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May 5, 2009

RECEIVED

MAY 05 2009

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: 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, 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
Case No. 2007-00455

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten copies of the May 5, 2009 Report on Status of Closing the Unwind Transaction in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions please contact me at your convenience.

Yours very truly,

Kendrick R. Riggs

KRR:ec
Enclosures
cc: Parties of Record

400001.358719/576242.1

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

MAY 05 2009

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; 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)

PUBLIC SERVICE
COMMISSION

CASE NO. 2007-00455

MAY 5, 2009 REPORT ON STATUS OF CLOSING THE UNWIND TRANSACTION

The applicants ("Applicants") Big Rivers Electric Corporation ("Big Rivers"), E.ON U.S. LLC ("E.ON US"), Western Kentucky Energy Corp. ("WKEC") and LG&E Energy Marketing, Inc. ("LEM," and collectively with E.ON US and WKEC, the "E.ON Parties") make this status report filing, through counsel, to comply with the ordering paragraph number three of the March 6, 2009 Order of Public Service Commission ("Commission") in this matter.

The information contained in this Report reflects the more significant developments in the closing activities since the April 24, 2009 Report on Status of Closing the Unwind Transaction.

Investment Grade Credit Ratings

Big Rivers received a written evaluation by Standard & Poor's Ratings Service ("S&P"). On April 24, 2009, under separate cover, Big Rivers filed the evaluation from S&P with the Commission pursuant to a petition for confidential treatment. On April 29, 2009, the Executive Director for the Commission advised in a written letter that the specific credit rating awarded Big

Rivers by S&P would not be afforded confidential protection. The letter goes on to state that the rest of the S&P evaluation will be protected from public disclosure. Big Rivers does not plan to contest the Executive Director's April 29, 2009 letter. S&P has advised Big Rivers that it will produce a public version of the S&P written evaluation filed by Big Rivers, which Big Rivers will file in the public record as soon as it is received.

The request for an evaluation from Fitch Ratings remains under submission.

The City of Henderson, Utility Commission Issues

Since the April 20, 2009 Report on Status of Closing the Unwind Transaction, no further updates or changes have been made to the Second Amendatory Agreement between E.ON Parties, Big Rivers, the City of Henderson, Kentucky (the "City of Henderson") and the City of Henderson Utility Commission d/b/a Henderson Municipal Power & Light (the "City Utility Commission") or the Settlement Agreement and Release between E.ON Parties, City of Henderson and City Utility Commission.

The discussions between the City Utility Commission and Big Rivers on the General and Administrative Services Agreement and Designated Representative Agreement are now completed. The NERC/SERC Certification Agreement between the City Utility Commission and Big Rivers is still under negotiation.

Unsigned copies of (1) the Second Amendatory Agreement, (2) Settlement Agreement and Release, and the (3) General and Administrative Services Agreement are enclosed with this report. Signed copies of the Resolution of the City of Henderson Utility Commission and Resolution of the City of Henderson regarding the Second Amendatory Agreement and the Settlement Agreement and Release are enclosed with this report. As mentioned at the informal

conference on April 8, 2009, Big Rivers will not be utilizing the Amendments to 1970 Station Two Power Sales Contract that were filed as Exhibit 87b on October 9, 2008.

Big Rivers is also talking with the City Utility Commission about providing operational procedure letters confirming its operational plans, consistent with the Financial Model assumptions, regarding Big Rivers' intentions with respect to burning of petroleum coke and bituminous coal at Station Two, and the allocation of the emission allowances between Big Rivers and City Utility Commission after the transaction consistent with assumptions in the Financial Model.

As reported in the April 20, 2009 Report on Status of Closing the Unwind Transaction, E.ON Parties and Big Rivers have reached an agreement on the term sheet for the indemnity agreement and are in the process of drafting the definitive indemnity agreement. Negotiations to complete this agreement are scheduled for the week of May 4, 2009. E.ON Parties and Big Rivers will file the indemnity agreement with the Commission along with an explanation on why the agreement does not require approval by the Commission as soon as the agreement is complete.

Revisions to Previously-Filed Documents

The latest revisions to the following previously-filed agreements are attached for the information of the Commission. Each of these revised documents is shown in a format blacklined against the previously-filed version of the document. The changes to these documents are within the scope of the Commission's prior approval, if approval was required, and no further action of the Commission is requested or required.

- The Creditor Consent, Termination and Release Agreement marked against the version filed on October 9, 2008 as part of Exhibit 96;

- RUS 2009 Promissory Note Series A, marked against the version filed on October 9, 2008 as Exhibit 94; and
- RUS 2009 Promissory Note Series B marked against the version filed on or about April 23, 2008 as Exhibit 74.

Southwire Rod and Cable

As described in the April 20, 2009 Report on Status of Closing the Unwind Transaction, the Southwire issues fall into two categories: (1) the agreements required to establish new retail service arrangements, and (2) the agreements required in connection with Southwire's consent to the Unwind Transaction. Big Rivers' current understanding is that no further progress can be made on the retail service arrangements until progress is made on obtaining Southwire's consent to the Unwind Transaction.

Union Contract Negotiations

Big Rivers and IBEW Local 1701, representing the Big Rivers generation division, concluded negotiations on April 16, 2009, regarding the terms of the post-closing collective bargaining agreement between the parties. The proposed contract was approved by the union membership on May 1, 2009.

Hart-Scott-Rodino Application

In connection with their Hart-Scott-Rodino applications, E.ON Parties and Big Rivers received early termination letters from the Federal Trade Commission dated April 27, 2009. A copy each letter is enclosed with this Report.

Other Closing Related Matters

Big Rivers and WKEC continue to work on other closing related items, and strongly desire to close the transaction if possible by May 15, 2009.

Should the Commission have any questions at any time about the contents of this report or the status of the transaction, please contact us at your first convenience.

Dated: May 5, 2009

Enclosures (10)

James M. Miller (with permission)

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COUNSEL FOR E.ON U.S., LLC,
WESTERN KENTUCKY ENERGY
CORP. AND LG&E ENERGY
MARKETING INC.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing May 5, 2009 Report on Status of Closing the Unwind Transaction was served via U.S. mail, first-class, postage prepaid, this 5th day of May 2009, upon the following persons:

C. William Blackburn
Big Rivers Electric Corporation
201 Third Street
P. O. Box 24
Henderson, KY 42420

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Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
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Counsel for E.ON U.S. LLC, Western
Kentucky Energy Corp. and LG&E Energy
Marketing, Inc.

SECOND AMENDATORY AGREEMENT

THIS SECOND AMENDATORY AGREEMENT (*“Amendment”*), dated _____, 2009* (the *“Amendment Effective Date”*), by and among (a) BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric generation and transmission cooperative (*“Big Rivers”*), (b) LG&E ENERGY MARKETING INC., an Oklahoma corporation (*“LEM”*), and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation (*“WKEC”*) and the successor by merger of (i) WKE Corp., a Kentucky corporation (*“WKE”*), and (ii) WKE Station Two Inc., a Kentucky corporation (*“Station Two Subsidiary”*) (WKEC, together with LEM, the *“E.ON Station Two Parties”*), and (c) the CITY OF HENDERSON, KENTUCKY (the *“City of Henderson”*) and the CITY OF HENDERSON UTILITY COMMISSION, d/b/a HENDERSON MUNICIPAL POWER & LIGHT (the *“City Utility Commission”*) (collectively, the *“Parties”*).

RECITALS:

A. Prior to the effectiveness of the Plan of Reorganization (defined below), Big Rivers operated a two unit electric Generating Plant owned by the City of Henderson (*“Station Two”*), and purchased a certain portion of the output of such facility.

B. 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, Station Two Subsidiary and WKEC entered into a New Participation Agreement, dated April 6, 1998 (as amended, the *“Participation Agreement”*) and certain other documents.

C. In accordance with the Participation Agreement, upon the closing of the transactions contemplated therein on July 15, 1998, Station Two Subsidiary assumed certain of Big Rivers’ operational responsibilities with respect to Station Two, and WKEC, LEM, Station Two Subsidiary, the City of Henderson, the City Utility Commission, Big Rivers and E.ON U.S. LLC, the indirect parent company of WKEC and LEM and the successor to LG&E Energy Corp. (*“E.ON”*), executed and delivered certain agreements, including the *“Station Two Agreement”* (as hereinafter defined), creating (among other rights and responsibilities) certain interests in favor of one or more of the E.ON Station Two Parties with respect to Station Two, certain of the energy generated thereby, and the land on which Station Two is situated and to which it is adjacent.

D. Prior to the date hereof, WKE and Station Two Subsidiary were merged with and into WKEC in accordance with Kentucky law, with WKEC being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE and Station Two Subsidiary, respectively, including without limitation, their respective rights, debts, obligations and liabilities relating to Station Two.

*[Insert here the Unwind Closing Date (see Section 3.1 hereof) which will be the date of execution and delivery of this Amendment]

E. Big Rivers, the E.ON Station Two Parties and E.ON have concluded that it is in their respective best interests to terminate and release between and among them the property interests and contractual relationships between them created by the Participation Agreement, the Station Two Agreement and the other “Operative Documents” (as defined in the Participation Agreement), and have each executed and delivered a Transaction Termination Agreement dated as of March 26, 2007, as amended (the “**Transaction Termination Agreement**”), setting forth the terms and conditions upon which Big Rivers, the E.ON Station Two Parties and E.ON are willing to terminate and release such property interests and contractual relationships between them (collectively, the “**Unwind Transactions**”).

F. In order to effect the Unwind Transaction among them with respect to Station Two, the E.ON Station Two Parties and Big Rivers have requested that the City of Henderson and the City Utility Commission agree to amend the Station Two Agreement by accelerating, to the Amendment Effective Date, the date on which the Station Two Agreement will expire in accordance with its terms, subject to such provisions of the Station Two Agreement which, by their express terms, survive the expiration of the Station Two Agreement.

G. As an inducement for the City of Henderson and the City Utility Commission to agree to that amendment, WKEC has agreed to pay to the City Utility Commission a “**Termination Payment**” as provided for in Section 2.1 of this Amendment.

H. The City of Henderson and the City Utility Commission have decided to accommodate the Unwind Transactions by entering into this Amendment with the other Parties, thereby amending the Station Two Agreement to provide for its early expiration on and as of the Amendment Effective Date, upon the terms and subject to the conditions set forth in this Amendment, including without limitation, in exchange for WKEC’s payment to the City Utility Commission of the Termination Payment as provided in Section 2.1.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth below, and for other valuable consideration, the receipt of which is hereby acknowledged, the Parties each agree as follows, effective immediately:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. As used in this Amendment, the “**Station Two Agreement**” shall mean the Agreement and Amendments to Agreement dated as of July 15, 1998, as amended, among the City of Henderson, the City Utility Commission, Big Rivers, LEM and WKEC (for itself and as successor to WKE and Station Two Subsidiary), including without limitation, as amended by the Amendatory Agreement, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC (for itself and as successor to WKE and Station Two Subsidiary) and LEM. Capitalized terms used in this Amendment (including the Recitals hereto) and not otherwise defined herein shall have the meanings set forth in the Station Two Agreement.

ARTICLE 2

CONSIDERATION TO CITY OF HENDERSON AND CITY UTILITY COMMISSION

Section 2.1 Termination Payment. As a material inducement for the execution and delivery of this Second Amendatory Agreement by the City of Henderson and the City Utility Commission, thereby (among the other transactions contemplated in this Second Amendatory Agreement) agreeing to the reassignment of the Station Two Contracts to Big Rivers Electric Corporation, WKEC has paid to the City Utility Commission, contemporaneous with the execution and delivery of this Amendment on the Amendment Effective Date, the amount of FOURTEEN MILLION SIX HUNDRED THOUSAND DOLLARS (\$14,600,000.00) in immediately available funds, the receipt of which is hereby acknowledged by the City Utility Commission (the "*Termination Payment*").

ARTICLE 3

AMENDMENTS TO STATION TWO AGREEMENT

Section 3.1 Amendment to Section 9.3. Section 9.3 of the Station Two Agreement is hereby amended to be and read in its entirety as follows:

"9.3 Term of Assignment. The term (the "Phase II Assignment Term") of the assignment by Big Rivers to Station Two Subsidiary, its successors and permitted assigns, of certain rights and obligations under the Assigned Station Two Contracts, as contemplated in Section 9.1 of this Agreement, shall commence on the Phase II Effective Date and shall end at and as of _____" **[Insert Unwind Closing Date and Time, which shall be contemporaneous with Closing under the Transaction Termination Agreement].**

Section 3.2 Acknowledgments. The Parties acknowledge and agree that, by virtue of the amendments effected pursuant to Section 3.1 above, and by virtue of Section 2.4 of the Station Two Agreement, the Station Two Agreement shall expire at and as of _____ **[Insert Unwind Closing Date and Time]** (the "*Expiration Date*") for all purposes contemplated in the Station Two Agreement, in the G&A Allocation Agreement, in the New Reserves Agreement and in the Guaranty, in each case without notice or further action on the part of any Party, including without limitation, as contemplated in Section 10.16 of the Station Two Agreement for the purpose of effecting the automatic reversion and assignment to Big Rivers provided for therein. Consistent with the foregoing, the Expiration Date shall be deemed to be the "date of expiration" and the "expiration date" of the Station Two Agreement, and the "date the Station Two Agreement expires", as those terms are used in the Station Two Agreement and in the G&A Allocation Agreement, the New Reserves Agreement and the Guaranty. Notwithstanding the foregoing provisions of this Section 3.2, the Parties agree that the expiration of the Station Two Agreement as contemplated above shall not be deemed to affect those provisions of the Station Two Agreement, the G&A Allocation Agreement, the New Reserves Agreement and/or the Guaranty which, by their terms, are to continue in force and

effect following the expiration of the Station Two Agreement.

