease transaction. The Bank of America
22 letter agreement will terminate those lease interests.

¹ Third Amended and Restated Subordination, Nondisturbance, Attornment and Intercreditor Agreement dated as of August 1, 2001 (the “Existing Intercreditor Agreement”). See Application, Appendix A.

1 5. Big Rivers seeks approval to enter into the **Creditor Consent,**
2 **Termination and Release Agreement** among (a) Big Rivers; (b) E.ON U.S. LLC;
3 LG&E Energy Marketing Inc., and Western Kentucky Energy Corp.; (c) the RUS; (d)
4 Ambac Assurance Corporation; (e) National Rural Utilities Cooperative Finance
5 Corporation; (f) Dexia Credit Local, New York Branch; (g) U.S. Bank Trust National
6 Association, as trustee under the Trust Indenture dated as of August 1, 2001; (h) PBR-1
7 Statutory Trust; (i) PBR-2 Statutory Trust; (j) PBR-3 Statutory Trust; (k) FBR-1
8 Statutory Trust; (l) FBR-2 Statutory Trust; (m) PBR-1 OP Statutory Trust; (n) PBR-2 OP
9 Statutory Trust; (o) PBR-3 OP Statutory Trust; (p) FBR-1 OP Statutory Trust; (q) FBR-2
10 OP Statutory Trust; (r) Bluegrass Leasing; (s) Bank of America Leasing Corporation; (t)
11 AME Investments, LLC; (u) CoBank, ACB; (v) AME Asset Funding, LLC; and (w)
12 Ambac Credit Products, LLC, attached hereto as Exhibit 68. This agreement will
13 terminate the Third Restated Mortgage² and the Existing Intercreditor Agreement. Under
14 this agreement, Big Rivers' principal creditors will give the consents necessary for the
15 termination of the existing lease transaction.

16 6. Big Rivers seeks approval to enter into the **First Amendment to ISDA**
17 **Master Agreement (PBR-1) (Big Rivers Swap), First Amendment to ISDA Master**
18 **Agreement (PBR-2) (Big Rivers Swap), and First Amendment to ISDA Master**
19 **Agreement (PBR-3) (Big Rivers Swap)** (the "Big Rivers Swap Agreements"), each
20 between Big Rivers and Ambac Credit Products, LLC. The Big Rivers Swap
21 Agreements are identical except as to the identity of the statutory trust (*e.g.*, PBR-1,
22 PBR-2, or PBR-3) to which they are applicable. For this reason, Big Rivers attaches only

² Third Amended and Restated Mortgage and Security Agreement dated as of August 1, 2001 (the "Third Restated Mortgage"). See Application, Appendix A.

1 the First Amendment to ISDA Master Agreement (PBR-1) as Exhibit 69 to this Third
2 Amendment as representative of all three Big Rivers Swap Agreements. These
3 agreements will replace references to the Third Restated Mortgage with references to the
4 Indenture.

5 7. Big Rivers seeks approval to enter into the **Escrow Agreement (PBR-1)**,
6 **Escrow Agreement (PBR-2)**, and **Escrow Agreement (PBR-3)** (the “Escrow
7 Agreements”), each among Bluegrass Leasing; an E.ON U.S., LLC affiliate; an escrow
8 agent; Big Rivers; the respective statutory trusts; State Street Bank and Trust Company of
9 Connecticut, Trustee; AME Investments, LLC; CoBank, ACB; Ambac Credit Products,
10 LLC; and Ambac Assurance Corporation. The Escrow Agreements are identical except
11 as to the identity of the statutory trust (*e.g.*, PBR-1, PBR-2, or PBR-3) to which they are
12 applicable. For this reason, Big Rivers attaches only the Escrow Agreement (PBR-1) as
13 Exhibit 70 to this Third Amendment as representative of all three Escrow Agreements.
14 The Escrow Agreements are joined in by Big Rivers for the limited purpose of granting
15 the consents and waivers required for a possible “put” by Bluegrass Leasing (one of the
16 lessors in the leveraged lease transaction Big Rivers entered into in 2000) of its interest in
17 three economically leveraged lease transactions of undivided interests in Big Rivers’
18 Green and Wilson generating plants to an affiliate of E.ON U.S. LLC.

19 **PURPOSES AND DESCRIPTIONS OF EVIDENCES OF INDEBTEDNESS**
20 **FILED WITH THIS THIRD AMENDMENT, FOR WHICH COMMISSION**
21 **APPROVAL IS NOT SOUGHT**
22

23 8. Big Rivers will also enter into the documents described below as part of
24 its overall financing arrangements in connection with the Unwind Transaction. Big

1 Rivers does not believe Commission approval is required for the documents identified in
2 the paragraphs that follow.

3 9. **First Amendment to ISDA Master Agreement (PBR-1), First**
4 **Amendment to ISDA Master Agreement (PBR-2), and First Amendment to ISDA**
5 **Master Agreement (PBR-3)** (the “ISDA Amendments”), each between Big Rivers and
6 Ambac Credit Products, LLC. The ISDA Amendments are identical except as to the
7 identity of the statutory trust (*e.g.*, PBR-1, PBR-2, or PBR-3) to which they are
8 applicable. For this reason, Big Rivers attaches only the First Amendment to ISDA
9 Master Agreement (PBR-1) as Exhibit 71 to this Third Amendment as representative of
10 all three ISDA Amendments. These amendments will replace references to the Third
11 Restated Mortgage with references to the Indenture.

12 10. **Amended and Consolidated Loan Contract** between Big Rivers and
13 RUS, attached hereto as Exhibit 72, will replace the existing loan contract between Big
14 Rivers and RUS to reflect Big Rivers’ new financing arrangements.

15 11. **RUS 2008 Promissory Note, Series A** from Big Rivers to RUS, attached
16 hereto as Exhibit 73, will replace an existing RUS note to reflect Big Rivers’ new
17 financing arrangements and will restructure the payment schedule under the existing note.

18 12. **RUS 2008 Promissory Note, Series B** from Big Rivers to RUS, attached
19 hereto as Exhibit 74, will replace an existing RUS ARVP note to reflect Big Rivers’ new
20 financing arrangements and will amend the terms of the zero-interest ARVP note.

21 **SUMMARY OF OVERALL FINANCING CASE**

22 13. As described in the Direct Testimony of C. William Blackburn
23 (“Blackburn Testimony”), attached as Exhibit 10 to the Application, Big Rivers’ current

1 credit arrangements make it extremely difficult to obtain any additional financing.
2 Blackburn Testimony at 113-114. Virtually all of Big Rivers' existing property and any
3 after-acquired property are pledged under the Third Restated Mortgage, and Big Rivers
4 has no expectation that RUS would be willing to advance more funds under the
5 mortgage. *Id.* Moreover, Big Rivers is prohibited under the mortgage from securing
6 additional debt without the approval of each of its senior creditors. *Id.* at 114. The
7 existing financing arrangements (including the Third Restated Mortgage and the Existing
8 Intercreditor Agreement) are not feasible in the context of the expanded capital
9 requirements expected under the Unwind Transaction. *Id.* at 117.

10 14. Although voluminous, Big Rivers' proposed financing arrangements are
11 straightforward. The proposed financing arrangements will restore Big Rivers' ability to
12 access capital to finance system additions and power purchases and to make other
13 arrangements to meet growth associated with economic development. *Id.* Exhibit 76
14 hereto is a list of all the financing-related documents which Big Rivers has filed, with a
15 note by each entry indicating the exhibit number of each document, where in the record
16 each document is discussed, and whether Commission approval is sought.

17 15. The proposed Indenture and New Intercreditor Agreement will replace the
18 Third Restated Mortgage and Existing Intercreditor Agreement, and will permit Big
19 Rivers to issue additional debt secured by the Indenture (rather than the Third Restated
20 Mortgage) on a *pari passu* basis with Big Rivers' existing senior creditors without
21 obtaining their approval. *Id.* at 118-123. Big Rivers is no longer proposing to issue any
22 new public debt at this time. Instead, Big Rivers will prepay approximately \$200 million
23 of its RUS debt at the closing of the Unwind Transaction and the remaining RUS debt

1 will be restructured. Big Rivers will enter into Revolving Lines of Credit with National
2 Rural Utilities Cooperative Finance Corporation and CoBank ACB to give Big Rivers the
3 financial resources necessary to operate its assets after the closing of the Unwind
4 Transaction. *See* First Amendment ¶¶ 11-15, Exhibits 44-46. Those two agreements are
5 the only proposed financing documents under which Big Rivers may incur additional
6 debt without further Commission approvals. The remaining financing documents are
7 related to removing the E.ON parties and Bank of America as parties to agreements of
8 which they will no longer be a part, establishing *pari passu* priority among Big Rivers'
9 principal creditors, replacing references to the Third Restated Mortgage with references
10 to the Indenture, and releasing parties from documents which are terminated as a part of
11 the Unwind Transaction.

12 16. An updated Unwind Financial Model, attached hereto as Exhibit 75,
13 shows the financial effect of Big Rivers' financing arrangements, as finally proposed.

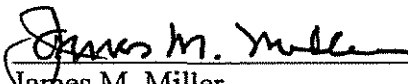
14 17. The financing arrangements created by the evidences of indebtedness filed
15 in this proceeding, including those described in this Third Amendment, are necessary and
16 appropriate for Big Rivers to perform its obligations to its Members and the public, and
17 should be approved.

18 18. If the Commission finds that a document listed by Big Rivers as not
19 requiring Commission approval does require Commission approval before the document
20 may be signed and issued by Big Rivers or an affiliate of Big Rivers, Big Rivers also asks
21 that the Commission authorize Big Rivers or its affiliate to sign and issue that document.

22 WHEREFORE, Big Rivers respectfully requests that the Commission enter its
23 order (i) authorizing issuance by Big Rivers of the agreements proposed in the

1 Application, as amended, (ii) stating in general terms the purpose of the issuance of these
2 evidences of indebtedness, (iii) finding that issuance of these evidences of indebtedness is
3 for some lawful object within the corporate purposes of Big Rivers, is necessary or
4 appropriate for or consistent with the proper performance by Big Rivers of its service to
5 the public and will not impair its ability of Big Rivers to perform that service, (iv) is
6 reasonably necessary and appropriate for that service, and (v) granting all other relief to
7 which Big Rivers may appear entitled.

8 On this the 23rd day of April, 2008.

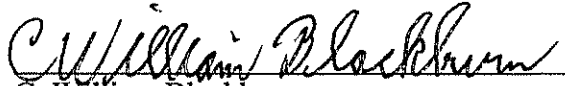
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27
28 COUNSEL FOR BIG RIVERS
29 ELECTRIC CORPORATION
30
31
32

Verification

I, C. William Blackburn, Vice President and Chief Financial Officer for Big Rivers Electric Corporation, hereby state that I have read the foregoing Application and that the statements contained therein are true and correct to the best of my knowledge and belief; and I verify, state, and affirm that the my testimony, which is attached as Exhibit 77 to the Application, is true and correct to the best of my knowledge and belief, on this the 23rd day of April, 2008.


C. William Blackburn
Vice President and Chief Financial Officer
Big Rivers Electric Corporation

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

The foregoing verification statement was SUBSCRIBED AND SWORN to before me by C. William Blackburn, as Vice President and Chief Financial Officer of Big Rivers Electric Corporation, on this the 23rd day of April, 2008.

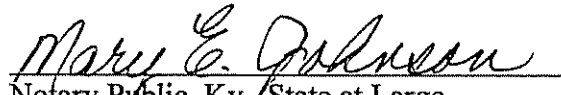

Notary Public, Ky., State at Large
My commission expires: 7/29/11

EXHIBIT 65

INTERCREDITOR AGREEMENT

INTERCREDITOR AGREEMENT

dated as of [____], 2008

by and among

BIG RIVERS ELECTRIC CORPORATION,

[____],

PBR-1 STATUTORY TRUST,

PBR-2 STATUTORY TRUST,

PBR-3 STATUTORY TRUST,

PBR-1 OP STATUTORY TRUST,

PBR-2 OP STATUTORY TRUST,

PBR-3 OP STATUTORY TRUST,

BLUEGRASS LEASING,

AME INVESTMENTS, LLC,

AME ASSET FUNDING, LLC,

COBANK, ACB,

AMBAC CREDIT PRODUCTS, LLC

and

AMBAC ASSURANCE CORPORATION,

This instrument was prepared by, and when recorded, should be returned to James M. Miller, Esq., Sullivan, Mountjoy, Stainback & Miller, P.S.C., 100 St. Ann Building, Owensboro, KY 42303

Signed: _____

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INTERCREDITOR AGREEMENT

THIS **INTERCREDITOR AGREEMENT** (this "Agreement"), dated as of [____], 2008, is entered into by and among (a) **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky rural electric cooperative ("Big Rivers"), (b) [____], as trustee under an Indenture, dated as of [____], 2008 made by Big Rivers to it (the

"Indenture Trustee"), (c) (i) **PBR-1 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-1) ("PBR-1 Trust"), (ii) **PBR-2 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-2) ("PBR-2 Trust"), (iii) **PBR-3 STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-3) ("PBR-3 Trust") and collectively with the PBR-1 Trust, the PBR-2 Trust and the PBR-3 Trust, the "Owner Trusts", (iv) **PBR-1 OP STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (PBR-1) ("PBR-1 OP Trust"), (v) **PBR-2 OP STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (PBR-2) ("PBR-2 OP Trust"), (vi) **PBR-3 OP STATUTORY TRUST**, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (PBR-3) ("PBR-3 OP Trust") and collectively with PBR-1 OP Trust and the PBR-2 OP Trust, the "OP Trusts", (vii) **BLUEGRASS LEASING**, a New York general partnership (the "Bluegrass Leasing"), (viii) **AME INVESTMENTS, LLC**, a Delaware limited liability company ("AME Investments"), (ix) **AME ASSET FUNDING, LLC**, a Delaware limited liability company ("AME Asset Funding"), (x) **COBANK, ACB**, a government sponsored enterprise of the United States of America ("CoBank"), (xi) **AMBAC CREDIT PRODUCTS, LLC**, a Delaware limited liability company ("Ambac Credit Products"), and (xi) **AMBAC ASSURANCE CORPORATION**, a Wisconsin-domiciled stock insurance company ("Ambac"), (the PBR-1 Trust, the PBR-2 Trust, the PBR-3 Trust and AME Investments, AME Asset Funding, CoBank and Ambac Credit Products and Ambac, being sometimes hereafter referred to collectively as the "Lease Parties" and individually as a "Lease Party"), and the Lease Parties, together with the PBR-1 OP Trust, the PBR-2 OP Trust, the PBR-3 OP Trust, Bluegrass Leasing being hereinafter referred to collectively as the "Lease Transaction Parties" and individually as a "Lease Transaction Party") (the Lease Transaction Parties, Big Rivers and the Indenture Trustee, collectively, the "Parties" and each a "Party").

RECITALS:

A. Big Rivers and RUS executed that certain New RUS Agreement dated July 15, 1998, and Big Rivers executed and delivered to RUS the two promissory notes contemplated by the New RUS Agreement. Big Rivers and Ambac entered into the 1983 Reimbursement Agreement. In connection with the 1983 Reimbursement Agreement, Big Rivers issued certain promissory notes to Ambac. Big Rivers and CSFBNYB entered into that certain 1983 Standby Bond Purchase Agreement. In connection with the 1983 Standby Bond Purchase Agreement, Big Rivers issued certain notes to CSFBNYB. In 2006, CSFBNYB assigned its interest in the Restated Mortgage to Dexia. Big Rivers and CFC entered into the CFC Loan Agreement pursuant to which Big Rivers delivered to CFC a promissory note. In connection with the refinancing of a series of pollution control revenue bonds in 2001 with the proceeds of the 2001A Bonds, Big Rivers executed and delivered a promissory note to U.S. Bank Trust National Association, as trustee (the "Series 2001A Trustee"). Prior to the execution of the Indenture described in paragraph G of this recital, the promissory notes described in this paragraph payable to the RUS, Ambac, Dexia, CFC and the Series 2001A Trustee were all secured by the Restated Mortgage.

B. Big Rivers, PBR-1 Trust, PBR-2 Trust, PBR-3 Trust, FBR-1 Statutory Trust, a Connecticut Statutory Trust, FBR-2 Statutory Trust, a Connecticut Statutory Trust, PBR-1 OP Trust, PBR-2 OP Trust, PBR-3 OP Trust, FBR-1 OP Trust, FBR-2 OP Trust, the Bluegrass Leasing, Fleet Real Estate, Inc., AME Investments and CoBank, are parties to five separate Participation Agreements, each dated as of April 1, 2000 (each a "Participation Agreement" and, collectively, the "Participation Agreements"), pursuant to which Big Rivers has leased to the five separate Owner Trusts undivided interests in the Wilson Unit and Plant Green, pursuant to five separate Head Leases, each dated as of April 1, 2000, between Big Rivers and an Owner Trust (each a "Head Lease" and, collectively, the "Head Leases") for a term extending beyond the useful life of the Wilson Unit and Plant Green. Each Undivided Interest was leased by an Owner Trust back to Big Rivers pursuant to five separate Facility Leases, each dated as of April 1, 2000 (each a "Facility Lease" and, collectively, the "Facility Leases") for a term of approximately 25 years with respect to Plant Green and 27 years with respect to the Wilson Unit. An undivided interest in the sites on which the Wilson Unit and Plant Green are situated (each a "Site" and together the "Sites") has been leased by Big Rivers to each Owner Trust pursuant to five separate Ground Leases, each dated as of April 1, 2000 (each a "Ground Lease" and, collectively, the "Ground Leases") for the term of the Head Leases. The leasehold interest in an undivided interest in the sites created by the Ground Leases has been leased by each Owner Trust back to Big Rivers for the term of the Facility Leases pursuant to five separate Ground Subleases, each dated as of April 1, 2000 (each a "Ground Sublease" and, collectively, the "Ground Subleases"). The beneficial interest in the PBR-1 Trust, PBR-2 Trust, PBR-3 Trust, FBR-1 Trust and FBR-2 Trust is owned by the PBR-1 OP Trust, the PBR-2 OP Trust, the PBR-3 OP Trust, FBR-1 OP Trust and FBR-2 OP Trust, respectively.

C. All of the rent under each Head Lease was paid at the commencement of the term of the Head Leases and was provided, in part, from the proceeds of non-recourse loans made to each Owner Trust from AME Investments and CoBank. These non-recourse loans have been secured by, *inter alia*, each Owner Trust's interest in an Undivided Interest under a Head Lease, its interest in a Facility Lease, a Ground Lease and Ground Sublease in accordance with

five separate Leasehold Mortgage and Security Agreements, each dated as of April 1, 2000 (each a "Leasehold Mortgage" and, collectively, the "Leasehold Mortgages"), except certain excepted payments and excepted rights specified therein.