ARTICLE 4

STATION TWO TERMINATED DOCUMENTS; MORTGAGE RELEASES

Section 4.1 Termination. Effective immediately, and without notice or further action on the part of any Party, each of Big Rivers, the City of Henderson, the City Utility Commission and the E.ON Station Two Parties, for themselves and their respective successors, predecessors and assigns, and for all other persons or entities claiming by, through or under them, hereby collectively and irrevocably terminate, discharge and render null and void and of no further force or effect whatsoever each of the easements, agreements and other instruments and documents set forth or identified on Schedule 4.1 hereto (collectively, the “**Station Two Terminated Documents**”) to which such Parties are signatories or beneficiaries; provided, that the foregoing shall not be deemed to relieve any E.ON Station Two Party or Big Rivers, on the one hand, or the City of Henderson or the City Utility Commission, on the other hand, of or from any obligation(s) to the others resulting from or arising out of its breach or default under a Station Two Terminated Document occurring prior to the Amendment Effective Date.

Section 4.2 Filing of Releases and Termination Statements. On the Amendment Effective Date, and consistent with the last sentence of Subsection 10.11(a) of the Station Two Agreement, the relevant Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same: (a) terminations of easements and rights of way in the forms attached hereto as Exhibits A-1 and A-2, (b) a termination of Assignment of Easements in the form attached hereto as Exhibit A-3, and (c) all such other instruments of termination or discharge (in form reasonably satisfactory to the relevant Parties) as shall be required by or otherwise provided for in any Station Two Terminated Document, or as shall be reasonably requested by any Party, to evidence such termination and discharge or for the purpose of updating the real estate records of Henderson County, Kentucky, in respect of the terminations and discharges of the Station Two Terminated Documents as contemplated herein.

Section 4.3 Releases of Mortgages and Security Agreements. Each of the E.ON Station Two Parties and Big Rivers, as applicable, severally agrees with the City of Henderson and the City Utility Commission (a) to execute and deliver on the Amendment Effective Date written releases of mortgages and security agreements in the forms attached hereto as Exhibits B-1 and B-2, respectively, (“**Mortgage Releases**”), sufficient to terminate, release and discharge in their entirety (i) the Mortgage and Security Agreement, dated July 15, 1998, by Big Rivers in favor of LEM and WKEC (for itself and as successor to Station two Subsidiary and WKE), and (ii) the Mortgage and Security Agreement (LEM Mortgage), dated July 15, 1998, by Big Rivers in favor of LEM and WKEC (for itself and as successor to Station Two Subsidiary and WKE), (b) to execute and deliver on the Amendment Effective Date terminations of security interests under financing statements filed under the Kentucky Uniform Commercial Code in the forms attached hereto as Exhibits B-3 and B-4, respectively (“**Security Interest Terminations**”), and (c) promptly following the execution and delivery of this Amendment, to file those Mortgage Releases and Security Interest Terminations, together with all other terminations of security interests under Financing Statements (fixture filings) filed under the Kentucky Uniform Commercial Code in connection with the Mortgage and Security Agreements described above

(or either of them), in Henderson County, Kentucky or in the office of the Secretary of State of the Commonwealth of Kentucky, as applicable, in order to terminate, release and discharge of record any mortgages, fixture filings or other security interests created by or in connection with the Mortgage and Security Agreements described above (or either of them).

ARTICLE 5

RELEASED STATION TWO DOCUMENTS

Section 5.1 Released Station Two Documents. Schedule 5.1 attached hereto sets forth or identifies certain agreements and easements to which Big Rivers, one or more of the E.ON Station Two Parties, the City of Henderson and/or the City Utility Commission (among other parties) are parties as of the date hereof (collectively, the “**Released Station Two Documents**”).

Section 5.2 Releases of E.ON Station Two Parties by City of Henderson, City Utility Commission and Big Rivers; Releases of City of Henderson, City Utility Commission and Big Rivers by E.ON Station Two Parties. In light of the Parties’ intentions that the Released Station Two Documents continue in force and effect following the Amendment Effective Date as between or among the City of Henderson, the City Utility Commission and Big Rivers (in certain cases among other parties), but that the E.ON Station Two Parties, on the one hand, and the City of Henderson, the City Utility Commission and Big Rivers, on the other hand, be relieved by the others from further obligation under those documents arising or accruing following the Amendment Effective Dates, and that no E.ON Station Two Party shall have any right or interest under those documents following the Amendment Effective Date, the E.ON Station Two Parties, the City of Henderson, the City Utility Commission and Big Rivers agree with the others as follows:

(a) effective immediately, and without notice or further action on the part of any Party, the City of Henderson, the City Utility Commission and Big Rivers, 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 remise, release, acquit, waive and discharge each of LEM and WKEC, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them, of and from any and all debts, obligations or liabilities of any nature whatsoever, whether in contract, in equity, in tort or otherwise, whether known or unknown, whether accrued or unaccrued, and whether fixed, contingent or otherwise (collectively, “**Claims**”), which the City of Henderson, the City Utility Commission or Big Rivers ever had, now have, may now have or may hereafter have against LEM or WKEC, resulting from, arising out of or in any manner relating to the Released Station Two Documents (or any of them); provided, that the foregoing provisions of this Subsection (a) shall not be deemed to remise, release, acquit, waive or discharge LEM or WKEC of or from any Claims resulting from or arising out of any breach or default on the part of LEM or WKEC under or pursuant to a Released Station Two Document occurring prior to the Amendment Effective Date;

(b) effective immediately, and without notice or further action on the part of

any Party, LEM and WKEC, 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 remise, release, acquit, waive and discharge each of the City of Henderson, the City Utility Commission and Big Rivers, and their respective directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them, of and from any and all Claims which LEM or WKEC ever had, now have, may now have or may hereafter have against the City of Henderson, the City Utility Commission or Big Rivers, resulting from, arising out of or in any manner relating to the Released Station Two Documents (or any of them); provided, that the foregoing provisions of this Subsection (b) shall not be deemed to remise, release, acquit, waive or discharge the City of Henderson, the City Utility Commission or Big Rivers of or from any Claims resulting from or arising out of any breach or default on the part of the City of Henderson, the City Utility Commission or Big Rivers under or pursuant to a Released Station Two Document occurring prior to the Amendment Effective Date; and

(c) On the Amendment Effective Date, the appropriate E.ON Station Two Party or Parties agree to execute and deliver to the appropriate Party or Parties for purposes of recording or filing the same releases of the Deed of Easement and Grant of Rights and Easements in the forms attached hereto as Exhibits B-5 and B-6, respectively, and such appropriate Party or Parties agree to promptly following the execution and delivery of this Amendment file such releases in Henderson County, Kentucky.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of the E.ON Station Two Parties. Each of the E.ON Station Two Parties hereby severally represents and warrants to Big Rivers, the City of Henderson and the City Utility Commission that:

(a) Organization and Existence. Each of the E.ON Station Two Parties is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and WKEC is duly qualified to transact business as a foreign corporation in any jurisdiction where the nature of its business and its activities require it to be so qualified. LEM is qualified to transact business as a foreign corporation in (i) any jurisdiction where the nature of its business and its activities require it to be so qualified and (ii) in the Commonwealth of Kentucky.

(b) Execution, Delivery and Binding Effect. This Amendment has been duly authorized, executed and delivered by each E.ON Station Two Party and, assuming the due authorization, execution and delivery hereof by Big Rivers, the City of Henderson and the City Utility Commission, constitutes a legal, valid and binding obligation of each E.ON Station Two Party, enforceable against each such E.ON Station Two 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 Amendment by each E.ON Station Two Party, the consummation by each E.ON Station Two Party of the transactions contemplated hereby, and the compliance by each E.ON Station Two Party with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or its organizational documents or by-laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which any E.ON Station Two Party is a party or by which any E.ON Station Two Party, or its property, is bound, or result in the creation of any lien on the property of any E.ON Station Two Party.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any Governmental Entities, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Amendment by any E.ON Station Two Party have been obtained prior to the date hereof.

Section 6.2 Representations and Warranties of Big Rivers. Big Rivers hereby represents and warrants to each of the E.ON Station Two Parties, the City of Henderson and the City Utility Commission that:

(a) Organization and Existence. Big Rivers is a rural electric cooperative duly organized, validly existing, and in good standing under the laws of the Commonwealth of Kentucky, and is duly licensed or qualified and in good standing in each jurisdiction where the nature of its business and its activities requires it to be so qualified.

(b) Authorization, Execution, Binding Effect. This Amendment has been duly authorized, executed and delivered by all necessary cooperative action by Big Rivers and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party, the City of Henderson and the City Utility Commission, constitutes the legal, valid and binding obligation of Big Rivers, enforceable against Big Rivers 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, delivery and performance by Big Rivers of this Amendment, the consummation by Big Rivers of the transactions contemplated hereby, and the compliance by Big Rivers with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws or Big Rivers' Articles of Incorporation or By-Laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which Big Rivers is a party or by which Big Rivers, or its property, is bound, or result in the creation of any lien on the property of Big Rivers.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including those which must be obtained from any

Governmental Entities, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Amendment by Big Rivers have been obtained prior to the date hereof.

Section 6.3 Representations and Warranties of the City of Henderson and the City Utility Commission. The City of Henderson and the City Utility Commission hereby severally represent and warrant to each of the E.ON Station Two Parties and Big Rivers that:

(a) Organization and Existence. The City of Henderson is a municipal corporation and city of the second class duly organized and existing under the laws of the Commonwealth of Kentucky. The City Utility Commission is a public body politic and corporate duly organized and existing under Kentucky Revised Statutes § 96.530 and related statutes.

(b) Authorization, Execution, Binding Effect. This Amendment has been duly authorized, executed and delivered by the City of Henderson and the City Utility Commission, and, assuming the due authorization, execution and delivery hereof by each E.ON Station Two Party and Big Rivers, constitutes the legal, valid and binding obligation of the City of Henderson and the City Utility Commission, enforceable against the City of Henderson and the City Utility Commission 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, delivery and performance by the City of Henderson and the City Utility Commission of this Amendment, the consummation by the City of Henderson and the City Utility Commission of the transactions contemplated hereby, and the compliance by the City of Henderson and the City Utility Commission with the terms and provisions hereof, do not and will not (i) contravene any Applicable Laws, or (ii) contravene the provisions of, or constitute a default (or an event which, with notice or the passage of time, or both, would constitute a default) by it under, any indenture, mortgage or other material contract, agreement or instrument to which the City of Henderson or the City Utility Commission is a party or by which the City of Henderson or the City Utility Commission, or its property, is bound, or result in the creation of any lien on the property of the City of Henderson or the City Utility Commission.

(d) No Required Consents. All consents, approvals, resolutions, authorizations, actions or orders, including, those which must be obtained from any Governmental Entities, required for the authorization, execution and delivery of, and for the consummation of the transactions contemplated by, this Amendment by the City of Henderson and the City Utility Commission have been obtained prior to the date hereof.

ARTICLE 7

SO2 ALLOWANCES AND NOx ALLOWANCES

Section 7.1 Allowances under Station Two Contracts. Big Rivers agrees with the City of Henderson and the City Utility Commission that, notwithstanding anything contained in this Amendment to the contrary, following the date hereof (a) the City of Henderson and the City Utility Commission shall receive the Station Two SO2 allowances and Station Two NOx allowances to which the City of Henderson and the City Utility Commission are entitled as provided for in the Station Two Contracts, and (b) in the case of any such allowances accruing or arising with respect to periods prior to the date hereof which are to be allocated in accordance with the Station Two Contracts subsequent to the date hereof, the City of Henderson and the City Utility Commission shall receive such allowances to which they shall be entitled upon allocation thereof following the date hereof in accordance with the Station Two Contracts.