D. Credit support has been provided for the OP Trusts by Ambac Credit Products pursuant to three separate ISDA Master Agreements, each dated as of April 1, 2000, between Ambac Credit Products and PBR-1 OP Trust, PBR-2 OP Trust and PBR-3 OP Trust, respectively, and two separate ISDA Master Agreements, each dated as of April 1, 2000 between Ambac Credit Products and FBR-1 OP Trust and FBR-2 OP Trust, respectively (each of such ISDA Master Agreements a "Qualifying Swap" and, collectively, the "Qualifying Swaps"), each providing for the conveyance of the beneficial interest in an Owner Trust by an OP Trust, to Ambac Credit Products upon the occurrence of certain events identified therein. Ambac Credit Products and Big Rivers have entered into separate ISDA Master Agreements, each dated as of April 1, 2000, under which, in certain circumstances, the interests covered thereby may be conveyed to Big Rivers (each a "Big Rivers Swap" and, collectively, the "Big Rivers Swaps").

E. The contingent claims of the Owner Trusts under each Facility Lease for the payment of Termination Value thereunder were evidenced by two separate mortgage notes in favor of each Owner Trust, each dated April 18, 2000 and the above-described contingent claims of Ambac Credit Products against Big Rivers under the Big Rivers Swaps are evidenced by five separate mortgage notes, each dated April 18, 2000. One of the mortgage notes executed in favor of each Owner Trust, the Facility Lessor (D) Secured Note, was assigned to AME Investments, as agent for itself and CoBank, pursuant to the Leasehold Mortgage. Certain contingent claims of the Lease Transaction Parties were secured by a mortgage and security agreement on the Facilities dated as of April 1, 2000 (the "Subordinated Mortgage") which is subordinated *inter alia* to the Indenture, the Head Leases, the Facility Leases, the Ground Leases, the Ground Subleases and the Leasehold Mortgage. Prior to the execution of the Indenture described in paragraph G of this recital, the mortgage notes payable to the Owner Trustee and Ambac Credit Products described in this paragraph E were secured by the Restated Mortgage.

F. The leasehold interests in the Undivided Interests and the Sites created by the Head Leases, Ground Leases, Facility Leases and Ground Subleases are, by their terms, subject and subordinate to the Indenture.

G. The loan evidenced by CFC Note has been discharged. The Head Leases, Ground Leases, Facility Leases and Ground Subleases between Big Rivers and FBR-1 Statutory Trust and FBR-2 Statutory Trust are, simultaneously with the execution of this Agreement, being terminated. The RUS and Big Rivers have executed and delivered the Amended and Consolidated Loan Contract, amending and consolidating the New RUS Agreement. Big Rivers, RUS, Ambac, Dexia, the Series 2001A Trustee, the PBR-1 Trust, the PBR-2 Trust, the PBR-3 Trust, and Ambac Credit Products agreed to replace the Restated Mortgage with the Indenture. The obligations previously evidenced by the promissory notes described in paragraph A of the recitals to this Agreement, secured by the Restated Mortgage and payable to RUS, Ambac, Dexia and the Series 2001A Trustee are now evidenced by the RUS Obligations, the Ambac Obligations, the Dexia Obligations and the Series 2001A Obligation, respectively, issued and Outstanding under the Indenture. The obligations previously evidenced by the mortgage notes described in paragraph E of the recitals to this Agreement secured by the Restated Mortgage and

payable to the Owner Trusts and Ambac Credit Products are now evidenced by the Facility Lessor Obligations and the Ambac Swap Obligations, respectively, issued and Outstanding under the Indenture. The Facility Lessor (D) Obligations have been assigned by the Owner Trusts to AME Investments. In connection with the replacement of the Restated Mortgage with the Indenture, Big Rivers, RUS, Ambac, Dexia, the Series 2001A Trustee, and the Lease Transaction Parties desire to (i) acknowledge the priority of the Indenture in respect of the Head Leases, the Ground Leases, the Ground Subleases, the Security Agreements, the Subordinated Mortgage and the other Operative Documents and (ii) provide for certain agreements among the Lease Transaction Parties and the Indenture Trustee relating to the enforcement of certain provisions of the Operative Documents, and the Indenture Trustee, being so instructed by RUS, Ambac, Dexia, the Series 2001A Trustee and the Lease Transaction Parties has agreed to make such acknowledgement and agreements.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties to this Agreement agree as follows:

AGREEMENT:

SECTION 1. Definitions. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings given them in Exhibit A attached to this Agreement.

SECTION 2. Acknowledgments.

2.1 Big Rivers acknowledges and agrees that the Indenture and the Operative Documents are in full force and effect with respect to the enforceability of such instruments against Big Rivers as of the date of this Agreement.

2.2 Big Rivers and the Lease Transaction Parties hereby agree and acknowledge that the Wilson Unit, Plant Green and the Sites, (collectively, the “Mortgaged Property”) are subject to the Lien of the Indenture, that Undivided Interests in the Mortgaged Property have been leased to the Owner Trusts by Big Rivers subject and subordinate to the Indenture, and that in the case of foreclosure or other taking of the Mortgaged Property in accordance with the Indenture for the benefit of the Holders of Outstanding Obligations, neither the Indenture Trustee, nor any person(s) or entity(s) succeeding to the Mortgaged Property as a result thereof, shall be required to attorn to or honor the Head Leases or the Ground Leases, all of which shall be deemed to no longer encumber or represent an interest in any of the Indenture Trust Estate (subject to the Lease Transaction Parties’ right to assert their contractual claims described in the succeeding sentence in that foreclosure action), without further action by any party upon completion of such foreclosure; *provided, however*, the foregoing is subject to the Indenture Trustee’s and the Lease Transaction Parties’ continuing interests in the proceeds of the Mortgaged Property and such other rights pursuant to the Indenture, the Subordinated Mortgage and this Agreement. The Parties to this Agreement agree that, notwithstanding the foregoing sentence or any other provision herein to the contrary, a foreclosure or other taking of the Mortgaged Property or exercise of any other remedies under the Indenture shall not affect any Lease Transaction Parties’ claims against Big Rivers for rent or other amounts payable under any Operative Document in accordance with its terms or for damages or indemnities as a result of Big Rivers’ breach of its obligations under any of the Operative Documents. Nothing in this

Section 2.2 shall prevent any Lease Transaction Party from exercising any of their respective rights or remedies provided in the Operative Documents to the extent consistent with the provisions of this Agreement.

2.3 Big Rivers and the Lease Transaction Parties acknowledge and agree that the Indenture is a "trust indenture" within the meaning of clause (iii) of the definition of "First Mortgage" as defined in the Lease Participation Agreements, and, hence, the Indenture constitutes the "First Mortgage" for all purposes of the Operative Documents.

2.4 The Lease Transaction Parties hereby acknowledge and agree that the Lien of the Subordinated Mortgage is subject and subordinate in all respects to the Lien of the Indenture.

2.5 Notwithstanding any other provision herein to the contrary, the Indenture Trustee acknowledges and agrees that the property released from the Lien of the Restated Mortgage pursuant to the Partial Release has been released from the Lien of the Indenture and all recitals and agreements as to the existence or priority of the Lien of the Indenture shall be understood to apply to property of Big Rivers other than such Released Property (as defined in the Partial Release).

2.6 Big Rivers and the Lease Transaction Parties acknowledge (i) the termination of the LG&E Arrangements and the termination of the LG&E Operative Documents, including, without limitation, the LEM Power Purchase Agreement, the LG&E Participation Agreement, the WKEC Lease, the LEM Mortgage and the LG&E Subordinated Mortgage, and (ii) the release and discharge of the LG&E Interests, including, without limitation, those created by the WKEC Lease, the LEM Mortgage and the LG&E Subordinated Mortgage. Big Rivers and the Lease Transaction Parties agree that references in the Operative Documents to the LG&E Operative Documents, the LG&E Arrangements, the LG&E Interests, the LEM Power Purchase Agreement, the LG&E Participation Agreement the WKEC Lease, the LG&E Subordinated Mortgage and the LEM Mortgage shall be of no further force and effect.

2.7 Big Rivers and the Lease Parties acknowledge and agree that this Agreement shall be deemed to be an "Operative Document" within the meaning of that term as defined in each Participation Agreement.

SECTION 3. Simultaneous Foreclosure of Indenture and Subordinated Mortgage. Notwithstanding (i) the provisions of Section 2.1, (ii) any other provisions of this Agreement to the contrary, or (iii) the respective order or priority of recordation of the Indenture and the Subordinated Mortgage, the Indenture Trustee and the Lease Parties agree that, upon any foreclosure of the collateral securing the Indenture and the Security Agreements, if the Subordinated Mortgage is foreclosed upon at such time, the proceeds of such foreclosure of the Trust Estate subject to the Indenture and the Lease Collateral subject to the Security Agreements (but only to the extent, in the case of the Security Agreements, the Indenture Trustee is entitled to such proceeds pursuant to the express terms of the Security Agreements) shall be distributed in the following order following the payment of the costs and expenses of foreclosure:

- (a) First, in accordance with the provisions of Section 8.7 of the Indenture

(other than Section 8.7E of the Indenture);

(b) Second, *pari passu*, and in equal priority to the Lease Transaction Parties for amounts secured by the Subordinated Mortgage in accordance with the provisions of the Subordinated Mortgage if the Subordinated Mortgage is being foreclosed in the same proceeding;

(c) Third, to Big Rivers.

It is specifically agreed that neither the Indenture Trustee nor the Lease Transaction Parties shall have any obligation to insure or direct the payment of sums described in (b) above other than amounts held by the Swap Proceeds Collateral Agent in accordance with Section 9 of this Agreement and other than amounts applied from the proceeds of the Settlement Escrow Account by the Swap Proceeds Collateral Agent in accordance with Section 9.2 of this Agreement.

SECTION 4. Rights Upon Indenture Trustee's Notice Of Default. If the Indenture Trustee shall give a notice of an "Event of Default" to Big Rivers under the Indenture, it shall provide each Lease Transaction Party, with a copy of such notice of "Event of Default" at the same time such notice is given to Big Rivers. Following the giving by the Indenture Trustee of notice of an Event of Default to Big Rivers under the Indenture, but before the Indenture Trustee shall commence foreclosure of Big Rivers' interest in the Facilities or the other property constituting part of the Trust Estate, each Lease Transaction Party shall be given an opportunity to (but shall not be obligated to) cure, or assist Big Rivers in curing, according to the terms of the Indenture, any default of Big Rivers by making payment to Holders of Obligations secured by the Indenture or by fulfilling any other obligation of Big Rivers under the Indenture provided such cure shall be effected within the applicable grace or cure period specified in Section 8.1 of the Indenture (which period will be deemed to commence as of the receipt of notice from the Indenture Trustee as contemplated above).

SECTION 5. Rights Upon Lease Party's Notice of Default.

(a) Each Lease Party agrees to provide to the Indenture Trustee a copy of any notice of a "Event of Default" by Big Rivers under the terms of any Operative Document, at the same time such notice is, given by it to Big Rivers. Following the giving by such Party of such notice of "Event of Default" to Big Rivers, the Indenture Trustee shall be given an opportunity to (but shall not be obligated to) cure, or assist Big Rivers in curing, according to the terms of the Operative Documents any default of Big Rivers by making payments to such Party or by fulfilling any other obligation of Big Rivers under the Operative Documents, provided such cure shall be effected within the applicable grace or cure period specified in Section 16 of such Facility Lease (which period will be deemed to commence as of their receipt of the notice from the relevant Lease Party as contemplated above).

SECTION 6. Waiver of Defaults. Notwithstanding any other provision of this Agreement, the Indenture or the Operative Documents, any party hereto (the "Waiving Party") may, in writing, waive or choose to waive and ignore any default by Big Rivers in the performance of its obligations under any of the foregoing agreements to which such Waiving Party is a party and to which the related obligation was owed, and in such event, the occurrence

or existence of any such default by Big Rivers which is waived or ignored shall not be the basis for any of such other agreements being declared to be in default or breach by any other Party to this Agreement, in each case unless such default or breach is also of an obligation to such other party and is not waived by such other Party.

SECTION 7. Certain Agreements Concerning Actions Under the Indenture and Subordinated Mortgage.

7.1 The Indenture Trustee agrees that in determining whether to grant any consent or approval which may be requested by Big Rivers under the Indenture, it will take into account the rights and interests of the mortgagees under the Subordinated Mortgage; *provided* that such consideration shall not require the Indenture Trustee or the Holder of any Obligation to incur any loss, cost or expense.

7.2 The Indenture Trustee agrees that, during the pendency of a bankruptcy proceeding involving Big Rivers under Chapter 7 or Chapter 11 of the United States Bankruptcy Code, it will pursue claims and conduct proceedings involving the debtor's estate in a timely and commercially reasonable manner taking into account the interests of the Owner Trusts and Ambac Credit Products, as mortgagees under the Subordinated Mortgage and taking into account *the relative priorities of the Indenture and the Subordinated Mortgage.*

7.3 Ambac agrees that any claim by it hereunder or under the Indenture shall be reduced by the amount, if any, due and payable but unpaid by Ambac under the 1983 Municipal Bond Insurance Policy or the 1983 Surety Policy.

7.4 Ambac Credit Products agrees that, at any time any amount shall be due and payable by Big Rivers under any Ambac Swap Obligation, it will use due diligence for a reasonable period of time to seek to satisfy all claims in respect of the obligations evidenced by the Ambac Swap Obligation as shall be due and payable at such time from the proceeds of the Security Agreements and the Lease Collateral prior to seeking to recover any of such amounts by the exercise of remedies under Article IX of the Indenture. Notwithstanding the preceding sentence, Ambac Credit Products shall always be permitted to take such action as is required to preserve its rights and claims under the Indenture. The ability of Ambac Credit Products to seek to satisfy the foregoing obligations out of the resources described above, shall not be subject to the prior consent or approval of Big Rivers or any other Party to this Agreement.

7.5 Each Owner Trust agrees that at any time any amount shall be due and payable by Big Rivers under any Facility Lessor (E) Obligation, it will use due diligence for a reasonable period of time to seek to satisfy all claims in respect of the obligations evidenced by such Facility Lessor (E) Obligation as shall be due and payable at such time from the proceeds of the Security Agreements and the Lease Collateral to the extent permitted by such instruments prior to seeking to recover any of such amounts by the exercise of remedies under Article IX of the Indenture. Notwithstanding the preceding sentence, each Owner Trust shall always be permitted to take such action as is required to preserve its rights and claims under the Indenture. The ability of each Owner Trust to seek to satisfy the foregoing obligations out of the resources described above, shall not be subject to the prior consent or approval of Big Rivers or any other Party to this Agreement.

7.6 AME Investments agrees that at any time any amount shall be due and payable by Big Rivers under any Facility Lessor (D) Obligation, it will use due diligence for a reasonable period of time to seek to satisfy all claims in respect of the obligations evidenced by such Facility Lessor Obligation as shall be due and payable at such time from the proceeds of the Security Agreements and the Lease Collateral to the extent permitted by such instruments prior to seeking to recover any of such amounts by the exercise of remedies under Article IX of the Indenture. Notwithstanding the preceding sentence, AME Investments shall always be permitted to take such action as is required to preserve its rights and claims under the Indenture. The ability of AME Investments to seek to satisfy the foregoing obligations out of the resources described above, shall not be subject to the prior consent or approval of Big Rivers or any other Party to this Agreement.

7.7 Ambac Credit Products and AME Investments each agrees with each of the other Parties to this Agreement that it shall not be permitted to participate with respect to any Act of the Holders under Article IX of the Indenture as Holder of the Ambac Swap Obligations (in the case of Ambac Credit Products) or as assignee of a Facility Lessor (D) Obligation (in the case of AME Investments) at any time that (i) Ambac shall be in default under any of its payment obligations under any of the three separate financial guaranty insurance policies insuring the obligation of AME Asset Funding, LLC under three separate Payment Agreements, each dated April 18, 2000, between said AME Asset Funding and Big Rivers Leasing Company LLC (successor to Big Rivers Leasing Corporation), (ii) Ambac shall be in default under any of its payment obligations under any of the three separate Surety Bonds, each dated as of April 1, 2000 securing the obligations of Ambac Credit Products under three separate Qualifying Swaps, or Ambac Credit Products shall be in default under any of its payment obligations under any Qualifying Swap, (iii) Ambac shall be in default under any of its payment obligations under any of the three separate financial guaranty insurance policies insuring the obligation of AIG Matched Funding Corp. under three separate Funding Agreements, each dated April 18, 2000, between said AIG Matched Funding Corp. and Big Rivers Leasing Company LLC (successor to Big Rivers Leasing Corporation), or (iv) Ambac shall be in default under any of its payment obligations under any of the three separate financial guaranty insurance policies insuring the payment obligations to CoBank on the Series B Secured Notes issued under the three separate Leasehold Mortgages, each dated April 18, 2000. Ambac Credit Products and AME Investments each agrees with Big Rivers and the Indenture Trustee that, so long as Big Rivers is entitled to pay the "Party B Fixed Amount" under a Big Rivers Swap in installments as set forth therein and is fully performing its obligations thereunder, Ambac Credit Products and AME Investments, respectively, will forbear from the exercise of such rights as it may have to participate in any Act of the Holders to cause the Indenture Trustee to initiate the acceleration and enforcement of, the respective Facility Lessor Obligations, and it will forbear from the exercise of such rights as it may have to enforce the payment obligations under the respective Facilities Lease secured thereby; provided that neither this Section 7.7 nor any such forbearance shall be construed as a waiver by any Lease Party of any priority to which the Facility Lessor Obligations or the Ambac Swap Obligations shall be entitled under the Indenture or the status of any thereof as Outstanding Secured Obligations thereunder, and Ambac Credit Products and AME Investments shall always be permitted to take such action as is required to preserve its rights and claims under the Indenture.

7.8 Limitation on Actions by Holders of Ambac Swap Obligations. Any Holder of an Ambac Swap Obligation or AME Investments, as assignee of a Holder of a Facility Lessor (D) Obligation, shall not be permitted to participate with respect to any Act of the Holders pursuant to Article IX of the Indenture in respect of any Event of Default under Section 8.1A of the Indenture in consequence of an acceleration of, or the unavailability of, the right to make installment payments of, the Installment Payment Amount under a Facility Lessor (E) Obligation or an Ambac Swap Obligation solely because of the acceleration of the obligations of Ambac Credit Products under any of the Qualifying Swaps or the absence of a right of Ambac Credit Products to make installment payments thereunder, *so long as*, Big Rivers is not in default under its obligation to make installment payments of such Installment Payment Amount and interest thereon (indefeasibly in cash in amounts stated in such obligations) in accordance with the terms of such Facility Lessor (E) Obligation or Ambac Swap Obligation (as determined without regard to such acceleration).

SECTION 8. Certain Agreements Concerning Proceeds of Foreclosure of Security Agreements or the Indenture.

8.1 To the extent that any of the Lease Parties exercises any remedy available under any of the Security Agreements, amounts so recovered will be treated as satisfying obligations of Big Rivers to, or assigned to, such Lease Party that are secured by the Indenture and relating to the same Undivided Interest as the applicable Security Agreement up to the amounts secured by the Ambac Swap Obligations or Facility Lessor Obligations before being treated as satisfying obligations not secured by the Indenture. To the extent that Big Rivers makes any payment to a Lease Party under Section 17 of any Facility Lease or Section 11A of any Participation Agreement or of the Party B Fixed Amount or the Net Amount Due under the relevant Big Rivers Swap, such payment amounts first shall be applied against obligations secured by the Indenture and relating to the same Undivided Interest as the applicable Facility Lease or Big Rivers Swap, as the case may be, up to the amounts secured by the Ambac Swap Obligations or Facility Lessor Obligations before being applied against obligations not secured by the Indenture; *provided*, that the purpose of the preceding sentence is solely to determine the amount to be so applied and nothing herein alters the priority by which such payment amount is paid pursuant to the express terms of the Operative Documents.