ARTICLE 8

TAX MATTERS

Section 8.1 Tax Acknowledgments and Commitments. Big Rivers and the E.ON Station Two Parties agree with the City of Henderson and the City Utility Commission that, in the event any of the transfers or assignments by WKEC to Big Rivers, effected or to be effected pursuant to the Transaction Termination Agreement (or one or more other “Definitive Documents” referred to in the Transaction Termination Agreement), of inventory, personal property, agreements, permits, SO2 allowances or NOx allowances relating to Station Two or to the Joint Use Facilities shall result in the assessment or imposition of any sales or use taxes by any taxing authority, those sales or use taxes shall not be allocated by Big Rivers or the E.ON Station Two Parties to Station Two as operating or maintenance costs or expenses (or other expenses) recoverable by them under the Station Two Operating Agreement. In addition, the City of Henderson and the City Utility Commission, on the one hand, and Big Rivers, on the other hand, agree that the apportionment of property taxes (or responsibility for the same) between the E.ON Station Two Parties and Big Rivers, and the allocation of responsibility for unemployment taxes and workers’ compensation premiums between the E.ON Station Two Parties and Big Rivers, in each case pursuant to the Transaction Termination Agreement (or any other Definitive Document), shall not relieve Big Rivers from responsibility for the payment or discharge following the date hereof of property taxes, unemployment taxes and workers’ compensation premiums to the extent and in the manner contemplated in the Station Two Contracts (but subject to the provisions of the Station Two Contracts). Any such property taxes shall not be treated as operating or maintenance costs or expenses recoverable under the Station Two Operating Agreement and not more than the amount of unemployment taxes and workers’ compensation premiums that shall accrue from and after the Amendment Effective Date shall be recoverable as operating or maintenance costs or expenses under the Station Two Operating Agreement. Nothing contained in this Section 8.1 shall amend, modify or supplement the agreements as between Big Rivers and the E.ON Station Two Parties with respect to sales and use taxes, property taxes, unemployment taxes and workers’ compensation premiums set forth in the Transaction Termination Agreement or the other Definitive Documents.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Successors and Assigns. This Amendment shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties named herein and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and permitted assigns, and all other persons or entities claiming by, through or under any of them.

Section 9.2 Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF KENTUCKY.

Section 9.3 Waivers. No waiver of any of the provisions of this Amendment 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 9.4 Further Assurances. Each Party hereby agrees, from and after the date hereof, and upon the reasonable request of any other Party, to do, execute, acknowledge and deliver any and all such other actions, instruments and documents as shall be necessary or appropriate in order to give full force and effect to this Amendment and to the transactions contemplated herein.

Section 9.5 Reconciliation. Reference is made to Article 4 of that certain Station Two Termination and Release Agreement of even date herewith among Big Rivers Electric Corporation, E.ON U.S. LLC, WKEC and LEM, and to Schedule 4.1 attached to that agreement and made a part thereof, pursuant to which Big Rivers, WKEC and LEM agreed with one another that the provisions of Subsection 10.1(a) of the Station Two Agreement would survive the Unwind Transactions as they may contemplate a reconciliation of capacity charges and operations and maintenance costs with respect to Station Two upon the expiration of the Station Two Agreement. Big Rivers, WKEC and LEM each agrees with the City of Henderson and the City Utility Commission that it shall hereafter perform and abide by its covenants and agreements set forth in Article 4 and Schedule 4.1 of the Station Two Termination and Release Agreement in accordance with their respective terms. The Parties further agree that there will not be an interim reconciliation of the capacity charges and operations and maintenance costs with respect to Station Two undertaken between or among the City of Henderson, the City Utility Commission, WKEC, LEM and/or Big Rivers on or about the time of the Unwind Transactions, but rather that the normal annual reconciliation for the current Contract Year will hereafter be conducted between Big Rivers, on the one hand, and the City of Henderson and the City Utility Commission, on the other hand, in the normal course at the time contemplated in the relevant Station Two Contract(s).

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed

by their respective authorized officers as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

LG&E ENERGY MARKETING INC.

By: _____
Name:
Title:

WESTERN KENTUCKY ENERGY CORP.

By: _____
Name:
Title:

CITY OF HENDERSON, KENTUCKY

By: _____
Name:
Title:

**CITY OF HENDERSON UTILITY
COMMISSION, D/B/A, HENDERSON
MUNICIPAL POWER & LIGHT**

By: _____
Name:
Title:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the undersigned, E.ON U.S. LLC, a Kentucky limited liability company and the successor in interest of LG&E Energy Corp. ("E.ON"), in its capacity as the guarantor under that certain Guarantee Agreement [Station Two Obligations] dated as of July 15, 1998, among E.ON, the City of Henderson, Kentucky, and the City of Henderson Utility Commission, hereby consents to the amendments to the Station Two Agreement effected pursuant to the foregoing Second Amendatory Agreement.

WITNESS the signature of the undersigned as of the ____ day of _____, 2009.

E.ON U.S. LLC

By: _____

Name:

Title:

EXHIBIT A-1

TERMINATION AND RELEASE OF DEED OF EASEMENT

On July 15, 1998, the CITY OF HENDERSON, KENTUCKY, a municipal corporation having an address of City Building, P. O. Box 716, Henderson, Kentucky 40420, and the CITY OF HENDERSON UTILITY COMMISSION, a body politic and corporate having an address of 100 5th Street, Henderson, Kentucky 40420 (hereinafter collectively referred to as "Henderson") granted to WKE STATION TWO INC., formerly known as LG&E Station Two Inc., a Kentucky corporation, LG&E ENERGY MARKETING INC., an Oklahoma corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky Corporation, (hereinafter collectively referred to as the "LG&E Parties") an unexclusive easement for access to Henderson's property for the purpose of enabling the LG&E Parties to perform and fulfill their respective obligations under certain agreements relating to the operation and maintenance of Henderson's Station Two Power Plant, all in accordance with the rights, privileges, reservations, exceptions and limitations recited therein, and

WHEREAS, the LG&E Parties will, upon the effective date of this Termination and Release cease to operate, maintain and control Henderson's Station Two Power Plant, and will thereupon cease to use the easement and right-of-way granted to them by Henderson by the terms of the Deed of Easement and Right-of-Way dated July 15, 1998, of record in Miscellaneous book 6, at page 373, in the Henderson County Clerk's Office, Henderson County, Kentucky (the "Deed of Easement").

NOW, THEREFORE, in consideration of the premises, the said WKE Station Two Inc., LG&E Energy Marketing Inc. and Western Kentucky Energy Corp. do hereby bargain, sell, and convey, and by these presents release, remise and quit-claim unto the said City of Henderson, Kentucky and City of Henderson Utility Commission, their respective successors and assigns, any and all right, title and interest in and to the property described in said Deed of Easement, and all and any other interest the said WKE Station Two Inc., LG&E Energy Marketing Inc. and Western Kentucky Energy Corp., their respective successors and assigns, may have in and to the said property of City of Henderson, Kentucky and City of Henderson Utility Commission.

Prior to the date hereof, WKE Station Two Inc., formerly known as LG&E Station Two Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two Inc. in the Deed of Easement herein referred to.

IN TESTIMONY WHEREOF, the said parties to this Termination and Release of Deed of Easement have hereunto executed this document by their respective duly authorized representatives to be effective the ____ day of _____, 2009.

LG&E ENERGY MARKETING INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

CITY OF HENDERSON, KENTUCKY

By: _____

Title: _____

CITY OF HENDERSON UTILITY COMMISSION

By: _____

Title: _____

EXHIBIT A-2

TERMINATION AND RELEASE OF DEED OF EASEMENT

On July 15, 1998, BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative having an address of 201 Third Street, Henderson, Kentucky 42420 (hereinafter referred to as "Big Rivers") granted to WKE STATION TWO INC., formerly known as LG&E Station Two Inc., a Kentucky corporation, LG&E ENERGY MARKETING INC., an Oklahoma corporation, and WESTERN KENTUCKY ENERGY CORP., a Kentucky Corporation, (hereinafter collectively referred to as the "LG&E Parties") an unexclusive easement for access to Big Rivers' property for the purpose of enabling the LG&E Parties to perform and fulfill their respective obligations under certain agreements relating to the operation and maintenance of Big Rivers Green Station and Reid Station Power Plants and Henderson's Station Two Power Plant, all in accordance with the rights, privileges, reservations, exceptions and limitations recited therein, and

WHEREAS, the LG&E Parties will, upon the effective date of this Termination and Release cease to operate, maintain and control Big Rivers Green Station and Reid Station Power Plants and Henderson's Station Two Power Plant, and will thereupon cease to use the easement and right-of-way granted to them by Big Rivers by the terms of the Deed of Easement and Right-of-Way dated July 15, 1998, of record in Miscellaneous Book 6, at page 378, in the Henderson County Clerk's Office, Henderson County, Kentucky (the "Deed of Easement").

NOW, THEREFORE, in consideration of the premises, the said WKE Station Two Inc., LG&E Energy Marketing Inc. and Western Kentucky Energy Corp. do hereby bargain, sell, and convey, and by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation, its successors and assigns, any and all right, title and interest in and to the property described in said Deed of Easement, and all and any other interest the said WKE Station Two Inc., LG&E Energy Marketing Inc. and Western Kentucky Energy Corp., their respective successors and assigns, may have in the said property of Big Rivers.

Prior to the date hereof, WKE Station Two Inc., formerly known as LG&E Station Two Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two Inc. in the Deed of Easement herein referred to.

IN TESTIMONY WHEREOF, the said parties to this Termination and Release of Deed of Easement have hereunto executed this document by their respective duly authorized representatives to be effective the _____ day of _____, 2009.

LG&E ENERGY MARKETING INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

BIG RIVERS ELECTRIC CORPORATION

By: _____

Title: _____

This Instrument Was Prepared By:

JAMES M. MILLER
Sullivan Mountjoy Stainback & Miller, P.S.C.
100 St. Ann Building
Owensboro, KY 42303
270-926-4000

EXHIBIT A-3

TERMINATION AND RELEASE OF ASSIGNMENT OF EASEMENTS

By ASSIGNMENT OF EASEMENTS entered into on April 30, 2006 by and among WKE STATION TWO INC., a Kentucky corporation, LG&E ENERGY MARKETING INC., an Oklahoma corporation (hereinafter referred to as "Assignors") and WESTERN KENTUCKY ENERGY CORP., a Kentucky corporation having an address of 145 N. Main Street, Henderson, Kentucky 42420 (hereinafter referred to as "Assignee"), which Assignment of Easements is of record in Miscellaneous Book 8, beginning at page 902 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky, Assignors assigned to Assignee (1) a Deed of Easement and Right-of-Way by and among the City of Henderson, Kentucky, having an address of City Building, P. O. Box 716, Henderson, Kentucky 40420, and the City of Henderson Utility Commission, having an address of 100 5th Street, Henderson, Kentucky 40420, as Grantors, and WKE Station Two Inc., LG&E Energy Marketing Inc. and Western Kentucky Energy Corp., as Grantees, which Deed of Easement is of record in Miscellaneous Book 6, beginning at page 373 in the Office of the Henderson County Court Clerk, and (2) a Deed of Easement and Right-of-Way by and among Big Rivers Electric Corporation, as Grantor, and WKE Station Two Inc., LG&E Energy Marketing Inc. and Western Kentucky Energy Corp., as Grantees, which Deed of Easement is of record in Miscellaneous Book 6, beginning at page 378 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky (collectively, the "Deeds of Easement"), and

WHEREAS, the purposes for which such Deeds of Easements and Rights-of-Way were granted, and thereafter assigned to Assignee have terminated as of the effective date of this Termination and Release. It is the desire of the Assignors and Assignee to return said easements and rights-of-way to the original Grantors, free and clear of all claims of the Assignors and the Assignee herein.

NOW, THEREFORE, the Assignors and the Assignee do hereby bargain, sell and convey, and do by these presents release, remise and quit-claim unto the said City of Henderson and City of Henderson Utility Commission, their respective successors and assigns, any and all right, title and interest in and to the easement and right-of-way referred to in that certain Deed of Easement and Right-of-Way dated July 15, 1998 and of record in Miscellaneous Book 6, beginning at page 373 in the Office of the Henderson County Court Clerk, and do by these presents release, remise and quit-claim unto the said Big Rivers Electric Corporation its successors and assigns, any and all right, title and interest in and to the easement and right-of-way referred to in that certain Deed of Easement and Right-of-Way dated July 15, 1998 and of record in Miscellaneous Book 6, beginning at page 378 in the Office of the Henderson County Court Clerk, Henderson County, Kentucky.

Prior to the date hereof, WKE Station Two Inc., formerly known as LG&E Station Two Inc., a Kentucky corporation, was merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two Inc., whereby the execution of this document by Western Kentucky Energy Corp. will transfer and convey all right, title and interest of WKE Station Two Inc. in the Deeds

of Easement herein referred to.

IN WITNESS WHEREOF, the Assignors and the Assignee have caused this instrument to be executed by their respective duly authorized representatives to be effective as of the ____ day of _____, 2009.

LG&E ENERGY MARKETING INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

EXHIBIT B-1

RELEASE OF MORTGAGE AND SECURITY AGREEMENT

THIS RELEASE OF MORTGAGE AND SECURITY AGREEMENT is made as of the ___ day of _____, 2009, by (a)(i) **WESTERN KENTUCKY ENERGY CORP.** a Kentucky corporation, for itself and as successor by merger to **WKE STATION TWO INC.**, a Kentucky corporation, and (ii) **LG&E ENERGY MARKETING INC.**, an Oklahoma corporation (collectively, "Mortgagees"), in favor of **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky rural electric cooperative corporation having an address of 201 Third Street, Henderson, Kentucky 42420 ("Mortgagor").