8.2 Each Lease Party agrees that if (i) the proceeds (whether by enforcement of a Security Agreement or otherwise) of any Lease Collateral for which such Lease Party is a Secured Party under a Security Agreement are not available because of court order, default by the payor or other similar reason (a "Non-Paying Security Agreement") to satisfy obligations of Big Rivers to such Secured Party or to a Facility Lessor under Section 17 of a Facilities Lease or Section 11A of a Participation Agreement or under a Big Rivers Swap, or the proceeds are paid to or credited against any such obligation to such Lease Party and such payment or credit is subsequently voided, (ii) the Indenture is foreclosed, and (iii) such Lease Party has its claim under its Secured Note satisfied from the proceeds of the foreclosure of the Indenture, then, subsequent to such receipt of such proceeds of the foreclosure of the Indenture, such Lease Party shall apply any proceeds of any such Lease Collateral under any such Non-Paying Security Agreement solely to satisfy obligations that are secured by both the Indenture and such Non-Paying Security Agreement to which such Lease Collateral is subject or evidenced by the Facility Lessor (E) Obligations, as the case may be (herein, the "Lease Covered Obligations"). If

as a result of the preceding sentence, a Lease Party shall cease to have any rights to apply proceeds of Lease Collateral subject to a Non-Paying Security Agreement because all Lease Covered Obligations to such Lease Party have been paid in full, it shall promptly release its security interest, if any, in such Lease Collateral subject to such Non-Paying Security Agreement to the extent such security interest secures obligations of Big Rivers other than Lease Covered Obligations, subject, however, to reinstatement if payments in respect of Lease Covered Obligations to such Lease Party are voided. The two preceding sentences shall not apply to a Lease Party in its capacity as a mortgagee under the Subordinated Mortgage.

SECTION 9. Exercise of Alternative Settlement Option Under Big Rivers Swap.

9.1 The Indenture Trustee and each Lease Transaction Party hereby acknowledges the obligation of Big Rivers to make an election as provided under the subsection entitled “Alternative Settlement” in Section 3 of any Big Rivers Swap in connection with the settlement of such Big Rivers Swap by the “Alternate Settlement Option” provided in such Section of any Big Rivers Swap. If Big Rivers shall elect to assume and continue performing the relevant Facility Lease in accordance with a “Statement of Intended Assumption or Rejection” delivered pursuant to the subsection entitled “Alternative Settlement” set forth in Section 3 of such Big Rivers Swap, the Indenture Trustee and each Lease Transaction Party agrees not to take a position in any voluntary or involuntary bankruptcy proceeding of Big Rivers under Chapter 11 of the United States Bankruptcy Code which is contrary to that contained in such covenant of Big Rivers. Nothing in this Section 9.1 shall affect in any way the rights and interests of (i) the OP Trusts and Ambac Credit Products in their respective capacities as “Party B” and “Party A” under the Qualifying Swaps, (ii) the OP Trusts and Ambac Credit Products under the respective Rights Sharing Agreements and (iii) the OP Trusts in their respective capacities as “Beneficiary” under the Party A Credit Support Documents (as defined in the Qualifying Swaps).

9.2 Ambac Credit Products hereby agrees that it will not exercise the Alternative Settlement Option under a Big Rivers Swap for a period of at least 45 days after Ambac Credit Products shall give written notice to Big Rivers and the relevant OP Trust of its intention to exercise the Alternative Settlement Option. Ambac Credit Products agrees not to exercise the Alternative Settlement Option under a Big Rivers Swap prior to the settlement of a Qualifying Swap relating to such Undivided Interest if the event permitting the settlement of the Big Rivers Swap is solely the consequence of a downgrade in the claims paying ability of Ambac and the failure of Big Rivers to effect a replacement of the Qualifying Swap as required by any Participation Agreement. If any amount shall be received by Ambac Credit Products in respect of settlement of a Big Rivers Swap by the Alternative Settlement Option thereunder (any such amount, the “Settlement Amount”), Ambac Credit Products shall (i) remit such amount to the Indenture Trustee and (ii) give notice to the Indenture Trustee whether the amount due pursuant to the Alternative Settlement Option was determined based on an assumption that the Facility Lease would be rejected in a bankruptcy or other insolvency proceeding involving Big Rivers (the “Rejection Assumption”) or on the assumption that the Facility Lease would be assumed in any such proceeding (the “Assumption Assumption”) under the terms of the Big Rivers Swap. Such Settlement Amount shall be held in a segregated trust account (the “Settlement Escrow Account”) established by the Swap Proceeds Collateral Agent, to be held and applied in accordance with this Section 9, all pursuant to terms consistent with this Section 9 as shall be set forth in an agreement (the “Settlement Escrow Agreement”) to be executed by the Swap

Proceeds Collateral Agent and Ambac Credit Products promptly after Ambac Credit Products has given notice of its intent to exercise the Alternative Settlement Option, the form and substance of which agreement shall be reasonably acceptable to Ambac Credit Products and the Indenture Trustee. Such Settlement Escrow Account shall be established and maintained to effect a limited subordination of the claims of Ambac Credit Products in respect of payment of the Settlement Amount to claims secured by the Indenture, such subordination to be limited solely to application of funds in the Settlement Escrow Account. All funds in the Settlement Escrow Account shall be deemed to be property of Ambac Credit Products until otherwise applied as set forth below in this Section 9, or until the beneficial ownership thereof is deemed assigned to Big Rivers on the Settlement Escrow Assignment Date described in paragraph (b) of Section 9.3 below. Prior to the Settlement Escrow Assignment Date, amounts held from time to time in the Settlement Escrow Account shall be invested in Permitted Investments as directed from time to time by Ambac Credit Products, and any reinvestment income shall be deposited in the Settlement Escrow Account to be held and applied in accordance with this Section 9 and the Settlement Escrow Agreement; provided that reinvestment income shall be released to Ambac Credit Products from time to time at the request of Ambac Credit Products in amounts sufficient to pay taxes on earnings in such account, assumed for such purpose to be due at the full applicable corporate federal, state and local tax rate on the amount of such earnings, as determined by Ambac Credit Products. Investment of funds after the Settlement Escrow Assignment Date shall be as provided in the Settlement Escrow Agreement. Nothing in this Section 9 shall affect in any way the rights and interests of the OP Trusts and Ambac Credit Products in their respective capacities as "Party B" and "Party A" under the Qualifying Swaps. Nothing in this Section 9 shall affect in any way the rights and interests of (i) the OP Trusts and Ambac Credit Products in their respective capacities as "Party B" and "Party A" under the Qualifying Swaps, (ii) the OP Trusts and Ambac Credit Products under their respective Rights Sharing Agreements and (iii) the OP Trusts in their respective capacities as "Beneficiary" under the Party A Credit Support Documents (as defined in the Qualifying Swaps).

9.3 Funds in the Settlement Escrow Account shall be applied in the following events, and in the amounts indicated for each of such events:

(a) In the event Ambac Credit Products is required to pay the Party A Fixed Amount under the Qualifying Swap covering Deliverable Obligations in respect of the Trust Estate relating to a Big Rivers Swap in accordance with which a Settlement Amount has been paid, and all payments owed by Big Rivers under the Facility Lease in respect of such Deliverable Obligations have been paid (either constituting the full amount due in respect thereof or pursuant to terms whereby the remaining amount due is released or otherwise discharged, so as to finally determine the full recovery and/or loss realized in respect of such Deliverable Obligations), funds will be released to Ambac Credit Products from the Settlement Escrow Account in an amount equal to the excess, if any, of (a) the sum of the Party A Fixed Amount initially so payable upon exercise of the right to receive such amount under the terms of the Qualifying Swap, together with interest thereon at the Overdue Rate under the Facility Lease from the date of payment thereof until equivalent amounts are paid by Big Rivers in respect of the Deliverable Obligations (to the extent such payments were not previously taken into account in reducing the Party A Fixed Amount), such amounts to be treated as though applied first to interest accrued on the Party A Fixed Amount or portion thereof remaining outstanding and thereafter in reduction of the Party A Fixed Amount on which such interest accrues, plus any

costs incurred by Ambac Credit Products in collecting the Settlement Amount or, to the extent it shall be entitled thereto, collecting amounts payable on the Deliverable Obligations (collectively, the "Amount Due") over (b) amounts paid by Big Rivers in respect of the Deliverable Obligations (to the extent such payments were not previously taken into account in reducing the Party A Fixed Amount), whether or not the Deliverable Obligations are held by Ambac Credit Products (collectively, "Amounts Paid"). Such excess (the "Ambac Shortfall") shall be released to Ambac Credit Products from the Settlement Escrow Account up to the full balance in such account upon delivery to the Swap Proceeds Collateral Agent of a certificate of an officer of Ambac Credit Products specifying the amount to be released and certifying as to the determination of such amount.

(b) Upon final payment by Big Rivers of all amounts payable for the Deliverable Obligations under all Big Rivers Swaps and final determination of any Ambac Shortfalls (the "Final Ambac Shortfall Determination Date"), Ambac Credit Products shall certify to the Indenture Trustee whether (x) all Settlement Amounts were paid pursuant to the Assumption Assumption, and amounts were paid under each related Facility Lease in a manner consistent with the Assumption Assumption, in which case amounts in the Settlement Escrow Account will be deemed beneficially transferred to Big Rivers on such Final Ambac Shortfall Determination Date (in such event, such date being the "Settlement Escrow Assignment Date") in consideration for the commitment of Big Rivers, at the time Ambac Credit Products exercises the Alternative Settlement Option, to support the value of the Deliverable Obligations under the Big Rivers Swap by not rejecting the related Facility Lease and thereafter its fulfillment of commitments required to support such value, or (y) the Settlement Amount for any Big Rivers Swap was paid on the basis of the Rejection Assumption or was paid under the Assumption Assumption but under circumstances where ultimate payments pursuant to the related Facility Lease were not paid in a manner consistent with such Assumption Assumption, in which case the beneficial ownership of such Settlement Escrow Account will continue to be held by Ambac Credit Products, such beneficial ownership of Big Rivers or Ambac Credit Products in either case being subject to the further provisions of this Section 9 and the Settlement Escrow Agreement.

(c) Following the Final Ambac Shortfall Determination Date, any amounts remaining in the Settlement Escrow Account, plus reinvestment income thereon (to the extent not released to Ambac Credit Products pursuant to the proviso to the seventh sentence of paragraph (a) of this Section 9.3), shall be held in such account until the earlier to occur of (i) the commencement of foreclosure proceedings under the Indenture and the Security Agreements, whereupon amounts in the Settlement Escrow Account shall be applied to payment of amounts payable from liquidation proceeds under the Indenture and, if foreclosed upon in the same proceeding, the Subordinated Mortgage in accordance with Section 3 of this Agreement as though the Settlement Escrow Account were an asset of Big Rivers pledged under the Indenture including, to the extent provided in the Indenture, to any Ambac Swap Obligation (whether due to unpaid amounts in respect of the Alternative Settlement Option under any Big Rivers Swap, including upon restoration of such obligation following rejection of the related Facility Lease following determination of the amount due under the Alternative Settlement Option under the Assumption Assumption, or otherwise), (any such payments made in respect of an obligation under the Ambac Swap Obligation to make payments upon exercise of an Alternative Settlement Option (but not amounts paid in respect of physical delivery of Deliverable Obligations) to be

treated as redeposited in the Settlement Escrow Account and available for other payments therefrom) and any Facility Lessor Obligation, or (ii) payment in full of all obligations secured by the Indenture and, if foreclosed in the same proceeding, the Subordinated Mortgage, whereupon amounts remaining in the Settlement Escrow Account shall be released to Big Rivers, if the Settlement Escrow Assignment Date shall have occurred, and otherwise to Ambac Credit Products. Notwithstanding the foregoing, subsequent to the settlement of a Big Rivers Swap on the basis of the Alternative Settlement Option, Ambac Credit Products will be entitled to deliver the Deliverable Obligations in a manner consistent with the settlement procedures for physical settlement set forth in the Big Rivers Swap, and thereupon obtain release of the funds in the Settlement Escrow Account to Ambac Credit Products.

9.4 Any amounts paid to parties other than Ambac Credit Products pursuant to clause (c)(i) of Section 9.3 on the basis of the Rejection Assumption prior to the Settlement Escrow Assignment Date shall be deemed a payment pursuant to the subordination effected by this Section 9, and Ambac Credit Products shall be subrogated to any such claim paid from the Settlement Escrow Fund and entitled to payment thereof from subsequent liquidation proceeds under the Indenture as a priority prior to release of any remainder to Big Rivers (but not prior to satisfaction of all claims under the Indenture), or from other assets of Big Rivers on an unsecured basis.

SECTION 10. Representations Warranties of Big Rivers. Big Rivers represents and warrants to each of the other parties to this Agreement, and agrees with them, as follows:

10.1 Organization and Powers of Big Rivers. Big Rivers is a rural electric cooperative duly organized and existing and in good standing under the laws of the Commonwealth of Kentucky. Big Rivers has all requisite corporate power and authority to own the assets and properties held by it and to carry on its business as now being conducted.

10.2 Authority Relative to Agreement. No further corporate or member authorization is necessary for the execution, delivery and performance of this Agreement.

10.3 No Violation. The execution and delivery of this Agreement by Big Rivers and the consummation by Big Rivers of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any further authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, received or accomplished, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in the creation of any Lien, other than a Permitted Lien, upon any of its assets under any term or provisions of the Articles of Incorporation or By-laws of Big Rivers or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which Big Rivers is a party or by which Big Rivers or any of its property may be bound or affected.

10.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by Big Rivers and constitutes a valid and legally binding agreement except as the

foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 11. Representations and Warranties of Ambac. Ambac represents and warrants to each of the other parties to this Agreement as follows:

11.1 Organization and Powers of Ambac. Ambac is a stock insurance company duly organized and existing and in good standing under the laws of Wisconsin. Ambac has all requisite corporate power and authority to own its assets and properties, to enter into this Agreement, and to carry on its business as now being conducted.

11.2 Authority Relative to Agreement. No further corporate authorization is necessary for the execution, delivery and performance of this Agreement.

11.3 No Violation. The execution and delivery of this Agreement by Ambac and the consummation by Ambac of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any further authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, received or accomplished, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the Articles of Incorporation or By-laws of Ambac or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which Ambac is a party or by which Ambac or any of its assets may be bound or affected.

11.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by Ambac and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 12. Representations and Warranties of PBR-1 Trust. PBR-1 Trust represents and warrants to each of the other parties to this Agreement as follows:

12.1 Organization and Powers of PBR-1 Trust. PBR-1 Trust is a statutory trust duly organized and existing and in good standing under the laws of Connecticut. PBR-1 Trust has all requisite power and authority under Connecticut law and the agreement creating it to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

12.2 Authority Relative to Agreement. No further authorization from any beneficial owner is necessary for the execution, delivery and performance of this Agreement by PBR-1 Trust.

12.3 No Violation. The execution and delivery of this Agreement by PBR-1 Trust and the consummation by PBR-1 Trust of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, received or accomplished, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the PBR-1 Trust or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which PBR-1 Trust is a party or by which PBR-1 Trust or any of its assets may be bound or affected.

12.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by PBR-1 Trust and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

12.5 Obligations Secured by Indenture. The only obligations of Big Rivers to the PBR-1 Trust arising out of or relating to the Operative Documents designated PBR-1 which are secured by the Indenture are those obligations evidenced by the two Facility Lessor Obligations payable to the PBR-1 Trust.

SECTION 13. Representations and Warranties of PBR-2 Trust. PBR-2 Trust represents and warrants to each of the other parties to this Agreement as follows:

13.1 Organization and Powers of PBR-2 Trust. PBR-2 Trust is a statutory trust duly organized and existing and in good standing under the laws of Connecticut. PBR-2 Trust has all requisite power and authority under Connecticut law and the agreement creating it to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

13.2 Authority Relative to Agreement. No further authorization from any beneficial owner is necessary for the execution, delivery and performance of this Agreement by PBR-2 Trust.

13.3 No Violation. The execution and delivery of this Agreement by PBR-2 Trust and the consummation by PBR-2 Trust of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, received or accomplished, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the PBR-2 Trust or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to

which PBR-2 Trust is a party or by which PBR-2 Trust or any of its assets may be bound or affected.

13.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by PBR-2 Trust and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

13.5 Obligations Secured by Indenture. The only obligations of Big Rivers to the PBR-2 Trust arising out of or relating to the Operative Documents designated PBR-2 which are secured by the Indenture are those obligations evidenced by the two Facility Lessor Obligations payable to the PBR-2 Trust.

SECTION 14. Representations and Warranties of PBR-3 Trust. PBR-3 Trust represents and warrants to each of the other parties to this Agreement as follows:

14.1 Organization and Powers of PBR-3 Trust. PBR-3 Trust is a statutory trust duly organized and existing and in good standing under the laws of Connecticut. PBR-3 Trust has all requisite power and authority under Connecticut law and the agreement creating it to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

14.2 Authority Relative to Agreement. No further authorization from any beneficial owner is necessary for the execution, delivery and performance of this Agreement by PBR-3 Trust.

14.3 No Violation. The execution and delivery of this Agreement by PBR-3 Trust and the consummation by PBR-3 Trust of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, received or accomplished, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the PBR-3 Trust or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which PBR-3 Trust is a party or by which PBR-3 Trust or any of its assets may be bound or affected.

14.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by PBR-3 Trust and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

14.5 Obligations Secured by Indenture. The only obligations of Big Rivers to the PBR-3 Trust arising out of or relating to the Operative Documents which are secured by the

Indenture are those obligations evidenced by the two Facility Lessor Obligations payable to the PBR-3 Trust.

SECTION 15. Representations and Warranties of Each OP Trust. Each OP Trust represents and warrants to each of the other parties to this Agreement as follows:

15.1 Organization and Powers of OP Trusts. The OP Trust is a statutory trust duly organized and existing and in good standing under the laws of Connecticut. The OP Trust has all requisite power and authority under Connecticut law and the agreement creating it to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

15.2 Authority Relative to Agreement. No further authorization from any beneficial owner is necessary for the execution, delivery and performance of this Agreement by such OP Trust.

15.3 No Violation. The execution and delivery of this Agreement by such OP Trust and the consummation by such OP Trust of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, received or accomplished, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of such OP Trust or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which OP Trust is a party or by which such OP Trust or any of its assets may be bound or affected.

15.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by such OP Trust and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 16. Representations and Warranties of CoBank. CoBank represents and warrants to each of the other parties to this Agreement as follows:

16.1 Organization and Powers of CoBank. CoBank is a government sponsored enterprise of the United States organized and existing and in good standing under the laws of the United States. CoBank has all requisite corporate power and authority to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

16.2 Authority Relative to Agreement. No further corporate authorization is necessary for the execution, delivery and performance of this Agreement by CoBank.