Mortgagees hereby declare that the Mortgage and Security Agreement (the "Mortgage") dated July 15, 1998, executed by Mortgagor to Mortgagees, and recorded as follows:

1. In the Office of the County Clerk of Henderson County, Kentucky in Mortgage Book 559 at Page 123;
2. In the Office of the County Clerk of Hancock County, Kentucky in Mortgage Book 101 at Page 104;
3. In the Office of the County Clerk of Webster County, Kentucky in Mortgage Book ____ at Page ____; and
4. In the Office of the County Clerk of Ohio County, Kentucky in Mortgage Book ____ at Page ____;

is fully paid, satisfied, released and discharged, and that the property described in the Mortgage be and is hereby released from the lien of the Mortgage and any amendments thereto.

IN WITNESS WHEREOF, the undersigned have executed this Release of Mortgage and

COMMONWEALTH OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
2009 by _____, as _____
of LG&E Energy Marketing Inc.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

[SEAL]

This instrument prepared by:

W. Plumer Wiseman, Jr.
Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202-3197
(502) 587-3556

EXHIBIT B-2

RELEASE OF MORTGAGE AND SECURITY AGREEMENT
(LEM Mortgage)

THIS RELEASE OF MORTGAGE AND SECURITY AGREEMENT is made as of the ____ day of _____, 2009, by (a)(i) **WESTERN KENTUCKY ENERGY CORP.** a Kentucky corporation, for itself and as successor by merger to **WKE STATION TWO INC.**, a Kentucky corporation, and (ii) **LG&E ENERGY MARKETING INC.**, an Oklahoma corporation (collectively, "Mortgagees"), in favor of (b) **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky rural electric cooperative corporation having an address of 201 Third Street, Henderson, Kentucky 42420 ("Mortgagor").

Mortgagees hereby declare that the Mortgage and Security Agreement (the "Mortgage") dated July 15, 1998, as amended, executed by Mortgagor to Mortgagees, and recorded as follows:

5. In the Office of the County Clerk of Henderson County, Kentucky in Mortgage Book 559 at Page 199 as amended in Mortgage Book 749 at Page 805;
6. In the Office of the County Clerk of Hancock County, Kentucky in Mortgage Book 101 at Page 180 as amended in Mortgage Book 130 at page 67;
7. In the Office of the County Clerk of Webster County, Kentucky in Mortgage Book ____ at Page ____ as amended in Mortgage Book ____ at Page ____; and
8. In the Office of the County Clerk of Ohio County, Kentucky in Mortgage Book ____ at Page ____ as amended in Mortgage Book ____ at page ____;

is fully paid, satisfied, released and discharged, and that the property described in the Mortgage be and is hereby released from the lien of the Mortgage and any amendments thereto.

IN WITNESS WHEREOF, the undersigned have executed this Release of Mortgage and Security Agreement this _____ day of _____, 2009.

WESTERN KENTUCKY ENERGY CORP. for itself
and as successor in interest to **WKE STATION TWO INC.**

By: _____

Name: _____

Title: _____

This instrument prepared by:

W. Plumer Wiseman, Jr.
Greenebaum Doll & McDonald PLLC
3500 National City Tower
101 South Fifth Street
Louisville, Kentucky 40202-3197
(502) 587-3556

EXHIBIT B-3

[Form of UCC Release and Termination Statement to be attached prior to the Closing]

EXHIBIT B-4

[Form of UCC Release and Termination Statement to be attached prior to the Closing]

EXHIBIT B-5

PARTIAL TERMINATION AND RELEASE OF DEED OF EASEMENT

On August 12, 2003 the City of Henderson, Kentucky, having an address of City Building, P. O. Box 716, Henderson, Kentucky 40420, and the City of Henderson Utility Commission, having an address of 100 5th Street, Henderson, Kentucky 40420, granted unto WKE Station Two Inc., LG&E Energy Marketing Inc., Western Kentucky Energy Corp., WKE Corp. and Big Rivers Electric Corporation a non-exclusive, irrevocable easement for access to, and ingress and egress over, Grantors' property for the construction, operation, maintenance and removal of an 8 inch diameter high pressure natural gas line and related valves, fittings and ancillary facilities, all as more particularly described in the Deed of Easement which is of record in Deed Book 527, at page 421, in the office of the Henderson County Court Clerk (the "Deed of Easement").

By the terms of paragraph 7 of said Deed of Easement it is provided that the rights and privileges of WKE Station Two Inc., LG&E Energy Marketing Inc., Western Kentucky Energy Corp. and WKE Corp., their successors and assigns will terminate at such time as they shall cease to operate and maintain Big Rivers Electric Corporation's Reid Station and Big Rivers Electric Corporation's combustion turbine generating unit, both located in Henderson County, Kentucky.

Prior to the date hereof, WKE Station Two, Inc. and WKE Corp. were merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Station Two, Inc. and WKE Corp. At the same time LG&E Energy Marketing, Inc. assigned all of its rights and interests in said gasline easement to Western Kentucky Energy Corp.

Prior to the execution of this Partial Termination and Release of Deed of Easement, WKE Station Two, Inc., LG&E Energy Marketing, Inc., WKE Corp. and Western Kentucky Energy Corp. ceased to operate and maintain Big Rivers Electric Corporation's Reid Station and Big Rivers Electric Corporation's combustion turbine generating unit, whereby all rights and interests granted to them pursuant to the terms and provisions of this Deed of Easement terminated in their entirety.

NOW THEREFORE pursuant to the requirements of paragraph 7 of said Deed of Easement, WKE Station Two, Inc. and WKE Corp. acting by and through Western Kentucky Energy Corp., LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. hereby permanently and irrevocably release and discharge all rights and interests created by the terms and provisions of the said Deed of Easement, upon which termination they shall have no further easement rights or rights of ingress or egress over or with respect to the Grantors' property under said Deed of Easement, and shall be deemed to be fully and forever remised, released and discharged by Grantors and Big Rivers Electric Corporation of and from any and all obligations, liabilities, rights and privileges arising under or pursuant to such Deed of Easement.

IN WITNESS WHEREOF the said Western Kentucky Energy Corp., acting for itself and WKE Station Two, Inc. and WKE Corp., and LG&E Energy Marketing, Inc. hereby execute this Partial Termination and Release of Deed of Easement this ____ day of _____, 2009.

LG&E ENERGY MARKETING INC.

By: _____

Title: _____

WESTERN KENTUCKY ENERGY CORP.,
acting for itself and for WKE Station Two Inc.
and WKE Corp.

By: _____

Title: _____

EXHIBIT B-6

**PARTIAL RELEASE OF GRANTORS' RIGHTS
TO RIGHTS AND EASEMENTS**

Effective on April 1, 2005, Big Rivers Electric Corporation, having an address of 201 Third Street, Henderson, Kentucky 42420, and Western Kentucky Energy Corp. granted and conveyed to the City of Henderson, Kentucky, having an address of City Building, P. O. Box 716, Henderson, Kentucky 40420, and the City of Henderson Utility Commission, having an address of 100 5th Street, Henderson, Kentucky 40420, certain rights of access, easements of location and use, and easements of ingress and egress across lands owned by Big Rivers Electric Corporation, and leased to Western Kentucky Energy Corp., located in Henderson County, Kentucky, for use in connection with the City's Station Two Power Plant and the construction and addition thereto of selective catalytic recovery systems, such Grant of Rights and Easements is of record in Deed Book 548, at page 169, in the office of the Henderson County Court Clerk. Big Rivers Electric Corporation and Western Kentucky Energy Corp. reserved unto themselves certain rights and privileges in connection with said Grant of Rights and Easements.

Western Kentucky Energy Corp. has prior to the execution of this Agreement terminated its Lease of Big Rivers Electric Corporation's property and improvements thereon, and by these presents terminates its rights and privileges reserved in its Grant of Rights and Easements to the City of Henderson, Kentucky and the City of Henderson Utility Commission under terms and provisions of the said Grant of Rights and Easements.

NOW THEREFORE, Western Kentucky Energy Corp., a Kentucky corporation, acting for itself and its successors and assigns does hereby release and forever discharge all of its rights and interests reserved by it under the terms and provisions of the said Grant of Rights and Easements dated April 1, 2005, having terminated its Lease of the Big Rivers Electric Corporation property and improvements thereon upon which said rights and easements were granted to the City of Henderson, Kentucky and the City of Henderson Utility Commission.

WITNESS the signature of the undersigned duly authorized representative of Western Kentucky Energy Corp. this ____ day of _____, 2009.

WESTERN KENTUCKY ENERGY CORP.

By: _____

Title: _____

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The foregoing Partial Release of Grantors' Rights to Rights and Easements was acknowledged before me this ____ day of _____, 2009, by _____, the _____ of Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

Notary Public

My commission expires: _____

This instrument prepared by:

Charles B. West
STOLL KEENON OGDEN PLLC
201-C North Main Street
Henderson, KY 42420
270-831-1900

SCHEDULE 4.1

STATION TWO TERMINATED DOCUMENTS

1. Deed of Easement and Right-of-Way, dated July 15, 1998, between Big Rivers, as grantor, and Station Two Subsidiary, LEM and WKEC, as grantees;
2. Deed of Easement and Right-of-Way, dated July 15, 1998, between the City of Henderson, the City Utility Commission, as grantors, and Station Two Subsidiary, LEM and WKEC, as grantees;
3. Assignment of Easements, dated April 30, 2006, among Station Two Subsidiary and LEM, as assignors, and WKEC, as assignee;
4. Acknowledgement and Consent, dated July 15, 1998, among the City of Henderson, the City Utility Commission and LEM;
5. Supplementary Agreement on SO₂ Emission Allowances, dated January 18, 2002, between the City Utility Commission and WKEC (including as successor by merger of Station Two Subsidiary);
6. Excess Power Agreement (letter agreement) dated July 23, 1999, between LEM and the City Utility Commission;
7. Mortgage and Security Agreement, dated July 15, 1998, by Big Rivers to WKEC and LEM;
8. Mortgage Deed and Security Agreement, dated July 15, 1998, by Big Rivers to LEM and WKEC, as amended by First Amendment to Mortgage and Security Agreement, dated August 22, 2002;
9. Designated Representative/Alternate Appointment Agreement, dated August 27, 2002 among the City of Henderson, the City Utility Commission, Big Rivers, Western Kentucky Energy Corp. (as successor to WKE Station Two Inc.), Gregory Black and Ralph Bowling; and
10. Designated Representative Appointment Agreement, dated September 24, 2007 among the City of Henderson, the City Utility Commission, Big Rivers, Western Kentucky Energy Corp., Gregory Black and Ralph Bowling.
11. The Letter Agreement dated July 15, 1998, among Big Rivers, WKEC (as successor of WKE Station Two Inc.) and the City Utility Commission, by which those parties terminated a January 12, 1994 Letter Agreement between Big Rivers and the City Utility Commission relating to the sulfur content of coal theretofore used at Station Two.

SCHEDULE 5.1

RELEASED STATION TWO DOCUMENTS

1. Grant of Rights and Easements, dated as of April 1, 2005, among the City of Henderson, the City Utility Commission, Big Rivers and WKEC;
2. Deed of Easement, dated August 12, 2003, but with retroactive effect to June 1, 1999, among the City of Henderson, the City Utility Commission, Big Rivers, WKEC, LEM, Station Two Subsidiary and WKE, relating to the Reid Station gas line; and
3. Spare Transformer Agreement, dated July 1, 1972, among the City of Henderson, the City Utility Commission and Big Rivers.

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE ("Settlement Agreement") is made and entered into as of the ____ day of March, 2009, among **WESTERN KENTUCKY ENERGY CORP.**, a Kentucky corporation (for itself and as successor by merger with WKE Corp. and WKE Station Two Inc., Western Kentucky Energy Corp being the surviving entity; "**WKE**"), **LG&E ENERGY MARKETING INC.**, an Oklahoma corporation ("**LEM**"); **E.ON U.S. LLC.**, a Kentucky limited liability company (fka LG&E Energy Corp. and herein called "**E.ON U.S.**") (WKE, LEM and E.ON U.S. are herein collectively called the "**E.ON U.S. STATION TWO PARTIES**"), and the **CITY OF HENDERSON, KENTUCKY** ("**CITY OF HENDERSON**") and the **CITY OF HENDERSON, KENTUCKY UTILITY COMMISSION, d/b/a HENDERSON MUNICIPAL POWER & LIGHT** ("**HMPL**"; the City of Henderson and HMPL are herein collectively called the "**CITY OF HENDERSON PARTIES**"). Capitalized terms shall have the meaning assigned to them in the text, or if no meaning is assigned in the text, shall have the meaning set forth in Exhibit A attached hereto and made a part hereof.