16.3 No Violation. The execution and delivery of this Agreement by CoBank and the consummation by CoBank of the transactions contemplated hereby will not (a) violate

any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the Articles of Incorporation or By-laws of CoBank or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which CoBank is a party or by which CoBank or any of its assets may be bound or affected.

16.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by CoBank and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 17. Representations and Warranties of Bluegrass Leasing. Bluegrass Leasing represents and warrants to each of the other parties to this Agreement as follows:

17.1 Organization and Powers of Bluegrass Leasing. Bluegrass Leasing is a general partnership duly organized and existing in good standing under the laws of New York. Bluegrass Leasing has all requisite corporate power and authority under New York law and the agreement creating it to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

17.2 Authority Relative to Agreement. No further authorization is necessary for the execution, delivery and performance of this Agreement by Bluegrass Leasing.

17.3 No Violation. The execution and delivery of this Agreement by Bluegrass Leasing and the consummation by Bluegrass Leasing of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the partnership agreement of Bluegrass Leasing or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which Bluegrass Leasing is a party or by which Bluegrass Leasing or any of its assets may be bound or affected (it being understood that no representation or warranty is being made as to an Applicable Law relating to the Facilities or the Sites).

17.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by Bluegrass Leasing and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy,

insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 18. Representations and Warranties of AME Investments. AME Investments represents and warrants to each of the other parties to this Agreement as follows:

18.1 Organization and Powers of AME Investments. AME Investments is a limited liability company duly organized and existing and in good standing under the laws of Delaware. AME Investments has all requisite limited liability company power and authority to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

18.2 Authority Relative to Agreement. No further organizational authorization is necessary for the execution, delivery and performance of this Agreement by AME Investments.

18.3 No Violation. The execution and delivery of this Agreement by AME Investments and the consummation by AME Investments of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the organizational documents of AME Investments or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which AME Investments is a party or by which AME Investments or any of its assets may be bound or affected (it being understood that no representation or warranty is being made as to any Applicable Law relating to the Facilities or the Sites).

18.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by AME Investments and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 19. Representations and Warranties of AME Asset Funding. AME Asset Funding represents and warrants to each of the other parties to this Agreement as follows:

19.1 Organization and Powers of AME Asset Funding. AME Asset Funding is a limited liability company duly organized and existing and in good standing under the laws of Delaware. AME Asset Funding has all requisite limited liability company power and authority to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

19.2 Authority Relative to Agreement. No further organizational authorization is necessary for the execution, delivery and performance of this Agreement by AME Asset Funding.

19.3 No Violation. The execution and delivery of this Agreement by AME Investments and the consummation by AME Asset Funding of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the organizational documents of AME Asset Funding or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which AME Asset Funding is a party or by which AME Asset Funding or any of its assets may be bound or affected (it being understood that no representation or warranty is being made as to any Applicable Law relating to the Facilities or the Sites).

19.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by AME Investments and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

SECTION 20. Representations and Warranties of Ambac Credit Products. Ambac Credit Products represents and warrants to each of the other parties to this Agreement, as follows:

20.1 Organization and Powers of Ambac Credit Products. Ambac Credit Products is a limited liability company duly organized and existing and in good standing under the laws of Delaware. Ambac Credit Products has all requisite limited liability company power and authority to own its assets and properties to enter into this Agreement, and to carry on its business as now being conducted.

20.2 Authority Relative to Agreement. No further limited liability company authorization is necessary for the execution, delivery and performance of this Agreement by Ambac Credit Products.

20.3 No Violation. The execution and delivery of this Agreement by Ambac Credit Products and the consummation by Ambac Credit Products of the transactions contemplated hereby will not (a) violate any statute or law or any rule, regulation, order, writ, injunction or decree of any court or governmental authority, (b) require any authorization, consent, approval, exemption or other action by or notice to any court, administrative or governmental agency, instrumentality, commission, authority, board or body which has not been obtained, or (c) violate or conflict with, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by any term or provisions of the organizational documents of Ambac Credit Products or of any material contract, commitment, understanding, arrangement, agreement or restriction of any kind or character to which Ambac Credit Products is a party or by which Ambac Credit Products or any of its assets may be bound or affected (it being understood

that no representation or warranty is being made as to any Applicable Law relating to the Facilities or the Sites).

20.4 Effect of Agreement. This Agreement has been duly and validly executed and delivered by Ambac Credit Products and constitutes a valid and legally binding agreement except as the foregoing may be limited by: (a) general principles of equity or (b) bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally.

20.5 Obligations Secured by Indenture. The only obligations of Big Rivers to Ambac Credit Products arising out of or relating to the Operative Documents which are secured by the Restated Mortgage are those obligations evidenced by the three Ambac Swap Obligations.

SECTION 21. Amendment of Definition in Operative Documents. Each of Big Rivers and each Lease Party agree that the definition of "Permitted Encumbrances" for all purposes of each Facility Lease and each other Operative Document is hereby amended by deleting the words "as in effect on the Closing Date" at the end thereof.

SECTION 22. Miscellaneous Provisions.

22.1 Notices. All notices, payments and other communications to any Party under this Agreement must be in writing, and shall be addressed respectively as follows:

If to Ambac:

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 344-5297
Telephone No.: (212) 668-0340
Attention: General Counsel

If to the Indenture Trustee:

[_____]
[_____]
[_____]
Facsimile No.: [_____]
Telephone No.: [_____]
Attention: [_____]

If to Ambac Credit Products:

Ambac Credit Products, LLC
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 208-3113
Telephone No.: (212) 208-3433
Attention: Managing Director

If to Big Rivers:

Big Rivers Electric Corporation
201 Third Street
Henderson, KY 42420
Facsimile No.: (270) 827-2558
Telephone No.: (270) 827-2561
Attention: President and Chief Executive Officer

with copies to:

James Miller
Sullivan, Mountjoy, Stainback & Miller
100 St. Ann's Building
PO Box 727
Owensboro KY 42302-0727

If to the Owner Trusts:

PBR-1 Statutory Trust
U.S. Bank National Association under PBR-1 Statutory Trust
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 241-6881
Telephone No.: (860) 241-6842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

PBR-2 Statutory Trust

U.S. Bank National Association under PBR-2 Statutory Trust
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 241-6881
Telephone No.: (860) 241-6842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

PBR-3 Statutory Trust

U.S. Bank National Association under PBR-3 Statutory Trust
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 241-6881
Telephone No.: (860) 241-6842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to the PMCC Owner Participant:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to the OP Trusts:

PBR-1 OP Statutory Trust
U.S. Bank National Association under PBR-1 OP Statutory Trust
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 241-6881
Telephone No.: (860) 241-6842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300W
Stamford, CT 06905
Facsimile No.: (914) []- []
Telephone No.: (914) []- []
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) []- []

PBR-2 OP Statutory Trust

U.S. Bank National Association under PBR-2 OP Statutory Trust
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 241-6881
Telephone No.: (860) 241-6842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300W
Stamford, CT 06905
Facsimile No.: (914) [] - []
Telephone No.: (914) [] - []
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) [] - []

PBR-3 OP Statutory Trust

U.S. Bank National Association under PBR-3 OP Statutory Trust
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 241-6881
Telephone No.: (860) 241-6842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300W
Stamford, CT 06905
Facsimile No.: (914) [] - []
Telephone No.: (914) [] - []
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) [] - []

If to AME Investments:

AME Investments, LLC
c/o Ambac Capital Corporation
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 208-3113
Telephone No.: (212) 208-3433
Attention: Managing Director

If to AME Asset Funding:

AME Asset Funding, LLC
c/o Ambac Capital Corporation
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 208-3113
Telephone No.: (212) 208-3433
Attention: Managing Director

If to CoBank:

CoBank, ACB
101 Bullitt Lane
Suite 304
Louisville, KY 40222-5495
Facsimile No.: (502) 423-5688
Telephone No.: (502) 423-5650
Attention: Vice President

All notices shall be given (1) by personal delivery to the party (including by overnight delivery if receipt by such party is confirmed), (2) certified or registered mail, return receipt requested, or (3) by confirmed electronic communication if followed on the same date by registered or certified mail, return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery, on the date of delivery, (b) if by certified or registered mail, on the date delivered by the United States Postal Service as shown on the receipt, and (c) if by electronic communication, on the date the transmission is confirmed. A party may change its address from time to time by notice to all other parties.

22.2 Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however,* that, other than a transfer to Ambac Credit Products (or its successors and assigns) pursuant to a Qualifying Swap (or any entity providing a replacement Qualifying Swap) or a transfer to Big Rivers (or its successors and permitted assigns under the Facility Lease) or a transfer to E.ON U.S. LLC in accordance with the Put Agreements, no Lease Transaction Parties' conveyance, assignment or transfer of its interest in any Operative Document shall be effective without delivery to the Indenture Trustee and (with a copy to Big Rivers) of the transferee's express

written (x) acknowledgment that the transfer is subject to all terms and provisions of this Agreement and (y) assumption of all of the transferring or assigning Lease Transaction Party's obligations and duties under this Agreement. Each of the Lease Transaction Parties agrees to obtain such written acknowledgment and assumption before executing any instrument purporting to transfer its interest in any Operative Document, other than a transfer to Ambac Credit Products (or its successors and assigns) pursuant to a Qualifying Swap (or any entity providing a replacement Qualifying Swap, replacement "Letter of Credit" or replacement "Qualifying Surety Bond" pursuant to the provisions of Section 7.7, 7.8 or 7.9 of a Participation Agreement), a transfer to Big Rivers (or its successors and permitted assigns under the Facility Lease). It is expressly agreed and understood that the Lease Transaction Parties, or any of them, may transfer any or all of their rights hereunder to any Affiliate provided that Affiliate, in accepting such assignment assumes all corresponding obligations related to the assigned rights, and that such transfer is otherwise permitted pursuant to the terms of the Operative Documents.

If Bluegrass Leasing shall be released from its obligations under the Participation Agreement and the other Operative Documents pursuant to Section 5.1(c) of a Participation Agreement or, in consequence of the exercise of the Put Agreements, Bluegrass Leasing shall be released from its obligations hereunder to the extent of the obligations expressly assumed by the assignee or transferee of the rights and obligations of the "Owner Participant" effected in accordance with Section 5.1 of any Participation Agreement or by the assignee pursuant to the provisions of the Put Agreement, *provided, however*, that in no event shall any such assignment or transfer release Bluegrass Leasing (a) from any liability existing immediately prior to or occurring simultaneously with such transfer or assignment and (b) if effected pursuant to Section 4.1 of any Participation Agreement, without the delivery to the Indenture Trustee of the transferee's express written assumption pursuant to an assignment and assumption agreement. Any Lease Party other than Bluegrass Leasing assigning or transferring all or a portion of its interest in this Agreement shall be released from its obligations under this Agreement only if it shall be released from all of its obligations under the Operative Documents in consequence of such assignment or transfer, *provided, however*, that in no event shall any such assignment or transfer release the transferring Lease Party (a) from any liability existing immediately prior to or occurring simultaneously with such transfer or assignment and (b) without the delivery to the Indenture Trustee of the transferee's express written assumption pursuant to an assignment and assumption agreement substantially in the form of Exhibit B to this Agreement.

22.3 Definition of "Foreclosure". As used in this Agreement, the word "foreclosure" shall be deemed to include the acquisition, sale, transfer or other conveyance of Big Rivers' interest in the Facilities or the Indenture Trust Estate or the Big Rivers Subsidiary's interest in the Lease Collateral by voluntary deed, assignment or other conveyance or transfer in lieu of foreclosure or any transfer as part of or incident to any judicial or other proceeding to realize upon any portion of the Indenture Trust Estate or the Lease Collateral.

22.4 Law Governing. This Agreement shall be governed by and construed in accordance with, the laws of the Commonwealth of Kentucky applicable to contracts made and performed in Kentucky shall be applied without regard to conflict of laws doctrines.

22.5 Jurisdiction and Venue. Big Rivers, the Indenture Trustee and the Lease Transaction Parties agree that any legal action or proceeding with respect to this Agreement, to

the extent that joinder of creditors makes it possible to do so, shall be brought in the United States District Court for the Western District of Kentucky, and, by execution and delivery of this Agreement, Big Rivers, the Indenture Trustee, and the Lease Transaction Parties consent to the nonexclusive jurisdiction of that court. Big Rivers, the Lease Transaction Parties and the Indenture Trustee waive any objection, including any objection to jurisdiction, venue or based upon *forum non conveniens*, which any of them may now or hereafter have to the bringing of any action or proceeding in such jurisdiction.

22.6 Attorney's Fees and Costs. In any litigation between or among the parties to this Agreement to construe, interpret or enforce this Agreement or relating to its terms, the prevailing party shall be entitled to recover from the losing party all of the prevailing party's costs and expenses (including fees of its attorneys and other professional and paraprofessional persons employed by such attorneys) at trial, on any appeals or reviews, and in any insolvency or bankruptcy case provided.

22.7 Construction. This Agreement was the product of negotiations between the parties, and therefore the rule of contract construction that an agreement shall be construed against the drafter shall not be applied to this Agreement.

22.8 Counterparts. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute a single agreement.

22.9 Amendments of Certain Agreement.

(a) No term, covenant, agreement or condition of this Agreement may be terminated, amended or compliance therewith waived except by an instrument or instruments in writing executed by each Party hereto.

(b) Each of Big Rivers and Ambac Credit Products shall not amend, supplement or otherwise modify any of the Big Rivers Swaps or the Funding Agreement, the Funding Agreement Guarantees or the Funding Agreement FGIPs (each such term as defined in the applicable Participation Agreement) without prior written consent of Bluegrass Leasing.

(c) Each of the PBR-1 OP Trust, PBR-2 OP Trust, PBR-3 OP Trust and Ambac Credit Products shall not amend, supplement or otherwise modify any Qualifying Swap to which any of such OP Trusts is a party without the prior written consent of Big Rivers.

SECTION 23. Limitation of Liability. It is expressly understood and agreed by the parties hereto that (a) this Agreement is executed and delivered by U.S. Bank National Association (as successor to State Street Bank and Trust Company of Connecticut, National Association), not individually or personally but solely as trustee under the Owner Trust Agreements and OP Trust Agreements (PBR-1), (PBR-2), (PBR-3), (FBR-1), (FBR-2), (PBR-1 OP), (PBR-2 OP), and (PBR-3 OP), in the exercise of the powers and authority conferred and vested in it, (b) each of the representations, undertakings and agreements herein made by each Owner Trust and OP Trust is made and intended not as personal representations, undertakings and agreements by U.S. Bank National Association, but is made and intended for the purpose for binding only the Owner Trust or OP Trust, as the case may be, (c) nothing herein contained shall be construed as creating any liability on U.S. Bank National Association individually or

personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto or by any Person claiming by, through or under the parties hereto and (d) under no circumstances shall U.S. Bank National Association be personally liable for the payment of any indebtedness or expenses of an Owner Trust or OP Trust or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by an Owner Trust or OP Trust under this Agreement.

SECTION 24. Nature of Obligations. The duties and liabilities of each of the Parties hereunder are intended to be several and not joint; no Party shall be jointly or severally liable for the acts, omissions or obligations of another Party except to the extent that one or more Parties to this Agreement have or hereafter expressly agree to assume or undertake to perform or discharge the debts, obligations or liabilities of another Party arising under this Agreement or any Operative Document. Nothing herein contained shall be construed to create an association, joint venture or partnership, or impose a partner duty, obligation or liability on or with regard to any of the Parties. No Party shall have the right or authority to bind another Party without its express written consent. Each of the Parties acknowledges that any obligations assumed by any Owner Trust are nonrecourse and each of the Parties agrees to look solely to the Trust Estate (as defined in the relevant Participation Agreement) and neither the relevant OP Trust, or Bluegrass Leasing, as the case may be, shall be personally liable for amounts payable by reason of any liability of any Owner Trust. The preceding sentence shall not relieve any Party which is not an Owner Trust or an OP Trust from any obligations expressly undertaken by it pursuant to this Agreement.

24.1 Survival. Notwithstanding the provisions of the Indenture or any Operative Document to the contrary, the provisions of this Agreement shall survive the expiration or termination for any reason of any Operative Document, and shall continue to be binding on and benefit each Party hereto for so long as such Party shall have any rights, interest, claims or obligations to or with respect to any other Party hereto under or pursuant to this Agreement or any such other agreement or instrument.

24.2 References. All references in any of the Operative Documents to sections of the Amended Intercreditor Agreement or the Original Restated Mortgage shall be deemed references to the corresponding provisions of this Agreement or the Indenture, respectively. Furthermore, the parties agree that the Indenture, the Facility Lessor Obligations and this Agreement shall be deemed to be Operative documents as that term is defined in each Participation Agreement.

24.3 Payment Obligations. All references herein or in any other Operative Document to performance of a Person's payment obligation shall mean indefeasible payment is cash of the full amount stated in the instrument or document setting forth such Person's payment obligation.

(Signature Pages Follow on Next Page)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be properly executed by their duly authorized representatives as of the date first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Its: President and Chief Executive Officer

COMMONWEALTH OF KENTUCKY

COUNTY OF HENDERSON

The foregoing instrument was acknowledged before me on _____, 2008, by Michael H. Core, President and Chief Executive Officer of Big Rivers Electric Corporation, a Kentucky rural electric cooperative corporation, on behalf of such corporation.

Notary Public, Kentucky – State at Large

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

AMBAC ASSURANCE CORPORATION

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____, of Ambac Assurance Corporation, a Wisconsin domiciled stock insurance company, on behalf of such company.

Notary Public

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

[INDENTURE TRUSTEE],

not in its individual capacity, but solely as Trustee under
the Indenture dated as of _____]

By: _____
Its: _____

STATE OF _____]

COUNTY OF _____]

The foregoing instrument was acknowledged before me on _____],
2008 by _____, _____ on behalf of [Indenture Trustee] under the
Indenture dated as of _____], a _____ corporation, for and on
behalf of such corporation.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

PBR-1 STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the Trust Agreement (PBR-1) dated as of April 1, 2000

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of U.S. Bank National Association, as Trustee under the PBR-1 Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

PBR-2 STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the Trust Agreement (PBR-2) dated as of April 1, 2000

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of U.S. Bank National Association, as Trustee under the PBR-2 Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

PBR-3 STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the Trust Agreement (PBR-3) dated as of April 1, 2000

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of U.S. Bank National Association, as Trustee under the PBR-3 Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

PBR-1 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the OP Trust Agreement (PBR-1) dated as of April 1, 2000

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of U.S. Bank National Association, as OP Trustee under the PBR-1 OP Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public, State of _____

Commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

PBR-2 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the OP Trust Agreement (PBR-2) dated as of April 1, 2000

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of U.S. Bank National Association, as OP Trustee under the PBR-2 OP Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

PBR-3 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as Trustee under the OP Trust Agreement (PBR-3) dated as of April 1, 2000

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of U.S. Bank National Association, as OP Trustee under the PBR-3 OP Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

AME INVESTMENTS, LLC

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of AME Investments, LLC, a Delaware limited liability company, on behalf of such company.