WITNESSETH:

A. Prior to the effectiveness of the Plan of Reorganization, Big Rivers Electric Corporation ("**BIG RIVERS**") operated Station Two and the Joint Use Facilities, and purchased a certain portion of the output of Station Two.

B. In accordance with the Participation Agreement, WKE Station Two Inc. assumed certain of Big Rivers' operational responsibilities with respect to Station Two and the Joint Use Facilities, and in various combinations E.ON U.S., WKE, LEM, WKE Station Two Inc., the City of Henderson, HMPL and Big Rivers executed and delivered certain agreements, including, without limitation, the Station Two Agreement, the New Reserves Agreement, the Station Two Power Sales Agreement, and that certain Guarantee Agreement [Station Two Obligations] dated as of July 15, 1998, pursuant to which E.ON U.S. guaranteed certain obligations of WKE and LEM in favor of the City of Henderson Parties.

C. Prior to the date hereof, WKE Corp. and WKE Station Two Inc. were merged with and into Western Kentucky Energy Corp. in accordance with Kentucky law, with Western Kentucky Energy Corp. being the surviving entity in that merger succeeding to all of the assets, properties, rights, debts, obligations and liabilities of WKE Corp. and WKE Station Two Inc., respectively.

D. Also prior to the date hereof, LEM assigned and transferred to WKE, among other agreements and rights, all rights, title and interests of LEM under or pursuant to the Station Two Agreement, the Station Two Power Sales Agreement and certain other agreements or instruments relating to Station Two and/or the Joint Use Facilities. However, LEM was not, by reason of such assignments and transfers, relieved from its debts, obligations or liabilities under or pursuant to those agreements or instruments.

E. Also prior to the date hereof, WKE, LEM and Big Rivers entered into that certain Transaction Termination Agreement dated as of March 26, 2007 (as amended, the “**BREC Transaction Termination Agreement**”) pursuant to which, if and when consummated, the Participation Agreement and other agreements will be terminated or will be assigned to Big Rivers, and WKE’s operational and other responsibilities with respect to Station Two and the Joint Use Facilities will be re-assumed by Big Rivers.

F. In connection with WKE’s operational and other responsibilities with respect to Station Two and the agreements relating thereto (including, without limitation, the New Reserves Agreement and the Station Two Power Sales Agreement), one or more of the City of Henderson Parties have made the following claims against WKE, LEM and/or E.ON U.S.: the Back-up Power Claims, the Excess Energy Claims, the Siemens Claim, H1 Boiler Event Claims and the Fuel Inventory Claims (collectively, the “**HMPL Claims**”).

G. With respect to the Back-up Power Claims, HMPL alleges the amount owed by WKE and/or LEM to HMPL as of October 31, 2007 is \$310,433.05 (being the principal claimed by HMPL, together with interest claimed and as calculated by HMPL). In a letter dated March 28, 2008, WKE and LEM denied these claims, but nevertheless deposited with HMPL an amount equal to \$310,433.05. The payment was made under protest, with complete reservation by WKE and LEM of any and all rights. No additional amounts have been alleged by HMPL with respect to the Back-up Power Claims for the period from November 1, 2007 to the date hereof.

H. With respect to the Excess Energy Claims:

(i) HMPL alleges the amount owed by WKE and/or LEM with respect to the Excess Energy Claims through October 31, 2007 is \$790,694.50 (being the principal claimed by HMPL, together with interest claimed and as calculated by HMPL). In a letter dated March 28, 2008, WKE and LEM denied these claims, but nevertheless deposited with HMPL an amount equal to \$790,694.50. The payment was made under protest, with complete reservation by WKE and LEM of any and all rights; and

(ii) HMPL alleges the amount owed by WKE and/or LEM with respect to the Excess Energy Claims from November 1, 2007 through March 31, 2008 is \$33,321.00 (being the principal claimed by HMPL with no interest. HMPL retained the right to add interest if the principal was not paid timely). In a letter dated May 5, 2008, WKE and LEM denied these claims, but nevertheless deposited with HMPL on May 5, 2008 an amount equal to \$33,321.00. The payment was made under protest, with complete reservation by WKE and LEM of any and all rights. In a letter dated May 30, 2008, WKE and LEM also denied the claims with respect to an alleged failure to perform notification duties provided by Section 11.5(c) of the Station Two Agreement since July 15, 1998. Pursuant to a letter dated June 18, 2008 (the “**June 18, 2008 Letter**”), WKE began (as of the June 2008 bill) paying HMPL for Excess Henderson Energy by applying the methodology set forth in a presentation by WKE to HMPL at a December 12, 2007 meeting, and WKE paid HMPL an amount equal to \$24,547.50 for Excess Henderson Energy purchased in April and May of 2008 also based on this methodology. No additional claims or amounts have been alleged by HMPL with respect to the Excess Energy Claims as of the date hereof.

I. With respect to the Fuel Inventory Claims, the E.ON U.S. Station Two Parties (individually and collectively) have denied any responsibility or liability with respect to such Fuel Inventory Claims. With respect to the H1 Boiler Event Claims, the E.ON U.S. Station Two Parties (individually and collectively) have denied any responsibility or liability with respect to such H1 Boiler Event Claims.

J. With respect to the settlement of a certain warranty claim against Siemens Power Generation, Inc. in connection with the installation and subsequent removal of a DCS control system at HMPL's Station Two, HMPL alleges it is entitled to receive an amount equal to \$28,590 (the "**Siemens Claim**").

K. On August 23, 2004, a thermal excursion occurred in Unit 1 of Station Two and, in connection therewith, certain repairs were undertaken, the cost of which was covered by insurance proceeds, except for a \$200,000 deductible. WKE alleges that HMPL is obligated to pay its share, or \$60,897.44, of this deductible (the "**WKE Insurance Deductible Claim**"). HMPL denies this allegation, stating that the deductible is a result of negligence by WKE and HMPL is not obligated to pay its share if the damage was caused by WKE's negligence. WKE denies that it was negligent with respect to the above described thermal excursion or that deductible.

L. The City of Henderson Parties agreed to consent to the consummation of the transactions contemplated by the BREC Transaction Termination Agreement, and have contemporaneously entered into that certain Second Amendatory Agreement among Big Rivers, WKEC, LEM and the City of Henderson Parties.

M. In connection with their review and evaluation of whether to provide their consent to the transactions contemplated by the BREC Transaction Termination Agreement, the City of Henderson Parties incurred certain costs and expenses, and therefore, they have requested reimbursement hereunder for the City of Henderson Parties Transaction Costs Claims.

N. The parties hereto desire to enter into this Settlement Agreement, to be effective in the event WKE consummates the transactions contemplated in the BREC Transaction Termination Agreement, in order to provide for settlement and discharge of the HMPL Claims, the City of Henderson Parties Transaction Costs Claims and the WKE Insurance Deductible Claim, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the payments and the other covenants provided herein and in settlement of the HMPL Claims, the City of Henderson Parties Transaction Costs Claims and the WKE Insurance Deductible Claim between the parties, WKE, LEM, E.ON U.S., the City of Henderson and HMPL do each hereby agree, subject to the condition precedent in Section 12 below, as follows:

1. WKE and the City of Henderson Parties agree that the methodology used by HMPL to calculate its Excess Energy Claims through March 31, 2008 is appropriate, and WKE has utilized that methodology as reflected in the June 18, 2008 Letter to calculate the payments in April and May of 2008 and since June 2008.

2. WKE agrees (in order to settle and resolve such claims, without an admission of responsibility or liability, and as full accord and satisfaction of the following claims as of the date hereof):

(a) to release unto HMPL (for both City of Henderson Parties) the amounts already deposited with HMPL in connection with the Back-up Energy Claims and the Excess Energy Claims, together with the interest deposited with HMPL on those amounts (for a total of \$1,134,448.55 deposited for the claims and interest) and any amounts WKE has paid to HMPL as of the date hereof pursuant to the June 18, 2008 Letter, and upon execution of this Settlement Agreement WKE disclaims any and all rights to such amounts so deposited (together with the interest deposited on those amounts) or so paid, and HMPL shall be entitled to retain such deposited amounts and such paid amounts following the execution of this Settlement Agreement.

(b) to pay to HMPL an amount equal to \$464,816 with respect to the Fuel Inventory Claims;

(c) to pay to HMPL an amount equal to \$28,590 with respect to the Siemens Claims.

(d) to pay to HMPL an amount equal to \$1,130,146.00 with respect to the City of Henderson Parties' Transaction Costs Claims;

3. Waiver of WKE Insurance Deductible Claim. In an attempt to resolve the issues described herein, WKE hereby waives the WKE Insurance Deductible Claim. Such claim is expressly released and discharged by the parties hereto in Sections 4 and 5 below.

4. Releases by City of Henderson and HMPL. The City of Henderson and HMPL, 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 remise, release, acquit, waive and discharge each of WKE (for itself and as successor by merger with WKE Corp. and WKE Station Two Inc., and as assignee of LEM), LEM, E.ON U.S. and Big Rivers, and their respective members, shareholders, directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the "**City Released Parties**"), of and from any and all of and from any and all 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 in 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 (collectively, "**Claims**"), which the City of Henderson and/or HMPL ever had, now have, may now have or may hereafter have against any one or more of the City Released Parties, resulting from, arising out of or in any manner relating to any or all of the HMPL Claims, the City of

Henderson Parties Transaction Costs Claims or the WKE Insurance Deductible Claim; provided, however, that the City of Henderson and HMPL do not hereby remise, release, acquit, waive or discharge the E.ON U.S. Station Two Parties from performance of and compliance with any obligations under this Settlement Agreement to be performed or complied with by the E.ON U.S. Station Two Parties.

5. Releases by the E.ON U.S. Station Two Parties. Each E.ON U.S. Station Two Party, for itself and its 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, waives and discharges each of the City of Henderson and HMPL, and their respective directors, officers, employees, agents, representatives, advisors, successors, predecessors and assigns, and each of them (collectively, the “**E.ON U.S. Released Parties**”), of and from any and all Claims which such E.ON U.S. Station Two Party ever had, now have, may now have or may hereafter have against any one or more of the E.ON U.S. Released Parties, resulting from, arising out of or in any manner relating to the HMPL Claims, the City of Henderson Parties Transaction Costs Claims or the WKE Insurance Deductible Claim; provided, however, that the E.ON U.S. Station Two Parties do not hereby remise, release, acquit, waive or discharge the City of Henderson or HMPL of or from performance of and compliance with any obligations under this Settlement Agreement to be performed or complied with by the City of Henderson or HMPL.

6. The releases and settlements contained herein, on the part of all the parties hereto, are intended by the parties as fully binding and complete settlements between the parties, their heirs, assigns and all of them and shall be a full accord and satisfaction with respect to the HMPL Claims, the City of Henderson Parties Transaction Costs Claims and the WKE Insurance Deductible Claim and any amount owed with respect thereto. The parties hereto also acknowledge and agree that the releases contained herein are general releases and they further expressly release any and all Claims which exist as of the date of execution of this Settlement Agreement in connection with the HMPL Claims, the City of Henderson Parties Transaction Costs Claims or the WKE Insurance Deductible Claim, of which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence or otherwise, and which, if known, would materially affect their decision to enter into this Settlement Agreement.

7. It is understood and agreed by the parties hereto that this settlement is not to be construed as an admission of liability on the part of any party with respect to the HMPL Claims, the City of Henderson Parties Transaction Costs Claims or the WKE Insurance Deductible Claim.

8. The parties hereto acknowledge that they are entering into this Settlement Agreement on the basis of their independent knowledge and with the advice and consent of their counsel.

9. The parties hereto acknowledge that this Settlement Agreement is entered into voluntarily on their part and that none of them have been coerced or threatened in connection with its execution and performance.

10. This Settlement Agreement contains the entire agreement between the parties listed herein with respect to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each. The preamble and recitals of this Settlement Agreement are an integral part of this agreement and are incorporated herein by reference.

11. This Settlement Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Kentucky.

12. Notwithstanding any provision to the contrary herein, it shall be a condition precedent to the parties' obligations, duties, rights and releases hereunder, as well as to the enforceability of this Agreement, that WKE shall have consummated the transactions contemplated in the BREC Transaction Termination Agreement. Should such condition precedent not be met, this Agreement shall be deemed null and void and unenforceable ab initio, and neither party shall have any liability to the other related to or arising from this Settlement Agreement.

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

E.ON U.S. LLC

By: _____
Name:
Title:

LG&E ENERGY MARKETING INC.

By: _____
Name:
Title:

WESTERN KENTUCKY ENERGY CORP.

By: _____
Name:
Title:

CITY OF HENDERSON, KENTUCKY

By: _____

Name:

Title:

CITY OF HENDERSON UTILITY
COMMISSION, D/B/A, HENDERSON
MUNICIPAL POWER & LIGHT

By: _____

Name:

Title:

EXHIBIT A

Attached to that certain Settlement Agreement and Release dated March __, 2009 among Western Kentucky Energy Corp., LG&E Energy Marketing Inc., E.ON U.S. LLC, the City of Henderson, Kentucky and the City of Henderson, Kentucky Utility Commission, dba Henderson Municipal Power & Light

RULES OF INTERPRETATION AND DEFINITIONS

RULES OF INTERPRETATION. In the Settlement Agreement and Release to which this Exhibit A is attached, unless otherwise expressly provided therein:

1. Any term defined in the Settlement Agreement and Release (including this Exhibit A and any other Exhibit or Schedule thereto) 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 the Settlement Agreement and Release or in this Exhibit A to a part, clause, recital, section, subsection, article, party, annex, appendix, exhibit, schedule or other attachment is a reference to a part, clause, recital, section, subsection, or article of, or a party, annex, appendix, exhibit, schedule or other attachment to, the Settlement Agreement and Release unless, in any such case, otherwise expressly provided therein or herein;
5. A definition of or reference to any document, instrument or agreement set forth in the Settlement Agreement and Release (including without limitation, in any Exhibit or Schedule thereto) includes all amendments and/or supplements to, and any restatements, replacements, modifications or novations of, any such document, instrument or agreement unless otherwise specified in such definition or in the context in which such reference is used;
6. A reference to any person or entity includes such person's or entity's successors and permitted assigns (in the designated capacity);
7. Any reference to "days" shall mean calendar days;
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.

DEFINITIONS

“Back-up Power” shall mean standby or back-up electric service, including for operating reserves – supplemental and operating reserves - spinning furnished by one or more of the E.ON U.S. Station Two Parties, pursuant to the New Reserves Agreement, the Station Two Agreement or any other existing agreement among one or more of the City of Henderson Parties and WKE and/or LEM (including, without limitation, pursuant to Section F, Section J(a), Section J(b) or Paragraph O of the New Reserves Agreement).

“Back-up Power Claims” shall mean any and all claims pending as of the date hereof by one or more of the City of Henderson Parties with respect to Back-up Power or for alleged improper charges with respect to Back-up Power (including, without limitation, any claims for alleged overcharges with respect to standby electric service pursuant to Section J.(a), Section J.(b) or Paragraph O of the New Reserves Agreement), together with the claims for any interest thereon, and including, without limitation, the claims described or implied in the following notices of default from HMPL to WKE and LEM: that certain Notice of Default dated March 14, 2008 (withdrawn by the First Amended Notice of Default dated March 24, 2008), and/or that certain First Amended Notice of Default dated March 24, 2008.

“Big Rivers” shall have the meaning set forth in Recital A. of the Settlement Agreement.

“City of Henderson” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“City of Henderson Parties” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“City of Henderson Parties Transaction Costs Claims” shall mean any and all claims by one or more of the City of Henderson Parties for costs and expenses incurred directly or indirectly by one or more of the City of Henderson Parties in connection with or in any way related to their review and evaluation whether to provide their consent to or cooperation in connection with the transactions contemplated by the BREC Transaction Termination Agreement, or in connection with or in any way related to the investigation, analysis, negotiation and documentation of any issues outstanding among any of the parties or with Big Rivers, including costs and expenses incurred with respect to any goods or services provided by the following: R W Beck, Burns & McDonnell, Color Tech Printing and Mailing, Data Mail, Inc., Eco Unlimited, Inc., Exothermic Engineering, Fulbright and Jaworski, John N. Hughes PSC, Stoll, Keenon Ogden, Western Kentucky Energy, HMP&L Administrative, and Miscellaneous Expenses, the total aggregate amount of such claims being an amount equal to \$1,130,146.00.

“City Released Parties” shall have the meaning set forth in Section 4.

“Claims” shall have the meaning set forth in Section 4.

“**E.ON U.S.**” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“**E.ON U.S. Released Parties**” shall have the meaning set forth in Section 5.

“**E.ON U.S. Station Two Parties**” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“**Excess Energy Claims**” shall mean any and all claims by one or more of the City of Henderson Parties pending as of the date hereof for: (i) any alleged failures to comply with Section 11.5 of the Station Two Agreement or any alleged failures to comply with any payment provisions in connection with Excess Henderson Energy (as such term is defined in the Station Two Agreement) allegedly taken or used by WKE and/or LEM (including, any alleged failure to comply with the payment provisions under Section 11.5(c) of the Station Two Agreement), together with the claims for any interest thereon, and including the claims described or implied in the following notices of default from HMPL to WKE and LEM: that certain Notice of Default dated March 14, 2008 (withdrawn by the First Amended Notice of Default dated March 24, 2008), that certain First Amended Notice of Default dated March 24, 2008, and/or that certain Second Amended Notice of Default dated May 1, 2008; and (ii) any alleged failure to perform reporting or notification duties in connection with Excess Henderson Energy allegedly taken or used by WKE and/or LEM since July 15, 1998 (including, without limitation, any alleged failure to provide notice under Section 11.5(c) of the Station Two Agreement since July 15, 1998), including the claims described or implied in the following notices of default from HMPL to WKE and LEM: that certain Notice of Default dated March 14, 2008 (withdrawn by the First Amended Notice of Default dated March 24, 2008), that certain First Amended Notice of Default dated March 24, 2008, and/or that certain Second Amended Notice of Default dated May 1, 2008.

“**Excess Henderson Energy**” shall have the same meaning as such term in the Station Two Agreement.

“**Fuel Inventory Claims**” shall mean any claims by one or more of the City of Henderson Parties pending as of the date hereof alleging that WKE has misplaced or has improperly or inadvertently placed or directed the placement of any coal owned by HMPL in locations other than the coal pile where HMPL’s coal is located, or that WKE has incorrectly or improperly (i) accounted for, (ii) made inventory adjustments for, or (iii) measured the quantities of coal owned by HMPL.

“**H1 Boiler Event Claims**” shall mean any claims by one or more of the City of Henderson Parties pending as of the date hereof with respect or in any way related to the condition of Unit 1 of Station Two resulting from a thermal event that occurred on January 29, 2007, including claims with respect to or in any way related to allegations that WKE was negligent in its operations, or that WKE was required to repair or replace any portion of the Unit 1 boiler in connection with such thermal event.

“**HMPL**” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“HMPL Claims” shall have the meaning set forth in Recital F. of the Settlement Agreement.

“Joint Use Facilities” shall mean certain auxiliary facilities which are the subject of the Joint Facilities Agreement.

“Joint Facilities Agreement” shall mean that certain Joint Facilities Agreement between the City of Henderson and Big Rivers dated August 1, 1970, as amended.

“LEM” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“New Reserves Agreement” shall mean that certain Agreement With Respect to Operating Reserves and Amendment No. 1 to System Reserves Agreement dated July 15, 1998 among some of the parties hereto.

“Participation Agreement” shall mean that certain New Participation Agreement, dated April 6, 1998, as amended, entered into between Big Rivers Electric Corporation, LG&E Energy Marketing Inc., WKE Station Two Inc. and Western Kentucky Energy Corp.

“Plan of Reorganization” shall mean that certain First Amended Plan of Reorganization in the bankruptcy proceeding of Big Rivers Electric Corporation, as modified and restated on June 9, 1997.

“Siemens Claim” shall have the meaning set forth in Recital J. of the Settlement Agreement.

“Station Two” shall mean the two generating units and related facilities owned by the City of Henderson and located on a site near the Green River in Henderson County, Kentucky.

“Station Two Agreement” shall mean the Agreement and Amendments to Agreement dated as of July 15, 1998, as amended (including, without limitation, as amended by the Amendatory Agreement, dated as of April 1, 2005) by and among Western Kentucky Energy Corp., LG&E Energy Marketing Inc., WKE Station Two Inc., the City of Henderson, Kentucky, the City of Henderson Kentucky Utility Commission dba Henderson Municipal Power & Light and Big Rivers Electric Corporation.

“Station Two Power Sales Agreement” shall mean the Power Sales Contract dated August 1, 1970, as amended, among the City of Henderson, Kentucky, the City of Henderson, Kentucky Utility Commission dba Henderson Municipal Power & Light, Big Rivers Electric Corporation, and Western Kentucky Energy Corp. (as successor to LG&E Energy Marketing Inc., WKE Station Two Inc. and Big Rivers Electric Corporation).

“WKE” shall have the meaning set forth in the first paragraph of the Settlement Agreement.

“WKE Insurance Deductible Claim” shall have the meaning set forth in Recital K. of the Settlement Agreement.

**STATION TWO
G & A ALLOCATION AGREEMENT**

THIS STATION TWO G & A ALLOCATION AGREEMENT is entered into and effective as of _____, 2009, by and between **THE CITY OF HENDERSON UTILITY COMMISSION** (“HUC”), a public body politic and corporation organized under the Kentucky Revised Statutes § 96.530 and related statutes, doing business as **HENDERSON MUNICIPAL POWER & LIGHT**, and **BIG RIVERS ELECTRIC CORPORATION** (“Big Rivers”), a Kentucky rural electric cooperative corporation, (HUC and Big Rivers are sometimes hereinafter referred to collectively as the “Parties” and individually as a “Party”).

RECITALS:

A. In 1970, the City of Henderson, Kentucky (the “City”) and Big Rivers entered into a Power Plant Construction and Operation Agreement, a Power Sales Contract and a Joint Facilities Agreement, each dated August 1, 1970 (collectively, the “Station Two Contracts”) providing for the construction of Station Two, the operation of Station Two by Big Rivers and the sale of a portion of the output of Station Two by the City to Big Rivers.

B. Big Rivers and HUC were parties to an Agreement dated February 15, 1991 (the “1991 G&A Agreement”) which, among other terms, allocated general and administrative expenses incurred by each of them in the operation of their respective utilities to Station Two.

C. In 1998, the City, HUC, Big Rivers, WKE Station Two Inc. (“Station Two Subsidiary”), LG&E Energy Marketing Inc. (“LEM”) and Western Kentucky Leasing Corp. (“WKEC”) entered into a certain Agreement and Amendments to Agreements (the “Station Two Agreement”) under which Station Two Subsidiary assumed certain of Big Rivers’ responsibilities for the operation and maintenance of Station Two under the Station Two Contracts, and, simultaneously with the execution and delivery of the Station Two Agreement, the 1991 G&A Agreement was terminated by the provisions of a July 15, 1998 G&A Allocation Agreement among HUC, Big Rivers and Station Two Subsidiary.

D. The July 15, 1998 Station Two G&A Allocation Agreement between HUC, Big Rivers and WKE Station Two, Inc. provides at Section 2.2 that “immediately following the termination of this Agreement, and providing that Big Rivers shall at that time have rights in and to the Station Two Contracts, Big Rivers and HUC shall negotiate in good faith to effect a new agreement between them relating to the subject matter described in this Agreement and that reflects the circumstances surrounding the Station Two Assets and each of them, respectively, at that time.”

E. Big Rivers, LG&E Energy Marketing, Inc. and Western Kentucky Energy Corp. entered into a Transaction Termination Agreement dated as of March 26, 2007,

providing for, *inter alia*, the termination of the Station Two Agreement and the July 15, 1998 Station Two G&A Allocation Agreement, thus necessitating the execution and delivery of a new G&A Allocation Agreement for Station Two between HUC and Big Rivers.

AGREEMENT:

NOW, THEREFORE, the Parties hereby agree as follows:

1. DEFINED TERMS. For purposes of this Agreement, capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Station Two Contracts. The following terms, for purposes hereof, shall have the meaning set forth below:

1.1 Capacity Factor. “Capacity Factor” shall mean a fraction, the numerator of which is the net rated capacity of Station Two (fixed for purposes hereof at 312 net MW) and the denominator of which is the total net rated capacity of all the Generating Plants (inclusive of Station Two) (fixed for purposes hereof at 1771 net MW). Accordingly, the Capacity Factor shall equal 312 net MW/1771 net MW (or 17.62%).

1.2 Joint Facilities Agreement. “Joint Facilities Agreement” shall mean the Joint Facilities Agreement, dated August 1, 1970, between HUC and Big Rivers, as amended.

1.3 Labor Costs. “Labor Costs” shall mean the salaries, wages, bonuses and other compensation expenses (other than Labor Related Costs) of personnel in administrative support positions that are allocable to Station Two pursuant to the terms described below.

1.4 Labor Related Costs. “Labor Related Costs” shall include (a) payroll insurance, payroll taxes and other payroll withholdings required under applicable laws, (b) holiday, vacation, sick days and other paid leave days, (c) retirement plan costs, employer contributions to retirement plans, and 401(k) matching contributions, (d) premiums and other costs for medical insurance, dental insurance, life insurance, and workers compensation insurance, (e) tuition reimbursements, and (f) all other expenses of employment benefits and employment related benefits, whether or not subject to Title I of the Employee Retirement Income Security Act of 1974, as amended.

1.5 Office Supplies Costs and Expenses. “Office Supplies Costs and Expenses” shall include a broad range of miscellaneous expenses of operating an office and supporting the administrative personnel allocable to Station Two under the terms described below, including, without limitation, utilities, telephone, postage, overnight delivery services, copier leases, fax machine leases, computer supplies, miscellaneous non-capitalized office equipment (such as typewriters, calculators, hole punches, staplers, etc.) and other general office supplies (paper, copy machine toner, paper clips, staples, pens, etc.), expenses of repairs and maintenance of facilities housing such administrative support personnel and the equipment utilized by such personnel in the performance of

their duties, seminars and training costs of such administrative support personnel, professional dues and subscriptions for administrative support personnel, and travel expenses of such personnel.