Notary Public, State of _____

My commission expires:

[SEAL]

Third Amended And Restated Subordination,
Nondisturbance, Attornment And Intercreditor
Agreement

AME ASSET FUNDING, LLC

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of AME Asset Funding, LLC, a Delaware limited liability company, on behalf of such company.

Notary Public, State of _____

My commission expires:

[SEAL]

AMBAC CREDIT PRODUCTS, LLC

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ of Ambac Credit Products, LLC, a Delaware limited liability company, on behalf of such company.

Notary Public, State of _____

My commission expires:

[SEAL]

COBANK, ACB

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of CoBank, a governmental sponsored enterprise, on behalf of such company.

Notary Public, State of _____

My commission expires:

[SEAL]

EXHIBIT A

Definitions

1. **Agreement.** "*Agreement*" shall mean this Intercreditor Agreement.
2. **Alternative Settlement Option.** "*Alternative Settlement Option*", with respect to each Big Rivers Swap, shall have the meaning set forth in such Big Rivers Swap.
3. **Ambac Obligations.** "*Ambac Obligations*" shall mean (i) one (1) Ambac Municipal Bond Insurance Policy Series 1983 Note, payable to Ambac, dated [____], 2008 stated to mature on June 1, 2013, issued by Big Rivers in the aggregate principal amount of not to exceed \$216,207,600 with respect to the 1983 Municipal Bond Insurance Policy and (ii) one (1) Obligation payable to Ambac, dated [____], 2008 stated to mature on June 1, 2013, issued by big Rivers in the aggregate principal amount of not to exceed \$4,050,000 with respect to the 1983 Surety Policy.
4. **Ambac Swap Obligations.** "*Ambac Swap Obligations*" shall mean each of the five Obligations issued and Outstanding under the Indenture and identified on Exhibit C thereto each made by Big Rivers to Ambac Credit Products and each in the maximum amount equal to the Party B Fixed Amount as described in each such Obligation.
5. **Ambac Shortfall.** "*Ambac Shortfall*" shall have the meaning set forth in Section 9.3 of this Agreement.
6. **Amount Paid.** "*Amount Paid*" shall have the meaning set forth in Section 9.3 of this Agreement.
7. **Assumption Assumption.** "*Assumption Assumption*" shall have the meaning set forth in Section 9.2 of this Agreement.
8. **Big Rivers Swap.** "*Big Rivers Swap*" and, collectively, the "*Big Rivers Swaps*" shall mean each of the following:
 - (a) Master Agreement (PBR-1), dated April 18, 2000, between Ambac Credit Products, LLC and Big Rivers, as amended.
 - (b) Master Agreement (PRB-2), dated April 18, 2000, between Ambac Credit Products, LLC and Big Rivers, as amended.
 - (c) Master Agreement (PBR-3), dated April 18, 2000, between Ambac Credit Products, LLC and Big Rivers, as amended., together with the associated schedule and confirmation.
9. **CFC.** "*CFC*" shall mean National Rural Utilities Cooperative Finance Corporation, a District of Columbia cooperative corporation.

10. **CFC Loan Agreement.** "*CFC Loan Agreement*" shall mean the Loan Agreement between CFC and Big Rivers dated July 15, 1998, as amended and restated on July 14, 2003.

11. **CSFBNYB.** "*CSFBNYB*" shall mean Credit Suisse First Boston, acting through its New York branch.

12. **Deliverable Obligations.** "*Deliverable Obligations*", with respect to any Big Rivers Swap, shall have the meaning set forth in such Big Rivers Swap.

13. **Dexia.** "*Dexia*" means Dexia Bank.

14. **Dexia Obligations.** "*Dexia Obligations*" shall mean (i) one Obligation payable to Dexia, dated as of [____], 2008, stated to mature on June 1, 2013, issued by Big Rivers in the aggregate principal amount of not to exceed \$216,207,600 with respect to the 1983 Bonds and (ii) one promissory note payable to Dexia, dated as of [____], 2008 stated to mature on June 1, 2013, issued by Big Rivers in the aggregate principal amount of not to exceed \$4,050,000 with respect to the 1983 Surety Policy.

15. **Expiration Date.** "*Expiration Date*", with respect to any Facility Lease, shall have the meaning set forth in such Facility Lease.

16. **Facilities.** "*Facilities*" shall mean all facilities owned by Big Rivers on the date of execution of this Agreement relating to the generation of electric power and includes the three unit Coleman Plant, the two unit Green Plant, the one unit D.B. Wilson Plant, the one unit Reid Unit I and the Reid Combustion Turbine, all existing and future additions to those plants and all interests of Big Rivers in common or joint facilities and equipment used to serve those generating facilities and/or Station Two.

17. **Facility Lease.** "*Facility Lease*" and, collectively, the "Facility Leases" shall have the meaning set forth in paragraph B of the recitals to this Agreement.

18. **Facility Lessor (D) Obligations.** "*Facility Lessor (D) Obligations*" shall mean each of the five Obligations identified on Exhibit C to the Indenture as a "Facility Lessor (D) Obligation" set forth below:

(i) Facility Lessor (D) Obligation (PBR-1), dated [____], 2008, made by Big Rivers to PBR-1 Trust in the maximum amount equal to the Debt Secured Amount as described in such Obligation;

(ii) Facility Lessor (D) Obligation (PBR-2), dated [____], 2008, made by Big Rivers to PBR-2 Trust in the maximum amount equal to the Debt Secured Amount as described in such Obligation; and

(iii) Facility Lessor (D) Obligation (PBR-3), dated [____], 2008, made by Big Rivers to PBR-3 Trust in the maximum amount equal to the Debt Secured Amount as described in such Obligation.

19. **Facility Lessor (E) Obligation.** “*Facility Lessor (E) Obligation*” shall mean each of the five Obligations, identified on Exhibit C to the Indentures a “Facility Lessor (E) Obligation”; set forth below:

(i) Facility Lessor (E) Obligation (PBR-1), dated [____], 2008, made by Big Rivers to PBR-1 Trust in the maximum amount equal to the Equity Secured Amount as described in such Obligation;

(ii) Facility Lessor (E) Obligation (PBR-2), dated [____], 2008, made by Big Rivers to PBR-2 Trust in the maximum amount equal to the Equity Secured Amount as described in such Obligation; and

(iii) Facility Lessor (E) Obligation (PBR-3), dated [____], 2008, made by Big Rivers to PBR-3 Trust in the maximum amount equal to the Equity Secured Amount as described in such Obligation;

20. **Facility Lessor Obligations.** “*Facility Lessor Obligations*” shall mean, collectively, all of the Facility Lessor (D) Obligation and the Facility Lessor (E) Obligation.

21. **Final Ambac Shortfall Determination Date.** “*Final Ambac Shortfall Determination Date*” shall have the meaning set forth in Section 9.3(b) of this Agreement.

22. **Government Securities.** “*Government Securities*” shall have the meaning set forth in each Participation Agreement.

23. **Government Securities Pledge Agreement.** “*Government Securities Pledge Agreement*” shall have the meaning set forth in each Participation Agreement.

24. **Ground Lease.** “*Ground Lease*” and collectively, the “*Ground Leases*” shall have the meaning set forth in paragraph B of the recitals to this Agreement.

25. **Ground Sublease.** “*Ground Sublease*” and collectively, the “*Ground Subleases*” shall have the meaning set forth in paragraph B of the recitals to this Agreement.

26. **Head Lease.** “*Head Lease*”. and collectively, “*Head Leases*” shall have the meaning set forth in paragraph B of the recitals to this Agreement.

27. **Holder.** “*Holder*”. and collectively, “*Holders*” shall have the meaning set forth in the Indenture.

28. **Indenture.** “*Indenture*” shall mean the Indenture, dated as of [____], made by Big Rivers to the Indenture Trustee.

29. **Indenture Trustee.** “*Indenture Trustee*” has the meaning set forth in the first paragraph of the preamble to this Agreement.

30. **Indenture Trust Estate.** “*Indenture Trust Estate*” shall mean the “Trust Estate” as defined in the Indenture.

31. **Installment Payment Amount.** "*Installment Payment Amount*", with respect to any Facility Lessor (E) Obligation or Ambac Swap Obligation, shall have the meaning set forth in such Facility Lessor (E) Obligation or Ambac Swap Obligation.

32. **Laws.** "*Laws*" shall mean all federal, state and local laws, rules, regulations, ordinances, codes, orders and directives of any governmental body or office or agent thereof, including all environmental laws, and all permits applicable to the Facilities or their respective operations, including, but not limited to, those pertaining to employment, health, safety and the environment.

33. **Lease Collateral.** "*Lease Collateral*" shall mean:

- (i) each of the Payment Agreements;
- (ii) each of the three separate financial guaranty insurance policies, dated April 18, 2000, issued by Ambac with respect to the Payment Agreements;
- (iii) each of three separate Funding Agreements, dated as of April 1, 2000, between Big Rivers Leasing Company LLC (as successor to Big Rivers Leasing Corporation) and AIG Matched Funding Corp.;
- (iv) each of three separate guarantees, dated as of April 18, 2000, of American International Group, Inc. of with respect to such Funding Agreements;
- (v) each of three separate financial guaranty insurance policies, dated April 18, 2000, issued by Ambac with respect to such guarantees;
- (vi) the Government Securities and the "Other Government Securities" referred to in each of the three separate Government Securities Pledge Agreements;

and any other property which may, from time to time, be added to, or substituted for, the above property, and become subject to the Security Agreements.

34. **Lease Covered Obligations.** "*Lease Covered Obligations*" shall have the meaning set forth in Section 8.2 of this Agreement.

35. **Leasehold Mortgage.** "*Leasehold Mortgage*" shall have the meaning set forth in paragraph C of the recitals to this Agreement.

36. **Lease Party.** "*Lease Party*" and collectively, "*Lease Parties*" shall have the meaning set forth in the first paragraph of the preamble to this Agreement.

37. **Lease Transaction Party.** "*Lease Transaction Party*" and collectively, "*Lease Transaction Parties*" shall have the meanings set forth in the first paragraph of the preamble to this Agreement.

38. **Lien.** "*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has substantially the same practical effect as a security interest, in respect of such asset.

39. **Members.** "*Members*" mean the three distribution cooperative members of Big Rivers.

40. **Mortgaged Property.** "*Mortgaged Property*" shall have the meaning set forth in Section 2.2 of this Agreement.

41. **Net Amount Due.** "*Net Amount Due*", with respect to any Big Rivers Swap, shall have the meaning set forth in such Big Rivers Swap.

42. **Non-Paying Security Agreement.** "*Non-Paying Security Agreement*" shall have the meaning set forth in Section 8.2 of this Agreement.

43. **1983 Bonds** "*1983 Bonds*" shall mean the \$58,800,000 County of Ohio, Kentucky, Pollution Control Floating Rate Demand Bonds, Series 1983 (Big Rivers Electric Corporation Project).

44. **1983 Municipal Bond Insurance Policy.** "*1983 Municipal Bond Insurance Policy*" shall mean the Municipal Bond Insurance Policy No. 15402BE issued by Ambac in order to insure the full and timely payment when due of principal of and interest on the 1983 Bonds.

45. **1983 Reimbursement Agreement.** "*1983 Reimbursement Agreement*" shall mean the Reimbursement Agreement, dated as of July 15, 1998, by and between the Mortgagor and Ambac relating to the 1983 Bonds.

46. **1983 Standby Bond Purchase Agreement.** "*1983 Standby Bond Purchase Agreement*" shall mean the Standby Bond Purchase Agreement, dated July 17, 1998, as amended by the First Amendment thereto dated December 31, 1999, among the Mortgagor, U.S. Bank Trust National Association, as Trustee, and Dexia relating to the 1983 Bonds.

47. **1983 Surety Policy** "*1983 Surety Policy*" shall mean the Surety Bond Policy No. SF0136BE issued by Ambac in order to insure the full and timely payment when due to Dexia Bank of commitment fees due and owing pursuant to Section 2.6 of the 1983 Standby Bond Purchase Agreement.

48. **Obligations** "*Obligations*" shall mean "Obligations" as defined in the Indenture.

49. **Operative Documents.** "*Operative Documents*" shall mean the "Operative Documents" as defined in each Participation Agreement.

50. **OP Trusts.** "*OP Trusts*" shall have the meaning set forth in the preamble to this Agreement.

51. **Outstanding.** “*Outstanding*”, with respect to any Obligation, shall have the meaning set forth in the Indenture.

52. **Outstanding Secured Obligations.** “*Outstanding Secured Obligations*”, shall have the meaning set forth in the Indenture.

53. **Owner Trust.** “*Owner Trust*” and collectively, “*Owner Trusts*” shall mean each of the PBR-1 Trust, the PBR-2 Trust and the PBR-3 Trust.

54. **Party.** “*Party*” and collectively “*Parties*” shall have the meaning set forth in the first paragraph of the preamble to this Agreement.

55. **Partial Release.** “*Partial Release*” shall mean the Consent and Partial Release, dated April 18, 2000, by and among RUS, Ambac and CFC.

56. **Participation Agreement** “*Participation Agreement*” shall have the meaning set forth in paragraph B of the recitals to this Agreement.

57. **Party A Fixed Amount.** “*Party A Fixed Amount*”, with respect to any Big Rivers Swap, shall have the meaning set forth in such Big Rivers Swap.

58. **Party B Fixed Amount.** “*Party B Fixed Amount*”, with respect to any Big Rivers Swap, shall have the meaning set forth in such Big Rivers Swap.

59. **Payment Agreement.** “*Payment Agreement*” and, collectively, the “*Payments Agreements*”, shall have the meaning set forth in each Participation Agreement.

60. **Person.** “*Person*” shall mean any individual, corporation, partnership, joint venture, limited liability company or any other legal form of organization.

61. **Plant Green.** “*Plant Green*” shall mean Plant Robert D. Green Units Nos. 1 and 2 and Common Facilities, a 454 MW (net) capacity coal-fired generating station, owned by Big Rivers, located near Sebree, Kentucky.

62. **Put Agreements** shall mean the three separate Put Agreements, (PBR-1), (PBR-2) and (PBR-3), entered into [____], 2008, between Bluegrass Leasing and [____], the three separate Assumption Agreements, (PBR-1) (PBR-2) and (PBR-3), entered into as of [____], 2008 between [____] and Bluegrass Leasing, the Guarantee (PBR-1) dated [____], 2008, made by [____], and the three separate Escrow Agreements, (PBR-1) (PBR-2) and (PBR-3), entered into by Bluegrass Leasing, [____], Big Rivers, PBR-1 OP Trust, U.S. Bank National Association, AME Investments, AME Asset Funding, CoBank, Ambac Credit Products and Ambac.

63. **Qualifying Swaps.** “*Qualifying Swaps*” shall have the meaning set forth in paragraph D of the preamble to this Agreement and shall include a “Qualifying Swap” replacing such a Qualifying Swap in accordance with Section 7.5 of a Participation Agreement.

64. **Rejection Assumption.** "*Rejection Assumption*" shall have the meaning set forth in Section 9.2 of this Agreement.

65. **Restated Mortgage.** "*Restated Mortgage*" shall mean the Third Restated Mortgage and Security Agreement dated as of August 1, 2001, made by and among Big Rivers, RUS, Ambac CSFBNYB, the Series 2001A Trustee, CPC, PBR-1 Trust, PBR-2 Trust, PBR-3 Trust, FBR-1 Trust, FBR-2 Trust and Ambac Credit Products, as supplemental and amended by the First Amendment to Third Restated Mortgage and Security Agreement, dated as of July 15, 2003.

66. **Restructuring Agreement.** "Restructuring Agreement" shall mean [if needed],

67. **Rights Sharing Agreements.** "*Rights Sharing Agreement*" shall mean each if of three separate Rights Sharing Agreements, dated as of April 18, 2000, among AME Investments, CoBank, Ambac Credit Products, Ambac, and Owner Trust and an OP Trust.

68. **RUS.** "RUS" shall mean the United States of America acting through the Administrator of the Rural Utilities Service, United States Department of Agriculture or any successor agency or administration.

69. **RUS Obligations.** "*RUS Obligations*" shall mean (i) the RUS 2008 Promissory Note Series A, dated [____], 2008 stated to mature on July, 2021, issued by Big Rivers in a principal amount of \$[____], and (ii) the RUS 2008 Promissory Note Series B, dated [____], 2008 stated to mature on December 31, 2023, issued by Big Rivers in the principal amount of \$[____].

70. **Secured Party.** "*Secured Party*" shall mean any Lease Party as a "Secured Party" under a Security Agreement.

71. **Securities.** "*Securities*" shall have the meaning set forth in each Participation Agreement.

72. **Security Agreement.** "*Security Agreement*" and collectively, the "*Security Agreements*" shall mean:

(a) each of three separate Amended and Restated Payment Agreement Pledge Agreements, each dated as of [____], 2008 among Big Rivers, a Facility Lessor, Ambac Credit Products, Big Rivers Leasing Company LLC, and the Indenture Trustee;

(b) each of three separate Amended and Restated Funding Agreement Pledge Agreements, each dated as of [____], 2008, among the Big Rivers Leasing Company LLC, Ambac Credit Products and the Indenture Trustee; and

(c) each of the three separate Amended and Restated Government Securities Pledge Agreements, each dated as of [____], 2008, among the Big Rivers Leasing Company LLC, Ambac Credit Products, a Facility Lessor, the Indenture Trustee and U.S. BANK NATIONAL Association, as Government Securities Collateral Agent and Government Securities Intermediary, as amended.

73. **Series 2001A Bonds.** "*Series 2001A Bonds*" shall mean the \$83,300,000 County of Ohio, Kentucky, Pollution Control Refunding Revenue Bonds Series 2001A (Big Rivers Electric Corporation Project) Periodic Auction Reset Securities.

74. **Series 2001A Obligation.** "*Series 2001A Obligation*" shall mean the Obligation, dated [____], payable to the 2001A Trustee, in the principal amount of \$[_____].

75. **Series 2001A Trustee.** "*Series 2001A Trustee*" shall have the meaning set forth in the first paragraph of the preamble to this Agreement.

76. **Settlement Amount.** "*Settlement Amount*" shall have the meaning set forth in Section 9.2 of this Agreement.

77. **Settlement Escrow Assignment Date.** "*Settlement Escrow Assignment Date*" shall have the meaning set forth in Section 10.3 of this Agreement.

78. **Site.** "*Site*" has the meaning set forth in Recital B of this Agreement.

79. **Subordinated Mortgage.** "*Subordinated Mortgage*" shall have the meaning set forth in recital E to this Agreement.

80. **Swap Proceeds Collateral Agent.** "*Swap Proceeds Collateral Agent*" shall have the meaning set forth in Section 9.2 of this Agreement

81. **Trust Estate.** "*Trust Estate*" shall have the meaning set forth in each Participation Agreement.

82. **Undivided Interest.** "*Undivided Interest*" and, collectively, the "*Undivided Interests*," shall have the meaning specified in each Facility Lease.

83. **Wilson Unit.** "*Wilson Unit*" shall mean the D.B. Wilson Unit No. 1, a 420 MW (net) capacity coal-fired generating facility, owned by Big Rivers, located near Centertown, Kentucky.

EXHIBIT 66

AMBAC LETTER AGREEMENT

**BIG RIVERS ELECTRIC CORPORATION
201 THIRD STREET
HENDERSON, KY 42420**

[July 15], 2008

Ambac Assurance Corporation
One State Street Plaza
New York, NY 10004
Attention: Dennis Pidherney

Ambac Credit Products, LLC
One State Street Plaza
New York, New York 10004

Dear Mr. Pidherney,

Reference is made to (a) the Transaction Termination Agreement dated as of March 26, 2007 among Big Rivers Electric Corporation ("Big Rivers"), LG&E Energy Marketing Inc. and Western Kentucky Energy Corp. (the "Termination Agreement") and to the termination of the contractual relations and property interests between Big Rivers and several affiliates of E.ON. U.S. LLC contemplated by the Termination Agreement (the "Unwind Transaction"), (b) \$58,800,000 County of Ohio, Kentucky, Pollution Control Float Rate Demand Bonds, Series 1983 (Big Rivers Electric Corporation Project) (the "1983 Bonds"), which are insured by Ambac Assurance Corporation ("Ambac"), (c) \$83,300,000 County of Ohio, Kentucky, Pollution Control Refunding Revenue Bonds, Series 2001A ("Big Rivers Electric Corporation Project"), Periodic Auction Reset Securities (the "2001A Bonds"), which are insured by Ambac, (d) five Master Agreements, each dated as of April 18, 2000, between Ambac Credit Projects, LLC ("ACP") and Big Rivers (the "Ambac Swaps") and (e) the Third Restated Mortgage and Security Agreement, dated as of August 1, 2001, made by and among Big Rivers and various other parties, including Ambac, as amended by the First Amendment thereto, dated as of July 15, 2003 (the "Restated Mortgage"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Termination Agreement or, if not defined therein, in the Indenture to be executed and delivered by Big Rivers as of [_____].

The Unwind Transaction contemplates that Big Rivers will incur the responsibility to supply Kenergy Corp. with the power and energy necessary to supply the energy requirements of two aluminum smelters in the Kenergy service territory, Alcan Primary Products Corporation ("Alcan") and Century Aluminum of Kentucky General Partnership ("Century"). Big Rivers has requested that Ambac consent to the Unwind Transaction which will require, inter alia, that Ambac agree that the Restated Mortgage, under which the obligations of Big Rivers to Ambac in connection with Ambac's insurance of the 1983 Bonds and the 2001A Bonds and to Ambac Credit Products, LLC under the Ambac Swaps, which are currently secured by the Restated Mortgage on a basis under which obligations owed by Big Rivers to the Rural Utilities Services and others are subordinated to the obligations owed to Ambac and Ambac Credit Products, LLC, be replaced with an Indenture under which all of Big Rivers' first mortgage obligations will be secured pari passu.

Ambac is willing to give its consent to the Unwind Transaction on the condition that Big Rivers execute and deliver this letter agreement. Big Rivers and Ambac agree that in consideration for Ambac's consent to the Unwind Transaction:

1. At the closing of the Unwind Transaction, Big Rivers will establish a reserve account (the "Transition Reserve") in an aggregate amount of \$35,000,000 which shall be maintained until the earlier of December 31, 2018 or such time as the sum of (i) the outstanding principal balance of the 1983 Bonds, (ii) the outstanding principal balance of the 2001A Bonds, and (iii) the Uncollateralized Amount (as defined in the Indenture) has been reduced below \$60,000,000. Interest earnings on the Transition Reserve will be maintained in the Transition Reserve until the Transition Reserve equals \$40,000,000. Thereafter, and so long as the Transition Reserve is at least \$40,000,000, interest earnings thereon may be withdrawn and used by Big Rivers for any purpose. If (a) either Alcan or Century or both terminate their retail power agreements with Kenergy Corp. and (b) Big Rivers is not able to pay all the costs of operating and maintaining its system and paying all amounts due on its indebtedness and other obligations, it shall withdraw from the Transition Reserve as much as shall be necessary to make such payments; provided that, prior to any such withdrawal, Big Rivers shall deliver an Officers' Certificate to Ambac and ACP certifying that Big Rivers is in compliance with its obligations set forth in Section 13.14 of the Indenture. If amounts have been withdrawn from the Transition Reserve, Big Rivers shall promptly (but without impairing Big Rivers' solvency) remit an amount equal to any withdrawals from the Transition Reserve into the Transition Reserve.
2. Big Rivers shall provide Ambac and ACP with no less than three (3) business days' prior written notice of any withdrawals from the Transition Reserve, which notice shall set forth, in reasonable detail, the amount and purpose of such withdrawal. Big Rivers shall provide Ambac and ACP with a quarterly statement of account with respect to the Transition Reserve, which statement shall set forth the opening and closing balances and all credits and debits for the related fiscal quarter. Such quarterly statements shall be delivered no later than the date on which Big Rivers delivers quarterly financial statements in compliance with its obligations under the Participation Agreements. Upon the request of Ambac and ACP, Big Rivers shall provide access to its books and records, on a confidential basis, relating to such statement of account.
3. Big Rivers agrees that in establishing rates pursuant to Section 13.14 of the Indenture, Big Rivers will not assume that any moneys will be released from the Transition Reserve.

4. Big Rivers agrees that, by a date no later than March 31, 2009, Big Rivers will refund in whole both the 1983 Bonds and the 2001A Bonds. Ambac will have no obligation to insure the obligations used to refund either such series of bonds. Big Rivers further agrees that, until the 1983 Bonds and the 2001A Bonds are fully refunded or otherwise fully prepaid or retired, it shall not, and shall not be entitled to, issue additional Obligations under (and as such term is defined in) the Indenture.
5. In consideration of Ambac consenting to the Unwind Transaction, Big Rivers agrees to pay to Ambac, in addition to the fees set forth in the [Fee Letter], the following fees (the "Additional Consent Fees"): (a) \$1,600,000 by April 15, 2009 and (b) \$500,000 annually on each April 15 commencing on April 15, 2010; provided however that no Additional Consent Fees shall be payable if Big Rivers has refunded or otherwise prepaid or retired in whole both the 1983 Bonds and the 2001A Bonds by March 31, 2009. If one of such series of bonds shall be refunded or otherwise prepaid or retired in whole by March 31, 2009, and not the other, Big Rivers will pay to Ambac by April 15, 2009 an amount equal to the product of (a) \$1,600,000 and (b) a fraction, the numerator of which is the outstanding principal balance of the series of bonds which shall not be refunded on April 15, 2009 and the denominator of which is the sum of the outstanding principal balances of the 1983 Bonds and the 2001A Bonds (such denominator to be calculated without giving effect to the refunding, prepayment or retirement that has occurred). If one of such series of bonds shall be refunded or otherwise prepaid or retired in whole by March 31, 2010, and not the other, Big Rivers will pay to Ambac by April 15, 2010 and on each April 15 thereafter until such time that both the 1983 Bonds and 2001A Bonds are refunded or otherwise prepaid or retired in whole, an amount equal to the product of (a) \$500,000 and (b) a fraction, the numerator of which is the outstanding principal balance of the series of bonds which shall not be refunded on April 15, 2010 and the denominator of which is the sum of the outstanding principal balances of the 1983 Bonds and the 2001A Bonds (such denominator to be calculated without giving effect to the refunding, prepayment or retirement that has occurred).
6. Big Rivers agrees that, in addition to complying with Section 13.15 of the Indenture, Big Rivers will not make any "Distribution" (as defined in the Indenture) if Big Rivers' Margins for Interest Ratio (as computed in accordance with the Indenture) shall be less than 1.05 as of the end of the most recent calendar year; provided that, prior to any such Distribution, Big Rivers shall deliver an Officers' Certificate to Ambac and ACP certifying that Big Rivers is in

compliance with its obligations set forth in this sentence, as well as the obligations set forth in Paragraphs 1, 2, 3, 4 and 5 above.

7. Big Rivers agrees that it will deliver to Ambac copies of (i) any Officers' Certificate delivered to the Trustee under the Indenture pursuant to clause H of Section 12.1 of the Indenture and (ii) any evidentiary materials delivered to the Trustee under the Indenture pursuant to clause L of Section 12.1 of the Indenture.
8. Big Rivers agrees that it will not amend, supplement or modify any of the Smelter Agreements in any manner that would reduce the related Smelter's obligations to support a TIER of 1.24 for any fiscal year.

The parties acknowledge and agree that breach of the provisions of this letter agreement by Big Rivers may cause substantial and irreparable harm without readily measurable damages, and accordingly agree that Ambac and ACP shall be entitled to injunctive relief and/or specific performance in any such event. Such remedies shall be cumulative and in addition to all other remedies which Ambac and ACP may have under this letter agreement, any other Operative Document (as defined in the Ambac Swaps), at law, and in equity. Big Rivers hereby waives and agrees not to assert any defense or objection to the propriety of injunctive relief and/or specific performance as remedies hereunder except as specifically provided in the proviso to the second preceding sentence.

Nothing in this letter agreement, express or implied, shall or is intended to confer any rights upon any person (including, without limitation, the Trustee under the aforementioned Indenture or any holder of any Obligation thereunder), other than the parties hereto or their respective successors or assigns.

This letter agreement may be signed in counterpart and shall be governed by the law of the State of New York.

If you are in agreement with the foregoing, please execute and return to us a copy of this letter at your convenience.

[signature pages follow]

Very truly yours,

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED

AMBAC ASSURANCE CORPORATION

By:
Title:

AMBAC CREDIT PRODUCTS, LLC

By:
Title:

EXHIBIT 67

BANK OF AMERICA LETTER AGREEMENT

(REDACTED)

EXHIBIT 68

**CREDITOR CONSENT, TERMINATION AND RELEASE
AGREEMENT**

CREDITOR CONSENT, TERMINATION AND RELEASE AGREEMENT

This CREDITOR CONSENT, TERMINATION AND RELEASE AGREEMENT (this “Creditor Consent, Termination and Release”), dated as of [____], 2008, is entered into by and among (collectively, the “Parties” and each, a “Party”):

(a) BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative (“Big Rivers”);

(b) E.ON U.S. LLC., a Kentucky limited liability company formerly known as LG&E Energy LLC, and the successor in interest to LG&E Energy Corp., a Kentucky corporation (“E.ON”), LG&E ENERGY MARKETING INC., an Oklahoma corporation (“LEM”), and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation, for itself and as successor by merger of WKE Station Two Inc. and WKE Corp. (“WKEC”) (collectively, the “E.ON Entities”);

(c) (i) THE UNITED STATES OF AMERICA, acting through the Administrator of the RURAL UTILITIES SERVICE (“RUS”), (ii) AMBAC ASSURANCE CORPORATION, a Wisconsin-domiciled stock insurance company (“Ambac”), (iii) NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, a cooperative association existing under the laws of the District of Columbia (“CFC”), (iv) DEXIA CREDIT LOCAL, a banking organization organized and existing under the laws of France, acting by and through its New York Branch (as assignee of Credit Suisse First Boston) (“Dexia”); and (v) U.S. BANK NATIONAL ASSOCIATION, a national banking association, duly organized and existing under the laws of the United States, not in its individual capacity but solely as trustee under the Trust Indenture dated as of August 1, 2001 (the “Series 2001A Trustee”) (RUS, Ambac, CFC, Dexia and the Series 2001A Trustee are hereinafter collectively referred to as the “Creditors”); and

(d) (i) PBR-1 STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States (successor to State Street Bank and Trust Company of Connecticut, National Association), not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-1) ("PBR-1 Trust"), (ii) PBR-2 STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-2) ("PBR-2 Trust"), (iii) PBR-3 STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (PBR-3) ("PBR-3 Trust"), (iv) FBR-1 STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-1) ("FBR-1 Trust"), (v) FBR-2 STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-2) ("FBR-2 Trust"), (vi) PBR-1 OP STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (PBR-1) ("PBR-1 OP Trust"), (vii) PBR-2 OP STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (PBR-2) ("PBR-2 OP Trust"), (viii) PBR-3 OP STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (PBR-3) ("PBR-3 OP Trust"), (ix) FBR-1 OP STATUTORY TRUST, a Connecticut statutory trust, acting

through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the Trust Agreement (FBR-1) ("FBR-1 OP Trust"), (x) FBR-2 OP STATUTORY TRUST, a Connecticut statutory trust, acting through U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States, not in its individual capacity but solely as Trustee of a Connecticut statutory trust created by the OP Trust Agreement (FBR-2) ("FBR-2 OP Trust"), (xi) BLUEGRASS LEASING, a New York general partnership (the "Bluegrass Leasing"), (xii) BANK OF AMERICA LEASING CORPORATION ("Bank of America"), as successor by merger to Trisail Capital Corporation (f/k/a Fleet Real Estate, Inc.), (xiii) AME INVESTMENTS, LLC, a Delaware limited liability company ("AME Investments"), (xiv) COBANK, ACB, a government sponsored enterprise of the United States of America ("CoBank"), (xv) AME ASSET FUNDING, LLC, a Delaware limited liability company ("AME Asset Funding") and (xvi) AMBAC CREDIT PRODUCTS, LLC, a Delaware limited liability company ("Ambac Credit Products"), (the PBR-1 Trust, the PBR-2 Trust, the PBR-3 Trust, the FBR-1 Trust, the FBR-2 Trust, AME Investments, CoBank, AME Asset Funding, Ambac Credit Products, Ambac, the PBR-1 OP Trust, the PBR-2 OP Trust, the PBR-3 OP Trust, the FBR-1 OP Trust, the FBR-2 OP Trust, Bluegrass Leasing and Bank of America being hereinafter referred to collectively as the "2000 Transaction Parties" and individually as a "2000 Transaction Party") (the 2000 Transaction Parties, exclusive of AME Asset Funding, are sometimes referred to herein as the "2000 Transaction Secured Parties").

RECITALS:

A. In accordance with the First Amended Plan of Reorganization in Big River's bankruptcy proceeding, as modified and restated on June 9, 1997 (as so modified, the "Plan of Reorganization"), Big Rivers, LEM, WKEC and two Affiliates of WKEC, Western Kentucky Leasing Corp. and WKE Station Two Inc., of which WKEC is the successor by merger, entered into a New Participation Agreement, dated April 6, 1998 (as amended, the "New Participation Agreement") and, by themselves or together with other Persons, entered into certain other "Operative Documents" (as defined in the New Participation Agreement) (such Operative Documents, together with the New Participation Agreement, being collectively referred to herein

as the "Operative Documents"). Included in the Operative Documents is the New Guarantee Agreement between E.ON and Big Rivers, dated April 6, 1998 (the "E.ON Guarantee"). Subsequent to the consummation of the transactions contemplated in the New Participation Agreement, WKEC, WKE Station Two Inc. and LEM assigned certain of their respective rights, interest and obligations under certain of the Operative Documents to their affiliate, WKE Corp., a Kentucky corporation that was subsequently merged with and into WKEC.

B. Big Rivers and the E.ON Entities have concluded that it is in their respective best interests to terminate and release the property interests and contractual relationships created by the New Participation Agreement and the other Operative Documents (among other agreements and instruments), and have executed and delivered a Transaction Termination Agreement dated as of March 26, 2007 (the "Termination Agreement"), setting forth the terms and conditions upon which Big Rivers, on the one hand, and the E.ON Entities, on the other, are willing to terminate and release such property interests and contractual relationships.

C. Each of the Parties or such Party's corporate predecessor, other than E.ON, together with the City of Henderson, Kentucky, a Kentucky municipal corporation (the "City"), and the City of Henderson Utility Commission, a Kentucky public body corporate and politic (the "City Utility Commission"), is a party to that certain Agreement, dated as of April 1, 2005 (the "Station Two SCR Subordination Agreement").

D. Each of the Parties or such Party's corporate predecessor, other than E.ON and AME Asset Funding, is a party to that certain Third Amended and Restated Subordination, Non-Disturbance, Attornment and Intercreditor Agreement, dated as of August 1, 2001 (the "Existing Non-Disturbance Agreement").

E. It is a condition precedent to the Closing under the Termination Agreement that each of the Parties (other than the E.ON Entities) terminate and release the E.ON Entities from further obligation or liability under or pursuant to the Existing Non-Disturbance Agreement, the Station Two SCR Subordination Agreement, and any Operative Document to which any Party is a party or beneficiary, or pursuant to which any such Party holds a Lien.

F. Pursuant to the Station Two Termination and Release Agreement, dated of even date herewith, among the E.ON Entities, Big Rivers, the City and the City Utility Commission, being executed and delivered concurrently with this Creditor Consent, Termination and Release, the City and the City Utility Commission have agreed to terminate and release the rights and obligations of the E.ON Entities under or pursuant to, among other agreements, the Station Two SCR Subordination Agreement.

G. The consents of the Creditors and certain of the 2000 Transaction Parties are required for the termination and release of certain of the property interests and contractual relationships created by the Operative Documents, and the consent of the Creditors is required for the termination of the existing first mortgage made by Big Rivers and its replacement with an indenture and the consent of the Creditors and the 2000 Transaction Parties is required for the termination of the Existing Non-Disturbance Agreement and the execution and delivery of a new Intercreditor Agreement.

H. It is a condition precedent to the Closing contemplated in the Termination Agreement that the Parties execute and deliver this Creditor Consent, Termination and Release.

I. The Creditors and the 2000 Transaction Parties are entering into and becoming bound by this Creditor Consent, Termination and Release as an inducement for the consummation by Big Rivers and the E.ON Entities of the transactions contemplated by the Termination Agreement, concurrently with (and in consideration of) the execution and delivery of amendments to certain of the 2000 Operative Documents, the execution and delivery of the Intercreditor Agreement dated as of [____], 2008 and the execution and delivery of the Indenture, dated as of [____], 2008.

J. This is the "Creditor Termination and Release" contemplated in the Termination Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, the Parties each agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used in this Creditor Consent, Termination and Release (including the Recitals) and not otherwise defined herein shall have the meanings set forth in Exhibit A to this Creditor Consent, Termination and Release. The rules of interpretation and construction set forth in Exhibit A to this Creditor Consent, Termination and Release shall apply to this Creditor Consent, Termination and Release.

ARTICLE 2

TERMINATION AND RELEASE OF CONSOLIDATED MORTGAGE

Section 2.1 Release of Consolidated Mortgage. Each of the Creditors and each of PBR-1 Trust, PBR-2 Trust, PBR-3 Trust, FBR-1 Trust, FBR-2 Trust and Ambac Credit Products, hereby fully, irrevocably and forever remises, releases, acquits, and discharges any Lien created in favor of any such Party by any one or more of the following security documents:

- (a) First Amendment to Third Restated Mortgage and Security Agreement dated as of July 15, 2003;
- (b) Third Restated Mortgage and Security Agreement dated as of August 1, 2001;
- (c) Second Restated Mortgage and Security Agreement dated as of December 15, 2000;
- (d) Supplemental Mortgage and Security Agreement dated as of April 1, 2000;
- (e) Restated Mortgage and Security Agreement, dated as of July 15, 1998;
- (f) Supplement dated as of October 1, 1995 to Restated Mortgage and Security Agreement;
- (g) Restated Mortgage and Security Agreement dated as of March 30, 1988;

(h) Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of February 1, 1988;

(i) Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of September 15, 1987;

(j) Supplement to Supplemental Mortgage and Security Agreement, dated as of November 17, 1980;

(k) Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of August 30, 1977;

(l) Supplement to Supplemental Mortgage and Security Agreement, dated as of August 12, 1977;

(m) Supplement to Supplemental Mortgage and Security Agreement, dated as of April 9, 1979;

(n) Supplemental Mortgage and Security Agreement, dated as of April 9, 1976;

(o) Supplemental Mortgage and Financing Statement, dated as of November 9, 1973;

(p) Supplemental Mortgage and Financing Statement, dated as of September 11, 1973;

(q) Supplemental Mortgage, dated as of January 4, 1966;

(r) Supplemental Mortgage, dated as of August 6, 1965;

(s) Supplemental Mortgage, dated as of July 25, 1964;

(t) Supplemental Mortgage, dated as of July 25, 1963; and

(u) Mortgage, dated as of April 10, 1963.