1.6 Operation Agreement. “*Operation Agreement*” shall mean the Power Plant Construction and Operation Agreement dated August 1, 1970 between HUC and Big Rivers, as amended.

1.7 Power Sales Agreement. “*Power Sales Agreement*” shall mean the Power Sales Contract, dated August 1, 1970 between HUC and Big Rivers, as amended.

1.8 Station Two Agreement. “*Station Two Agreement*” shall mean the Agreement and Amendments to Agreements by and among City of Henderson, Kentucky, HUC, Big Rivers, WKE Station Two Inc., LEM and WKEC.

1.9 Transaction Termination Agreement. “*Transaction Termination Agreement*” shall mean the Transaction Termination Agreement, dated as of March 26, 2007, among Big Rivers, LG&E Energy Marketing Inc., and Western Kentucky Energy Corp.

1.10 Unwind Closing Date. “*Unwind Closing Date*” shall have the meaning set forth in the Transaction Termination Agreement.

2. TERM; EFFECT OF AGREEMENT.

2.1 Term Defined. The term (“Term”) of this Agreement shall commence and take effect as of the Unwind Closing Date and shall expire as of the date that Big Rivers Electric Corporation shall no longer be a party to the Operation Agreement.

2.2 Effect of Agreement. Simultaneously with the execution and delivery of this Agreement, Big Rivers, the City, HUC, WKEC and LEM are entering into a Second Amending Agreement providing, *inter alia*, for the amendment of the Station Two Agreement to provide for the expiration of the Station Two Agreement concurrently with the execution and delivery of this Agreement and the termination of the July 15, 1998 Station Two G & A Allocation Agreement. The terms and provisions of this Agreement shall supersede the terms and provisions of the July 15, 1998 Station Two G & A Allocation Agreement, and all other prior agreements and understandings, if any, of the Parties related to the subject matter covered hereby.

3. INVENTORY MAINTENANCE COSTS.

The cost to maintain Station Two parts inventory after the date that this Agreement becomes effective shall be allocated between the Parties on an annual basis (in accordance with the provisions of the Operation Agreement, the Power Sales Contract and the Joint Facilities Agreement) in direct proportion to the generation capacity of Station Two reserved by HUC and allotted to Big Rivers pursuant to the terms of the Power Sales Contract.

The following additional terms shall apply with respect to Station Two parts inventory:

(a) Payment shall be made at the time of purchase for all additions and replacements to Station Two parts inventory.

(b) Parts issued for use at Station Two from other warehouses maintained by Big Rivers will be charged to Station Two at the time of issue.

(c) Station Two shall receive credit at the time of issue for parts taken from Station Two inventory for use at Big Rivers' Generating Plants (other than Station Two).

(d) Additions and replacements to Station Two parts inventory shall continue to be made in accordance with applicable competitive bidding laws and approved by HUC.

(e) Station Two parts inventory in existence at the time of termination of the Operation Agreement and any extensions or renewals thereof, shall become the property of the City.

4. ALLOCATION OF GENERAL AND ADMINISTRATIVE EXPENSES.

The allocations of general and administrative expenses by Big Rivers and HUC set forth below in this Section 4 shall be the sole and exclusive expenses charged by those Parties, respectively, to Station Two for general and administrative support services. For purposes of the Station Two Contracts, the aggregate sum of the general and administrative expenses of each of the Parties, determined as set forth below, shall constitute the general and administrative expenses allocable during the Term to Station Two for purposes of Section 13.8 of the Operation Agreement and Section 6.3(e) of the Power Sales Contract. Notwithstanding that Section 13.8(b) of the Operation Agreement may require that certain costs set forth in this Agreement should be further allocated between the Reid Station and Station Two, the Parties hereby agree that the expenses described below solely relate to the Parties' respective obligations to Station Two and shall be allocated solely to Station Two.

4.1 Allocations by Big Rivers. Big Rivers shall charge the following expenses to Station Two during the Term as its sole and exclusive general and administrative expenses allocable to Station Two during the Term for purposes of the Station Two Contracts:

- (a) For each person in a general and administrative support position identified on Exhibit A attached hereto (a "Big Rivers Support Position"), an amount equal to the Labor Costs and the Labor Related Costs paid by Big Rivers to or for the benefit of such person multiplied by the percentage (the "Big Rivers Station Two Percentage") set forth opposite the Big Rivers Support Position held by that person in the column headed "% Big Rivers Station Two Percentage" on Exhibit A attached hereto (the amount determined for each such person holding such a position is sometimes hereinafter referred

to as the “Administrative Employee Expense,” together with all other Administrative Employee Expenses within a particular administrative group identified on Exhibit A, is sometimes hereinafter referred to as the “Group Administrative Personnel Expense”). The actual cost of administration allocated to and charged to Station Two by Big Rivers shall be the sum of the Group Administrative Personnel Expenses for all administrative groups identified on Exhibit A (or the sum total of each administrative personnel’s Administrative Employee Expense). In determining the expenses of administration that Big Rivers may charge for any particular Big Rivers Support Position, Big Rivers may include an amount for more than one employee in such position to the extent that the services of more than one employee shall be reasonably necessary in that position to enable Big Rivers to administer and perform its duties and obligations under the Station Two Contracts.

- (b) For each administrative group identified on Exhibit A attached hereto, a charge for Office Supplies Costs and Expenses shall be determined as follows: that group’s charge shall equal the product of (x) the “Blended Group Administrative Personnel Rate” (described below) multiplied by (y) the Office Supplies Costs and Expenses paid by Big Rivers (or any of its Affiliates) which are reasonably necessary to support the administrative personnel in that group. For purposes hereof, each administrative group’s Blended Group Administrative Personnel Rate shall be a fraction, the numerator of which is the Group Administrative Personnel Expense for that particular group, and the denominator of which shall equal the total Labor Costs and Labor Related Costs for that particular group.
- (c) The sum of all fees and expenses paid or incurred by Big Rivers for the services of professionals who are not employees of Big Rivers (primarily legal services, accounting and auditing services, actuarial services, generation dispatch services, Information System services and engineering services) in support of the operations of Station Two and activities directly related thereto, all fees and costs incurred in relation to regulatory matters or regulatory proceedings involving Station Two or the operation of Station Two, plus, a reasonable allocation of Labor Costs and Labor Related Costs of professionals who are employees of Big Rivers where such employee professionals provide services specifically in support of the operations of Station Two and activities directly related thereto, including, without limitation, actions taken in relation to regulatory matters or regulatory proceedings, involving Station Two or the operator of Station Two.
- (d) For each administrative building located in Henderson County, Kentucky occupied by personnel of Big Rivers an amount equal to the “Property Factor” (defined below) multiplied by the sum of all expenses paid or incurred by Big Rivers, where applicable, for rent, property taxes, property insurance expenses, depreciation of that building and/or amortization of

the leasehold improvements of that building. For purposes of this Agreement, the term "Property Factor" shall mean a fraction, the numerator of which shall equal the sum of the Allocated Square Footages (defined below) from that building and the denominator of which shall be the total square footage of that building utilized for office space (but specifically excluding common areas of the building). For purposes of the formula described above, there shall be allocated square footage from that building (the "Allocated Square Footage") to each Big Rivers Support Position in an amount equal to (x) the square footage of the building utilized by that position, multiplied by (y) the Big Rivers Station Two Percentage for that position. Exhibit B attached hereto illustrates the method of allocating costs under this Section 4.1(d).

4.2 Allocations by HUC. HUC shall charge the following expenses to Station Two during the Term as its sole and exclusive general and administrative expenses allocable to Station Two during the Term for purposes of the Station Two Contracts:

- (a) For each person in a general and administrative support position identified on Exhibit C attached hereto (a "HUC Support Position"), an amount equal to the Labor Costs and the Labor Related Costs paid by HUC to or for the benefit of such person multiplied by the percentage (the "HUC Percentage") set forth opposite the HUC Support Position held by that person in the column headed "EXPENSE ALLOCATION PERCENTAGE TO STATION TWO" on Exhibit C attached hereto (the amount determined for each such person holding such a position is sometimes hereinafter referred to as the "Administrative Employee Expense," together with all other Administrative Employee Expenses within a particular administrative group. The actual cost of administration allocated to and charged to Station Two by HUC shall be the sum of the Administrative Personnel Expenses for all administrative groups identified on Exhibit C and the sum total of each administrative personnel's Administrative Employee Expense. In determining the expenses of administration that HUC may charge for any particular HUC Support Position, HUC may include an amount for more than one employee in such position to the extent that the services of more than one employee shall be reasonably necessary in that position to enable HUC to administer and perform its duties and obligations under the Station Two Contracts.
- (b) For each administrative group identified on Exhibit C attached hereto, a charge for Office Supplies Costs and Expenses shall be determined as follows: that group's charge shall equal the product of (x) the "Blended Group Administrative Personnel Rate" (described below) multiplied by (y) the Office Supplies Costs and Expenses paid by HUC which are reasonably necessary to support the administrative personnel in that group. For purposes hereof, each administrative group's Blended Group Administrative Personnel Rate shall be a fraction, the numerator of which

is the Group Administrative Personnel Expense for that particular group, and the denominator of which shall equal the total Labor Costs and Labor Related Costs for that particular group.

- (c) The sum of all fees and expenses paid or incurred by HUC for the services of professionals who are not employees of HUC (primarily legal services, accounting and auditing services, actuarial services and engineering services, and other professional services) in support of the operations of Station Two and activities directly related thereto, all fees and costs incurred in relation to regulatory matters or regulatory proceedings involving Station Two or the operation of Station Two, plus, a reasonable allocation of Labor Costs and Labor Related Costs of professionals who are employees of HUC where such employee professionals provide services specifically in support of the operations of Station Two and activities directly related thereto, including, without limitation, actions taken in relation to legal, regulatory matters, or regulatory proceedings, involving Station Two or the operator of Station Two.
- (d) For each administrative building located in Henderson County, Kentucky, occupied by personnel of HUC an amount equal to the "Property Factor" (defined below) multiplied by the sum of all expenses paid or incurred by HUC, where applicable, for rent, property taxes, maintenance and improvement expenses, property insurance expenses, mortgage expenses, depreciation of that building and/or amortization of the leasehold improvements of that building. For purposes of this Agreement, the term "Property Factor" shall mean a fraction, the numerator of which shall equal the sum of the Allocated Square Footages (defined below) from that building and the denominator of which shall be the total square footage of that building utilized by HUC for Station Two. For purposes of the formula described above, there shall be allocated square footage from that building (the "Allocated Square Footage") to each HUC Support Position in an amount equal to (x) the square footage of the building utilized by that position, multiplied by (y) the HUC Percentage for that position. Exhibit C attached hereto shows the expense allocation percentage for the HUC Headquarters Buildings and each general and administrative support position and group.

5. BUDGETING; MONTHLY PAYMENTS; ANNUAL RECONCILIATIONS.

5.1 General Provision for Budgeting and Payments. The general and administrative expenses allocable to Station Two under the terms and provisions of this Agreement shall be treated as "administrative costs" or "costs of administration and general expense" under the terms and provisions of the Operation Agreement (excluding any allocation of such costs, however, to the Reid Station as may be required pursuant to Section 13.8(b) thereof), and the Power Sales Contract. In addition, the maintenance cost for inventory allocated to Station Two, and between the Parties hereto, shall be

controlling for purposes of the Station Two Contracts. All costs shall be subject to the terms and provisions in the Station Two Contracts providing (x) that such costs be budgeted annually by the Parties and included in the Operating Budget (as between Big Rivers and HUC) and the Annual Budget, (y) that such costs be paid or reimbursed monthly to the Parties, as applicable (whether as an operating expense under the Operation Agreement payable by Henderson, as a component of the capacity charge payable by Big Rivers to Henderson under the Power Sales Agreement), on the basis of one-twelfth (1/12th) the Annual Budget then in effect, and (z) that such costs, as paid by the parties during the Contract Year, shall be reconciled on an annual basis against actual general and administrative costs incurred by the Parties and allocable to Station Two under the terms and provisions hereof.

5.2 Responsibility for Payment of Others. Notwithstanding anything set forth in this Agreement to the contrary, each of the Parties shall be primarily responsible for payment and discharge, in full, of those general and administrative expenses of that party that are due and owing persons not a party to this Agreement. Each Party hereby agrees to indemnify and hold harmless each of the other Parties for any and all claims, causes of action, costs and expenses that such other Parties may suffer or incur as a result of, arising out of or otherwise relating to failure of such indemnifying party to pay and discharge those sums and obligations (constituting a general and administrative expenses hereunder) due and owing any such other Person.