The security documents identified above are filed of record in Mortgage Books and pages in the Offices of the County Clerks in the Counties set forth on Exhibit B to this Creditor Consent, Termination and Release.

ARTICLE 3

TERMINATION AND RELEASE OF EXISTING NON-DISTURBANCE AGREEMENT

Section 3.1 Termination of Existing Non-Disturbance Agreement. Each of Big Rivers, WKEC, LEM, the Creditors and the 2000 Transaction Secured Parties, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby collectively and irrevocably terminate and render null and void and of no further force or effect whatsoever, the Existing Non-Disturbance Agreement.

Section 3.2 Release of Parties' Obligations. Each of Big Rivers, WKEC, LEM, RUS, Ambac, CSFBNYB, Dexia, the Series 2001A Trustee, CFC and the 2000 Transaction Secured Parties, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits and discharges each of the Parties which are parties to the Existing Non-Disturbance Agreement other than itself, and E.ON to the extent that the Existing Non-Disturbance Agreement or any obligations thereunder (or under any predecessor agreement or instrument thereto described below) may be the subject of the E.ON Guarantee, in each case of and from any and all Claims which each such releasing Party ever had, now has or may hereafter have against any one or more of such other Parties, resulting from, arising out of or in any manner relating to the Existing Non-Disturbance Agreement (or any predecessor agreement or instrument that was replaced or superseded by the Existing Non-Disturbance Agreement) or the E.ON Guarantee.

ARTICLE 4

RELEASE OF E.ON ENTITIES FROM OPERATIVE DOCUMENTS

Section 4.1 Consent to Termination of Operative Documents. The Parties acknowledge that, simultaneously with the execution and delivery of this Creditor Consent, Termination and Release, each of the New Participation Agreement, the WKEC Lease, the Power Purchase Agreement, the E.ON Guarantee and the other Operative Documents are being terminated pursuant to that certain Termination and Release Agreement, dated as of the date hereof, among Big Rivers, E.ON, WKEC and LEM, and Big Rivers, on the one hand, and the E.ON Entities, on the other, are releasing each other of and from any further obligations under or pursuant to the Operative Documents pursuant to that Termination and Release Agreement (or pursuant to the Station Two Termination and Release Agreement described in Recital F, above). Each 2000 Transaction Party and Creditor (i) hereby consents, to the extent required by any Facility Lessee Assignment and Assumption Agreement, any other 2000 Operative Document or the Existing Non-Disturbance Agreement (in the case of the 2000 Transaction Parties), or to the extent required by any of the agreements or instruments referred to in Section 2.1 above or the Existing Non-Disturbance Agreement (in the case of the Creditors), or to the extent required by the First Mortgage or, in the case of the RUS, for all purposes of the New RUS Loan Agreement, to such termination of the New Participation Agreement, the WKEC Lease, the Power Purchase Agreement, the E.ON Guarantee and the other Operative Documents, and (ii) hereby irrevocably releases and relinquishes any right, title and interest in those agreements or instruments which such 2000 Transaction Party or Creditor has or may have received under or pursuant to (as applicable) any Facility Lessee Assignment and Assumption Agreement, any other 2000 Operative Document, the Existing Non-Disturbance Agreement, any of the agreements or instruments referred to in Section 2.1 above, the First Mortgage or the New RUS Loan Agreement. Except as amended or modified by the preceding sentence, each Facility Lessee Assignment and Assumption Agreement shall hereafter continue in full force and effect as between Big Rivers, on the one hand, and the other Parties thereto (other than any E.ON Entities), on the other hand, and with any other parties thereto, as applicable, in accordance with their respective terms.

Section 4.2 Release of E.ON Entities' Obligations. Each of Big Rivers, Ambac, the Creditors, the 2000 Transaction Parties, and any other Party (other than the E.ON Entities) which is a party to, a beneficiary of, or a Lien holder in (a) a Facilities Lessee Assignment and Assumption Agreement or (b) an Operative Document, for themselves and their respective predecessors, successors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits and discharges each of the E.ON Entities of and from any and all Claims which such releasing Party ever had, now has or may hereafter have against any one or more of the E.ON Entities, resulting from, arising out of or in any manner relating to any Facility Lessee Assignment and Assumption Agreement, the New Participation Agreement, the WKEC Lease, the Power Purchase Agreement, the E.ON Guarantee or any other Operative Document(s).

Section 4.3 Release by the E.ON Entities. Each E.ON Entity, for itself and its predecessors, successors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits and discharges each of Big Rivers, the Creditors and each 2000 Transaction Secured Party, of and from any and all Claims which such E.ON Entity ever had, now has or may hereafter have against any one or more of Big Rivers, any Creditor or any 2000 Transaction Party, resulting from, arising out of or in any manner relating to any Facility Lessee Assignment and Assumption Agreement, the New Participation Agreement, the WKEC Lease, the Power Purchase Agreement, the E.ON Guarantee or any other Operative Document(s).

ARTICLE 5

RELEASE OF E.ON ENTITIES UNDER STATION TWO SCR SUBORDINATION AGREEMENT

Section 5.1 Acknowledgement of Release of E.ON Entities by City and City Utility Commission. The Parties acknowledge that, simultaneously with the execution and delivery of this Creditor Consent, Termination and Release, the City and the City Utility Commission are releasing and discharging the E.ON Entities from any liability to the City or the City Utility Commission under, or pursuant to, the Station Two SCR Subordination Agreement, by executing and delivering the Station Two Termination and Release Agreement referred to in recital F above.

Section 5.2 Release of E.ON Entities' Obligations. Big Rivers, each of the Creditors and each 2000 Transaction Party, for themselves and their respective predecessors, successors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits and discharges each of the E.ON Entities of and from any and all Claims which such releasing Party ever had, now has or may hereafter have against any one or more of the E.ON Entities, resulting from, arising out of or in any manner relating to the Station Two SCR Subordination Agreement.

Section 5.3 Release by the E.ON Entities. Each E.ON Party, for itself and its predecessors, successors and assigns, and for all other persons or entities claiming by, through or under any of them, hereby fully, irrevocably and forever remises, releases, acquits and discharges each of Big Rivers, RUS, Ambac, CSFBNYB, Dexia, the Series 2001A Trustee, CFC and each 2000 Transaction Party, of and from any and all Claims which such E.ON Entity ever had, now has or may hereafter have against any one or more of those other Parties, resulting from, arising out of or in any manner relating to the Station Two SCR Subordination Agreement.

ARTICLE 6

ADDITIONAL COVENANTS, ETC.

Section 6.1 Filing of Releases and Termination Statements. Promptly following the date hereof, the relevant Parties agree to (and agree that any other Party may) execute, deliver, record and/or file all such other instruments of termination, discharge or release (in form reasonably satisfactory to the relevant Parties) as shall be reasonably requested or reasonably deemed necessary by any Party for the purpose of updating the real estate records of Henderson, Webster, Ohio, Hancock, Breckenridge, Caldwell, Crittenden, Daviess, Hopkins, Livingston, McCracken, Meade, Union and Franklin Counties, Kentucky, in respect of the terminations, releases and discharges of the agreements and instruments contemplated in this Creditor Consent, Termination and Release, including without limitation, such forms as may be required to be filed in such counties, and/or in the office of the Secretary of State of the Commonwealth of Kentucky, in order to terminate, release and discharge any mortgages, fixture filings, security interests or other Liens created by any of those agreements or instruments.

ARTICLE 7

CONSENT UNDER 2000 SUBORDINATED MORTGAGE TO TERMINATION OF LG&E TRANSACTION AGREEMENTS

Section 7.1 Consent. Each 2000 Transaction Party hereby consents, for all purposes of the 2000 Subordinated Mortgage, to the termination of the "LG&E Transaction Agreements" (as defined in the 2000 Subordinated Mortgage).

ARTICLE 8

CONVERSION OF BIG RIVERS LEASING CORPORATION TO LIMITED LIABILITY COMPANY

Section 8.1 Consents of Bluegrass Leasing, Bank of America, AME Investments and CoBank to Conversion. Each of Bluegrass Leasing, Bank of America, AME Investments and CoBank hereby consent, for all purposes of Section 7.14 of each Participation Agreement to which it is a party and the provision of any other 2000 Operative Document, to the conversion of Big River Leasing Corporation to a Delaware limited liability company in accordance with the Delaware Limited Liability Act (6 Del. C. §18-101 et seq.) by filing a certificate of conversion in accordance with 6 Del. C. §18-214.

Section 8.2 Amendment of Section 7.14 of Each Participation Agreement. In recognition of the conversion of Big Rivers Leasing Corporation to a Delaware limited liability company and the transactions being effected by or in connection with the Closing under the Termination Agreement, each 2000 Transaction Secured Party hereby agrees, that, from and after the date of such conversion, the caption and first two sentences of Section 7.14 of each Participation Agreement shall be amended to read as follows:

"Transfer of Membership Interest; Limitation on Indebtedness and Other Transactions. Big Rivers will not sell, transfer, assign, alienate or transfer any interest in, or grant a lien with respect to, its membership interest in the Big Rivers Subsidiary other than pursuant to the First Mortgage, the Subordinated Mortgage or the Big River Stock Pledge. Big Rivers will not initiate or consent to any amendment to the certificate of conversion or the limited liability company agreement of the Big Rivers Subsidiary without the prior consent of the Owner

Participant, or, so long as the lien of the Leasehold Mortgage shall be outstanding, each Lender.”

Each Party which is a party to any 2000 Operative Document agrees that any provision of any 2000 Operative Document contemplating Big Rivers Leasing Corporation’s continued status as a Delaware corporation is amended from and after the date of the conversion contemplated by Section 6.1 *mutatis mutandis* to reflect the conversion of Big Rivers Leasing Corporation to a Delaware limited liability company.

ARTICLE 9

REPRESENTATIONS AND WARRANTIES

Section 9.1 Representations and Warranties. Each of the Parties hereby severally represents and warrants to each other Party that:

(a) Organization and Existence. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has the requisite power and authority to conduct its business as presently conducted and to enter into and perform its obligations under this Creditor Consent, Termination and Release in accordance with its terms.

(b) Execution, Delivery and Binding Effect. This Creditor Consent, Termination and Release has been duly authorized, executed and delivered by such Party and, assuming the due authorization, execution and delivery hereof by the other Parties, constitutes a legal, valid and binding obligation of such Party, enforceable against each such Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other laws relating to or affecting the rights of creditors generally and by general principles of equity.

(c) No Violation. The execution and delivery of this Creditor Consent, Termination and Release by such Party, the consummation by such Party of the transactions contemplated hereby, and the compliance by such Party with the terms and provisions hereof, do not and will not contravene any Applicable Law or its organizational documents.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any governmental entities or regulatory bodies, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Creditor Consent, Termination and Release by such Party have been obtained prior to the date hereof.

ARTICLE 10

MISCELLANEOUS

Section 10.1 Successors and Assigns. This Creditor Consent, Termination and Release shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 10.2 Notices. All notices, requests, demands, claims or other communications required or permitted to be given or made under this Creditor Consent, Termination and Release shall be in writing and shall be deemed duly given or made if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient at the address provided for below:

If to Ambac:

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 344-5297
Telephone No.: (212) 668-0340
Attention: General Counsel

If to the RUS:

Rural Utilities Service
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Room 4051
Washington, D.C. 20250-1500
Facsimile No.: (202) 720-1725
Attention: Administrator

with copies to:

Power Supply Division
Rural Utilities Service
U.S. Department of Agriculture
1400 Independence Avenue, SW
Room 0270
Washington, DC 20250-1500
Facsimile No.: (202) 720-6401
Telephone No.: (202) 720-6436

If to CFC:

National Rural Utilities Cooperative Finance Corporation
2201 Cooperative Way
Herndon, VA 20171-3025
Facsimile No.: (703) 709-6778
Telephone No.: (703) 709-6700
Attention: General Counsel

If to Dexia:

Dexia Credit Local, New York Branch

New York, NY _____
Facsimile No.: _____
Telephone No.: _____
Attention: _____

If to the Series 2001A Trustee:

U.S. Bank National Association
Suite 200
180 East Fifth Street
St. Paul, Minnesota 55101
Facsimile No.: (651) 244-0712
Telephone No.: (651) 244-0729
Attention: Corporate Trust Services

If to Ambac Credit Products:

Ambac Credit Products, LLC
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 208-3113
Telephone No.: (212) 208-3433
Attention: Managing Director

If to Big Rivers:

Big Rivers Electric Corporation
201 Third Avenue
Henderson, KY 42420
Facsimile No.: (270) 827-2558
Telephone No.: (270) 827-2561
Attention: President and Chief Executive Officer

If to PBR-1 Trust:

PBR-1 Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to PBR-2 Trust:

PBR-2 Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to PBR-3 Trust:

PBR-3 Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to FBR-1 Trust:

FBR-1 Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bank of America Leasing Corporation
One Financial Plaza, 2nd Floor
Providence, RI 02903
Facsimile No.: (401) 278-8022
Telephone No.: (401) 278-6495
Attention: Senior Credit Officer

If to FBR-2 Trust:

FBR-2 Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bank of America Leasing Corporation
One Financial Plaza, 2nd Floor
Providence, RI 02903
Facsimile No.: (401) 278-8022
Telephone No.: (401) 278-6495
Attention: Senior Credit Officer

If to PBR-1 OP Trust:

PBR-1 OP Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to PBR-2 OP Trust:

PBR-2 OP Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to PBR-3 OP Trust:

PBR-3 OP Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to FBR-1 OP Trust:

FBR-1 OP Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bank of America Leasing Corporation
One Financial Plaza, 2nd Floor
Providence, RI 02903
Facsimile No.: (401) 278-8022
Telephone No.: (401) 278-6495
Attention: Senior Credit Officer

If to FBR-2 OP Trust:

FBR-2 OP Statutory Trust
U.S. Bank National Association
Goodwin Square
255 Asylum Street
Hartford, Connecticut 06103
Facsimile No.: (860) 244-1897
Telephone No.: (860) 244-1842
Attention: Corporate Trust Administration

with copies to:

Bank of America Leasing Corporation
One Financial Plaza, 2nd Floor
Providence, RI 02903
Facsimile No.: (401) 278-8022
Telephone No.: (401) 278-6495
Attention: Senior Credit Officer

If to Bluegrass Leasing:

Bluegrass Leasing
c/o Philip Morris Capital Corporation
225 High Ridge Road, Suite 300
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: (914) 335-5000
Attention: Vice President, Leasing
Copy to: General Counsel
Facsimile No.: (914) 335-8256

If to Bank of America:

Bank of America Leasing Corporation
One Financial Plaza, 2nd Floor
Providence, RI 02903
Facsimile No.: (401) 278-8022
Telephone No.: (401) 278-6495
Attention: Senior Credit Officer

If to AME Investments:

AME Investments, LLC
c/o Ambac Capital Corporation
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 208-3113
Telephone No.: (212) 208-3433
Attention: Managing Director

If to CoBank:

CoBank, ACB
101 Bullit Lane
Suite 304
Louisville, KY 40222-5495
Facsimile No.: (502) 423-5688
Telephone No.: (502) 423-5650
Attention: Vice President

If to AME Asset Funding:

AME Asset Funding, LLC
c/o Ambac Capital Corporation
One State Street Plaza
New York, New York 10004
Facsimile No.: (212) 208-3113
Telephone No.: (212) 208-3433
Attention: Managing Director

If to any of the E.ON Entities:

E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202
Facsimile: 502-627-4622
Telephone: 502-627-3665
Attn: Executive Vice President,
General Counsel & Corporate Secretary;

With a Copy to:

Patrick R. Northam, Esq.
Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202
Facsimile: 502-587-3695
Telephone: 502-587-3774

Any Party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address as provided above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

Section 10.3 Governing Law. THIS CREDITOR CONSENT, TERMINATION AND RELEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY, BUT WITHOUT REGARD TO ITS CONFLICTS OF LAWS RULES OR PRINCIPLES.

Section 10.4 Amendments and Waivers. This Creditor Consent, Termination and Release shall not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of each of the Parties. No waiver of any of the provisions of this Creditor Consent, Termination and Release shall be deemed to or shall constitute a continuing waiver or a waiver of any other provision hereof (whether or not similar). No delay on the part

of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 10.5 Severability. Any term or provision of this Creditor Consent, Termination and Release which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining terms and provisions of this Creditor Consent, Termination and Release or affecting the validity or enforceability of any of the terms or provisions of this Creditor Consent, Termination and Release in any other jurisdiction.

Section 10.6 Construction. The Parties have participated jointly in the negotiation and drafting of this Creditor Consent, Termination and Release. In the event an ambiguity or question of intent or interpretation arises, this Creditor Consent, Termination and Release shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Creditor Consent, Termination and Release.

Section 10.7 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS CREDITOR CONSENT, TERMINATION AND RELEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.8 Headings. The article and section headings contained in this Creditor Consent, Termination and Release are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Creditor Consent, Termination and Release.

Section 10.9 Counterparts. This Creditor Consent, Termination and Release may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

Section 10.10 Further Assurances. Each of the Parties shall, at all times, and from time to time, upon the request of the appropriate Party, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts as may be required

to consummate the transactions contemplated in this Creditor Consent, Termination and Release as they are herein contemplated.

Section 10.11 Third Party Beneficiaries. This Creditor Consent, Termination and Release is entered into for the sole benefit of the Parties hereto and the other persons and entities expressly contemplated herein, and except as specifically provided herein, shall not confer any rights or remedies upon any person or entity other than the Parties, such other identified persons and entities and their respective successors and permitted assigns.

Section 10.12 Survival. The provisions of this Creditor Consent, Termination and Release shall survive the execution and delivery hereof and the consummation of the transactions contemplated herein, and shall continue to be binding on and enforceable by the Parties hereto in accordance with its terms.

Section 10.13 Acknowledgment and Representation. Each Party has fully read the terms of this Creditor Consent, Termination and Release and has been represented by competent legal counsel in connection with the negotiation and execution hereof, and the effect and legal consequences of this Creditor Consent, Termination and Release have been fully explained to each Party by its legal counsel. Each Party hereby further represents and warrants to the other Parties that such Party has not at any time assigned or transferred to any other person or entity in any manner, including by way of subrogation, operation of law or otherwise, any Claim or portion thereof that it may have had, has or may now have, against any other Party hereto of the type(s) contemplated in this Creditor Consent, Termination and Release as to be released and discharged by this Creditor Consent, Termination and Release.