5.3 Audit Rights. Each of the Parties, upon reasonable advance written notice and during normal hours of business operation, shall have the right, at such Party's expense, to audit and inspect the books and records of another Party to the extent reasonably necessary to verify the accuracy of the costs and expenses charged by such other Party to Station Two under the terms and provisions of this Agreement. Notwithstanding the foregoing, no Party shall be required to disclose to another party any records or information specific to any individual employee's Labor Costs or Labor Related Costs; instead, with respect to such employee information (when a request is specifically made for such information) the Party receiving such request will permit access to its records to an independent firm of certified public accountants for inspection on premises, and then, only such access as shall be reasonably necessary to enable that firm to certify to the requesting Party as to the reliability of the expenses allocated to Station Two. The Party receiving the request for employee information, in its discretion, may request that the firm of certified public accountants agree to reasonable confidentiality and limited use restrictions before providing such firm access to its books, records and information.

6. MISCELLANEOUS.

6.1 Amendment and Modification. No amendment or modification of this Agreement shall be valid unless made in writing and duly executed by the Parties.

6.2 Governing Law. This Agreement shall be governed by and interpreted in accordance with the internal laws of the Commonwealth of Kentucky.

6.3 Disputes. Any disputes arising between or among the Parties to the Agreement shall be resolved in accordance with the procedures provided for in the Station Two Contracts.

6.4 Successors and Assigns. This Agreement shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

6.5 Counterparts. This Agreement may be executed in counterparts, each of which taken together shall constitute a single Agreement.

6.6 Entire Agreement. This Agreement, including all attached Exhibits, contains the entire and final understanding of the Parties with respect to the subject matters covered hereby and, during the Term hereof, supersedes all prior agreements and understandings between the parties related to such subject matters.

6.7 Headings. The headings in this Agreement are included for purposes of convenience only and should not be considered a part of this Agreement in construing or interpreting any provision hereof.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

THE CITY OF HENDERSON UTILITY
COMMISSION

By: _____
Title: _____

BIG RIVERS ELECTRIC CORPORATION

By: _____
Title: _____

**Big Rivers Electric Corporation
Exhibit A**

<u>Department Name</u>	<u>Big Rivers Non-Station Two Percentage</u>	<u>Big Rivers Station Two Percentage</u>	<u>Rationale</u>
President/CEO	95%	5.0%	Estimated Time
Executive Assistant	95%	5.0%	Estimated Time
Legal Counsel – Internal	95%	5.0%	Estimated Time
V.P. Enterprise Risk Management Strategic			
Planning and Support Staff	82.0%	18.0%	Capacity Split
Vice President Production	82.0%	18.0%	Capacity Split
Headquarters Production Staff	82.0%	18.0%	Capacity Split
<u>Payroll</u>			
Payroll Supervisor	84.0%	16.0%	Headcount Split
Payroll Clerk	84.0%	16.0%	Headcount Split
Payroll Clerk	84.0%	16.0%	Headcount Split
<u>Supply Chain</u>			
Manager Supply Chain	82.0%	18.0%	Capacity Split
Supply Chain Supervisor	82.0%	18.0%	Capacity Split
Contract Specialist	82.0%	18.0%	Capacity Split
Department/Division Secretary	82.0%	18.0%	Capacity Split
Procurement Agent-Reid/Green/HMPL	65.0%	35.0%	Site Capacity
Procurement Agent-Henderson Office	82.0%	18.0%	Capacity Split
Inventory Control Supervisor	82.0%	18.0%	Capacity Split
Inventory Analyst	82.0%	18.0%	Capacity Split
Manager – Fuels	100.0%	0.0%	Exception Coding - Services Rendered
Fuels Coordinator	100.0%	0.0%	Exception Coding - Services Rendered
Storekeeper-Reid/Green/HMPL	65.0%	35.0%	Capacity Split Reid/Green/Station II
Storekeeper-Reid/Green/HMPL	65.0%	35.0%	Capacity Split Reid/Green/Station II
<u>Human Resources & Admin. Support</u>			
VP Administrative Services	84.0%	16.0%	Headcount Split
Manager HR & Adm. Support	84.0%	16.0%	Headcount Split
HR Associate	84.0%	16.0%	Headcount Split
HR Generalist	84.0%	16.0%	Headcount Split
Health/Safety Specialist Reid/Green/HMPL	65.0%	35.0%	Capacity Split Reid/Green/Station II
Corporate Safety Adm.	84.0%	16.0%	Headcount Split
Corporate Training Instructor	84.0%	16.0%	Headcount Split
Secretary	84.0%	16.0%	Headcount Split
Insurance/Pension Administrator	84.0%	16.0%	Headcount Split
Manager Compensation/Benefits	84.0%	16.0%	Headcount Split
Messenger Mail Clerk	82.0%	18.0%	Capacity Split
Security Guard Supervisor	82.0%	18.0%	Capacity Split
Security Guards –Reid/Green/Sta. II	65.0%	35.0%	Capacity Split Reid/Green/Station II
<u>External Relations</u>			
VP External Relations & Supply Chain	95.0%	5.0%	Pre-Determined
Director Legislative/Regulatory	95.0%	5.0%	Pre-Determined
Administrative Assistant	95.0%	5.0%	Pre-Determined
Communication Coordinator	84.0%	16.0%	Headcount Split
Community Relations Representative	84.0%	16.0%	Headcount Split

**Big Rivers Electric Corporation
Exhibit A**

<u>Department Name</u>	<u>Big Rivers Non-Station Two Percentage</u>	<u>Big Rivers Station Two Percentage</u>	<u>Rationale</u>
<u>Information Services</u>			
Manager Information Technology	82.0%	18.0%	Capacity Split
Supervisor Control Systems	82.0%	18.0%	Capacity Split
Secretary	82.0%	18.0%	Capacity Split
IT Engineer	90.0%	10.0%	Exception Coding – Estimated Time
IT Engineer	90.0%	10.0%	Exception Coding – Estimated Time
IT Engineer	90.0%	10.0%	Exception Coding – Estimated Time
IT Engineer	90.0%	10.0%	Exception Coding – Estimated Time
IT Analyst	90.0%	10.0%	Exception Coding – Estimated Time
IT Analyst	90.0%	10.0%	Exception Coding – Estimated Time
IT Analyst	90.0%	10.0%	Exception Coding – Estimated Time
System Programmer/Analyst	82.0%	18.0%	Capacity Split
Information Services Coordinator	90.0%	10.0%	Pre-Determined
<u>Environmental</u>			
Manager Environmental	82.0%	18.0%	Capacity Split
Department/Division Secretary	82.0%	18.0%	Capacity Split
Environmental Supervisor – Air	82.0%	18.0%	Capacity Split
Environmental Supervisor –Land	82.0%	18.0%	Capacity Split
Senior Environmental Scientist	82.0%	18.0%	Capacity Split
Senior Environmental Scientist	82.0%	18.0%	Capacity Split
Environmental Scientist	82.0%	18.0%	Capacity Split
Environmental Scientist	82.0%	18.0%	Capacity Split
Senior Chemist	100.0%	0.0%	Central Lab Coal Work – Charge for Services Rendered
Senior Chemist	100.0%	0.0%	Central Lab Coal Work – Charge for Services Rendered
Chemist 3	100.0%	0.0%	Central Lab Coal Work – Charge for Services Rendered
Chemist 3	100.0%	0.0%	Central Lab Coal Work – Charge for Services Rendered
Drafter	82.0%	18.0%	Capacity Split
<u>Accounting and Finance</u>			
CFO & V.P Accounting	95.0%	5.0%	Pre-Determined
Managers of Accounting & Budget	82.0%	18.0%	Capacity Split
Secretary	82.0%	18.0%	Capacity Split
Accountants/Station II	50.0%	50.0%	Capacity Split plus Station II Preparation of Accounting
Accounting Clerk	82.0%	18.0%	Capacity Split
Budget Analyst/Station II	65.0%	35.0%	Capacity Split Reid/Green/Station II
Accounts Payable Personnel	82.0%	18.0%	Capacity Split
<u>Generation Dispatch</u>			
Employee Costs	82.0%	18.0%	Capacity Split
<u>NERC Compliance – Generation</u>			
Employee Costs	82%	18.0%	Capacity Split

**Big Rivers Electric Corporation
Method of Allocating Costs
Exhibit B**

Headquarters Cost	HMP&L	10.0%	Pre-Determined
	BREC	90.0%	Pre-Determined

Exhibit C

**HENDERSON MUNICIPAL POWER & LIGHT
GENERAL AND ADMINISTRATIVE EXPENSES
ANNUAL ALLOCATION SUMMARY
FOR HMP&L STATION TWO**

<u>Employment Position</u>	<u>HMP&L Expense Allocation Percentage to Station Two</u>	<u>Rationale</u>
Power Plant Prod. Director	100%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Power Plant Coordinator	100%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Admin. Assist. – Power Plant	100%	Actual Prior Period Expense and Estimated Subsequent Period Expense
General Manager	50%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Admin. Assist. To General Mgr.	25%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Comptroller	25%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Accounting Technician	10%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Legal Counsel – Internal	50%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Engineer – Internal	25%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Engineer Assistant	25%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Accountants	50%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Regulatory Compliance Manager	50%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Budget Auditor	50%	Actual Prior Period Expense and Estimated Subsequent Period Expense
Headquarters Buildings Costs	46%	Actual Prior Period Expense and Estimated Subsequent Period Expense

RESOLUTION # 09-2

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF HENDERSON UTILITY COMMISSION APPROVING THE EXECUTION AND DELIVERY OF A SECOND AMENDATORY AGREEMENT WHICH AMENDS THE PROVISIONS OF THE STATION TWO AGREEMENT SO AS TO PROVIDE FOR ITS EARLY TERMINATION AND REVERSION OF THE STATION TWO CONTRACTS TO BIG RIVERS ELECTRIC CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A SETTLEMENT AGREEMENT AND RELEASE FOR SETTLEMENT OF OUTSTANDING CLAIMS BETWEEN THE UTILITY COMMISSION AND THE E.ON U.S. STATION TWO PARTIES; APPROVING AND AUTHORIZING THE GENERAL MANAGER AND STAFF OF THE CITY OF HENDERSON UTILITY COMMISSION TO PERFORM ALL ACTIVITIES ON BEHALF OF THE UTILITY COMMISSION WHICH ARE NECESSARY OR CONVENIENT TO COMPLETE ALL TRANSACTIONS AMONG THE E.ON U.S. STATION TWO PARTIES, BIG RIVERS ELECTRIC CORPORATION, CITY OF HENDERSON AND THE CITY OF HENDERSON UTILITY COMMISSION AS HEREIN DESCRIBED.

WITNESSETH:

WHEREAS, Big Rivers Electric Corporation and the E.ON U.S. Station Two Parties have entered into a Transaction Termination Agreement dated March 26, 2007, as Amended, providing for the early termination of the July 15, 1998 Station Two Agreement, providing for reversion of the Station Two Contracts from the E.ON U.S. Station Two Parties to Big Rivers Electric Corporation, to be effective on the Unwind Closing Date, and

WHEREAS, in order to accomplish the Transaction Termination Agreement as it relates to the Station Two Power Plant and the Station Two Agreement, the written agreement of the City of Henderson and the City of Henderson Utility Commission is required, and

WHEREAS, the City of Henderson Utility Commission has negotiated with the E.ON U.S. Station Two Parties the terms of a SETTLEMENT AGREEMENT AND RELEASE, whereby all outstanding claims and disputes among the parties have been settled and resolved, and

WHEREAS, the City of Henderson and the City of Henderson Utility Commission on the one hand, and the E.ON U.S. Station Two Parties and Big Rivers Electric Corporation on the other

hand, have negotiated the terms and provisions of a document entitled **SECOND AMENDATORY AGREEMENT**, whereby the parties have agreed to the early termination of the Station Two Agreement, to the reversion of the Station Two Contracts to Big Rivers Electric Corporation and for other amendments to the parties' agreements facilitating the closing of the Unwind Transaction as it relates to the Station Two Agreement and the Station Two Power Plant, and

WHEREAS, the City of Henderson and the City of Henderson Utility Commission have reached agreements and understandings with the E.ON U.S. Station Two Parties and Big Rivers Electric Corporation whereby the City of Henderson and the City of Henderson Utility Commission will agree, pursuant to the terms of the **SECOND AMENDATORY AGREEMENT** and the **SETTLEMENT AGREEMENT AND RELEASE** to provide written authority for the performance of the Transaction Termination Agreement by the E.ON U.S. Station Two Parties and Big Rivers Electric Corporation, as that Agreement pertains to the Station Two Power Plant and the Station Two Agreement of July 15, 1998, as Amended, and

WHEREAS, the attorneys, General Manager and Staff of the Utility Commission have requested that the members of the Utility Commission become personally familiar with the terms and provisions of the said Agreements and that a Resolution be adopted by the Utility Commission approving the adoption of the above enumerated Agreements, and the performance by the General Manager and Staff of all actions necessary or convenient to consummate the Station Two Unwind Transaction in accordance with the terms and provisions of the documents hereinabove referred to; and

WHEREAS