IN WITNESS WHEREOF, the Parties have caused this Creditor Consent, Termination and Release to be duly executed by their respective authorized officers as of the day and year first above written.

[Signatures Appear on the Following Pages]

BIG RIVERS ELECTRIC CORPORATION

By: _____
Its: President and Chief Executive Officer

COMMONWEALTH OF KENTUCKY

COUNTY OF HENDERSON

The foregoing instrument was acknowledged before me on _____, 2008, by Michael H. Core, President and Chief Executive Officer of Big Rivers Electric Corporation, a Kentucky rural electric cooperative, on behalf of such cooperative.

Notary Public

Commission expires:

[SEAL]

E.ON U.S. LLC.

By: _____
Its: _____

COMMONWEALTH OF KENTUCKY

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of E.ON U.S. LLC., a Kentucky limited liability company, on behalf of such limited liability company.

Notary Public

Commission expires:

[SEAL]

WESTERN KENTUCKY ENERGY CORP.

By: _____
Its: _____

COMMONWEALTH OF KENTUCKY

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of Western Kentucky Energy Corp., a Kentucky corporation, on behalf of such corporation.

Notary Public

Commission expires:

[SEAL]

LG&E ENERGY MARKETING INC.

By: _____
Its: _____

COMMONWEALTH OF KENTUCKY

COUNTY OF JEFFERSON

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of LG&E Energy Marketing Inc., an Oklahoma corporation, on behalf of such corporation.

Notary Public

Commission expires:

[SEAL]

UNITED STATES OF AMERICA
acting by and through the Administrator
of the Rural Utilities Service

By: _____
Its: _____

DISTRICT OF COLUMBIA

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, _____ of the Rural Utilities Service, on
behalf of the United States of America.

Notary Public

Commission expires:

[SEAL]

AMBAC ASSURANCE CORPORATION

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of Ambac Assurance Corporation, a Wisconsin domiciled stock insurance company, on behalf of such company.

Notary Public

Commission expires:

[SEAL]

**NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION**

By: _____
Its: _____

STATE OF VIRGINIA

COUNTY OF FAIRFAX

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of National Rural Utilities Cooperative Finance Corporation, a District of
Columbia cooperative association, on behalf of such association.

Notary Public

Commission expires:

[SEAL]

DEXIA CREDIT LOCAL

acting by and through its New York Branch

By: _____

Its: _____

By: _____

Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, _____ and _____, _____ of Dexia Credit Local, acting by and through its New York Branch, a banking organization organized under the laws of France, acting by and through its New York Branch, on behalf of such banking organization.

Notary Public

Commission expires:

[SEAL]

U.S. BANK NATIONAL ASSOCIATION,
not in its individual capacity, but solely as the Series
2001A Trustee

By: _____
Its: _____

STATE OF MINNESOTA

COUNTY OF RAMSEY

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, on behalf of U.S. Bank National Association, as the Series 2001A Trustee
under the Indenture of Trust dated as of August 1, 2001.

Notary Public

Commission expires:

[SEAL]

PBR-1 STATUTORY TRUST

By: U.S. Bank National Association,
not in its individual capacity, but solely as Trustee
under the Trust Agreement (PBR-1)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as Trustee under the PBR-1 Statutory
Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

PBR-2 STATUTORY TRUST

By: U.S. Bank National Association,
not in its individual capacity, but solely as Trustee
under the Trust Agreement (PBR-2)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as Trustee under the PBR-2 Statutory
Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

PBR-3 STATUTORY TRUST

By: U.S. Bank National Association,
not in its individual capacity, but solely as Trustee
under the Trust Agreement (PBR-3)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as Trustee under the PBR-3 Statutory
Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

FBR-1 STATUTORY TRUST

By: U.S. Bank National Association, not in its
individual capacity, but solely as Trustee
under the Trust Agreement (FBR-1)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as Trustee under the FBR-1 Statutory
Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

FBR-2 STATUTORY TRUST

By: U.S. Bank National Association, not in its
individual capacity, but solely as Trustee under
the Trust Agreement (FBR-2)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as Trustee under the FBR-2 Statutory
Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

PBR-1 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its
individual capacity, but solely as OP Trustee
under the OP Trust Agreement (PBR-1)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, National Association, as OP Trustee under
the PBR-1 OP Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

PBR-2 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its
individual capacity, but solely as OP Trustee
under the OP Trust Agreement (PBR-2)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as OP Trustee under the PBR-2 OP
Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

PBR-3 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its individual capacity, but solely as OP Trustee under the OP Trust Agreement (PBR-3)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of U.S. Bank National Association, as OP Trustee under the PBR-3 OP Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

FBR-1 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its
individual capacity, but solely as OP Trustee
under the OP Trust Agreement (FBR-1)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as OP Trustee under the FBR-1 OP
Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

FBR-2 OP STATUTORY TRUST

By: U.S. Bank National Association, not in its
individual capacity, but solely as OP Trustee
under the OP Trust Agreement (FBR-2)

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF HARTFORD

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of U.S. Bank National Association, as OP Trustee under the FBR-2 OP
Statutory Trust, a Connecticut statutory trust, on behalf of such trust.

Notary Public

Commission expires:

[SEAL]

BLUEGRASS LEASING

By: HNB Investment Corp, as General Partner

By: _____
Its: _____

STATE OF CONNECTICUT

COUNTY OF FAIRFIELD

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of Bluegrass Leasing, a New York general partnership, on behalf of such general partnership.

Notary Public

Commission expires:

[SEAL]

BANK OF AMERICA LEASING CORPORATION

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of Bank of America Leasing Corporation, on behalf of such corporation.

Notary Public

Commission expires:

[SEAL]

AME INVESTMENTS, LLC

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of AME Investments, LLC, a Delaware limited liability company, on behalf of such company.

Notary Public

Commission expires:

[SEAL]

AMBAC CREDIT PRODUCTS, LLC

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by _____, of Ambac Credit Products, LLC, a Delaware limited liability company, on behalf of such company.

Notary Public

Commission expires:

[SEAL]

COBANK, ACB

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of CoBank, a governmental sponsored enterprise, on behalf of such
company.

Notary Public

Commission expires:

[SEAL]

AME ASSET FUNDING, LLC

By: _____
Its: _____

STATE OF NEW YORK

COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me on _____, 2008, by
_____, of AME Asset Funding, LLC, a Delaware limited liability company,
on behalf of such company.

Notary Public

Commission expires:

[SEAL]

EXHIBIT A

RULES OF INTERPRETATION AND DEFINITIONS

RULES OF INTERPRETATION. In this Creditor Consent, Termination and Release, unless otherwise expressly provided herein:

1. Any term defined in this Creditor Consent, Termination and Release (including this Exhibit A) by reference to another document, instrument or agreement shall continue to have the meaning ascribed thereto whether or not such other document, instrument or agreement remains in effect;

2. Words importing the singular include the plural and vice versa;

3. Words importing a gender include either gender;

4. A reference in this Creditor Consent, Termination and Release to a part, clause, section, paragraph, article, party, annex, appendix, exhibit, schedule or other attachment is a reference to a part, clause, section, paragraph, or article of, or a party, annex, appendix, exhibit, schedule or other attachment to, this Creditor Consent, Termination and Release unless, in any such case, otherwise expressly provided in herein;

5. A definition of or reference to any document, instrument or agreement set forth in this Creditor Consent, Termination and Release (including without limitation, in any Exhibit or Schedule hereto) includes all amendments and/or supplements to, and any restatements, replacements, modifications or novations of, any such document, instrument or agreement entered into or adopted in accordance with the terms of the Operative Documents or the 2000 Operative Documents, as the case may be, unless otherwise specified in such definition or in the context in which such reference is used;

6. If a capitalized term describes, or shall be defined by reference to, a document, instrument or agreement that has not as of any particular date been executed and delivered and such document, instrument or agreement is attached as an exhibit to this Creditor Consent, Termination and Release, such reference shall be deemed to be to such

form and, following its execution and delivery, to the document, instrument or agreement as so executed and delivered;

7. A reference to any person or entity includes such person's or entity's successors and permitted assigns (in the designated capacity);

8. Words such as "hereunder", "hereto", "hereof" and "herein" and other words of similar import shall, unless the context clearly requires otherwise, refer to the whole of the applicable document and not to any particular article, section, subsection, paragraph or clause thereof; and

9. A reference to "including" means including without limiting the generality of any description preceding such term, and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

10. Any action taken in this Creditor Consent, Termination and Release by any Party shall be deemed to and shall be taken by that Party for itself and for and on behalf of all persons or entities claiming by, through or under any of them.

11. Any release of a Party from specified Claims in this Creditor Consent, Termination and Release shall be deemed to and shall release that Party and its members, shareholders, directors, officers, employees, agents, representatives, successors, assigns and predecessors of and from the specified Claims.

DEFINITIONS

"2000 Operative Document" shall mean all documents defined as an "Operative Document" in any Participation Agreement.

"2000 Subordinated Mortgage" shall mean the Subordinated Mortgage and Security Agreement, dated as of April 1, 2000, from Big Rivers to the 2000 Transaction Parties.

“Applicable Laws” shall mean all federal, state and local laws, rules, regulations, ordinances, codes, orders and directives of any court or other governmental entity or regulatory body, or any office or agency thereof.

“CSFBNYB” shall mean Credit Suisse First Boston acting through its New York Branch.

“City” shall have the meaning set forth in Recital C of this Creditor Consent, Termination and Release.

“City Utility Commission” shall have the meaning set forth in Recital C of this Creditor Consent, Termination and Release.

“Claims” shall mean all and any manner of actions, causes of action, suits, sums of money, accounts, reckonings, covenants, controversies, agreements, promises, remedies, amounts paid in settlement, compromises, losses, levies, rights of contribution, rights of set-off, other rights, damages, judgments, executions, debts, obligations, liabilities, claims and demands of any nature whatsoever, whether or not by contract, in equity, in tort or otherwise, whether pursuant to any statute, ordinance, regulation, rule of common law or otherwise, whether direct or indirect, whether punitive or compensatory, whether known or unknown, whether presently discoverable or undiscoverable, whether threatened, pending, suspected or claimed, and whether fixed, accrued, contingent or otherwise.

“Existing Non-Disturbance Agreement” shall have the meaning set forth in recital D to this Creditor Consent, Termination and Release.

“Existing Non-Disturbance Agreement” shall have the meaning set forth in recital D to this Creditor Consent, Termination and Release.

“Facility Lessee Assignment and Assumption Agreement” and collectively, the “Facility Lessee Assignment and Assumption Agreements” shall mean each of:

- (i) the Facility Lessee Assignment and Assumption Agreement dated as of April 1, 2000, between Big Rivers and the PBR-1 Trust;

- (ii) the Facility Lessee Assignment and Assumption Agreement dated as of April 1, 2000, between Big Rivers and the PBR-2 Trust;
- (iii) the Facility Lessee Assignment and Assumption Agreement dated as of April 1, 2000, between Big Rivers and the PBR-3 Trust;
- (iv) the Facility Lessee Assignment and Assumption Agreement dated as of April 1, 2000, between Big Rivers and the FBR-1 Trust; and
- (v) the Facility Lessee Assignment and Assumption Agreement dated as of April 1, 2000, between Big Rivers and the FBR-2 Trust.

“Lien” shall mean, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement that has substantially the same practical effect as a security interest, in respect of such asset.

“New RUS Loan Agreement” shall mean the New RUS Loan Agreement (No Future Advances) dated as of July 15, 1998 between Big Rivers and the RUS.

“Operative Documents” shall have the meaning set forth in Recital A of this Creditor, Consent, Termination and Release.

“Partial Subordination Agreement” shall have the meaning set forth in recital C to this Creditor Consent, Termination and Release.

“Participation Agreement” and, collectively, the ***“Participation Agreements”*** shall mean each of:

- (i) the Participation Agreement (PBR-1), dated as of April 1, 2000, among Big Rivers, the PBR-1 Trust, the PBR-1 OP Trust, U.S. Bank National Association (successor to State Street Bank and Trust Company of

Connecticut, National Association), Bluegrass Leasing, AME Investments and Co-Bank;

(ii) the Participation Agreement (PBR-2), dated as of April 1, 2000, among Big Rivers, the PBR-2 Trust, the PBR-2 OP Trust, U.S. Bank National Association (successor to State Street Bank and Trust Company of Connecticut, National Association), Bluegrass Leasing, AME Investments and Co-Bank;

(iii) the Participation Agreement (PBR-3), dated as of April 1, 2000, among Big Rivers, the PBR-3 Trust, the PBR-3 OP Trust, U.S. Bank National Association (successor to State Street Bank and Trust Company of Connecticut, National Association), Bluegrass Leasing, AME Investments and Co-Bank;

(iv) the Participation Agreement (FBR-1), dated as of April 1, 2000, among Big Rivers, the FBR-1 Trust, the FBR-1 OP Trust, U.S. Bank National Association (successor to State Street Bank and Trust Company of Connecticut, National Association), Bank of America, AME Investments and Co-Bank; and

(v) the Participation Agreement (FBR-2), dated as of April 1, 2000, among Big Rivers, the FBR-2 Trust, the FBR-2 OP Trust, U.S. Bank National Association (successor to State Street Bank and Trust Company of Connecticut, National Association), Bank of America, AME Investments and Co-Bank.

“Person” shall mean any individual, corporation, partnership, joint venture, limited liability company or any other legal form of organization.

“Power Purchase Agreement” shall mean the Power Purchase Agreement, dated July 15, 1998, by and between Big Rivers and LEM.

“Station Two SCR Subordination Agreement” shall have the meaning set forth in Recital C of this Creditor Consent, Termination and Release.

“Station Two Termination and Release” shall have the meaning set forth in Recital F to this Creditor Consent, Termination and Release.

“Termination Agreement” shall have the meaning set forth in Recital B of this Creditor Consent, Termination and Release.

“WKEC Lease” shall mean the Lease and Operating Agreement between WKEC and Big Rivers dated July 15, 1998.

EXHIBIT B

FILING INFORMATION FOR SECURITY DOCUMENTS

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
First Amendment to Third Restated Mortgage and Security Agreement dated as of July 15, 2003	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livingston Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Third Restated Mortgage and Security Agreement dated as of August 1, 2001	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livingston Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Second Restated Mortgage and Security Agreement dated as of December 15, 2000	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
	Livington		
	Lyon		
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
Supplemental Mortgage and Security Agreement dated as of April 1, 2000	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
Restated Mortgage and Security Agreement, dated as of July 15, 1998	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
Supplement dated as of October 1, 1995 to Restated Mortgage and Security Agreement	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Restated Mortgage and Security Agreement dated as of March 30, 1988	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of February 1, 1988	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
	Meade Muhlenberg Ohio Union Webster		
Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of September 15, 1987;	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livingston Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Supplement to Supplemental Mortgage and Security Agreement, dated as of November 17, 1980;	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livingston Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Amendment to Supplement to Supplemental Mortgage and Security Agreement	Breckinridge Caldwell Crittendon Daviess Hancock		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
dated as of August 30, 1977	Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Supplement to Supplemental Mortgage and Security Agreement, dated as of August 12, 1977;	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Supplement to Supplemental Mortgage and Security Agreement, dated as of April 9, 1979;	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
	Webster		
Supplemental Mortgage and Security Agreement, dated as of April 9, 1976	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Supplemental Mortgage and Financing Statement, dated as of November 9, 1973	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Supplemental Mortgage and Financing Statement, dated as of September 11, 1973	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
Supplemental Mortgage, dated as of January 4, 1966	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livingston		
	Lyon		
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
Supplemental Mortgage, dated as of August 6, 1965	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livingston		
	Lyon		
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
Supplemental Mortgage, dated as	Breckinridge		
	Caldwell		
	Crittendon		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
of July 25, 1964	Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Supplemental Mortgage, dated as of July 25, 1963	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio Union Webster		
Mortgage, dated as of April 10, 1963	Breckinridge Caldwell Crittendon Daviess Hancock Henderson Hopkins Livington Lyon McCracken McLean Meade Muhlenberg Ohio		

Instrument

County

Mortgage Book

Page

Union
Webster

EXHIBIT 69

**FIRST AMENDMENT TO ISDA MASTER AGREEMENT
(PBR-1) (BIG RIVERS SWAP)**

**FIRST AMENDMENT
TO ISDA MASTER AGREEMENT (PBR-1)¹
(Big Rivers Swap)**

dated as of [_____], 200_

by and between

AMBAC CREDIT PRODUCTS, LLC,

AND

BIG RIVERS ELECTRIC CORPORATION

¹ PBR-2, PBR-3, FBR-1 and FBR-2 in their respective ISDA Master Agreement Amendments.

FIRST AMENDMENT TO ISDA MASTER AGREEMENT (PBR-1)² (Big Rivers Swap)

This **FIRST AMENDMENT TO ISDA MASTER AGREEMENT** (this "Amendment"), dated as of [____], 2008, is entered into by and between **AMBAC CREDIT PRODUCTS, LLC**, a Delaware limited liability company and **Big Rivers Electric Corporation**, a Kentucky rural electric cooperative ("Big Rivers") (collectively, the "Parties" and each, a "Party").

RECITALS:

A. The Parties entered into an ISDA Master Agreement, dated April 18, 2000 (the "Original Swap").

B. Certain definitions of the Original Swap refer to that certain First Mortgage (as defined in the Participation Agreement, as defined in the Original Swap).

C. The parties to the First Mortgage have agreed to replace the First Mortgage with that certain Indenture (the "Indenture") between Big Rivers and [____], as the Indenture Trustee (the "Indenture Trustee").

D. The Parties desire to amend and restate the Original Swap, pursuant to Section 9(b) thereof, to reflect the replacement of the First Mortgage with the Indenture.

NOW, THEREFORE, the Parties agree as follows:

1.1 Definitions. Capitalized terms used in this Amendment and not otherwise defined shall have the meanings given them in the Original Swap.

1.2 Amendments. Clause (g) of Section 2(a) (Credit Event Defined) of the Original Swap is hereby replaced in its entirety with the following:

“(g) if the Indenture Trustee shall have declared the outstanding balance of any obligations issued under the Indenture to be immediately due and payable or has given to Big Rivers notice of intent to, and has taken action to, commence foreclosure or any other dispossession remedy under the Indenture or under Applicable Law;”.

1.3 Effective Date. This Amendment shall take effect upon execution and delivery hereof by the Parties.

1.4 Law Governing. This Amendment shall be governed by and construed in accordance with the laws of the State of New York without reference to choice of law provisions (except New York General Obligations Law Section 5-1401).

1.5 Counterparts. This Amendment may be executed in two or more counterparts, all of which taken together shall constitute a single agreement.

² PBR-2, PBR-3, FBR-1 and FBR-2 in their respective ISDA Master Agreement Amendments.

(Signature Pages Follow on Next Page)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be properly executed by their duly authorized representatives as of the date first above written.

PBR-1 STATUTORY TRUST

By: U.S. Bank, National Association, not in its individual capacity, but solely as Trustee

By: _____
Name:
Title:

AMBAC CREDIT PRODUCTS, LLC

By: _____
Name:
Title: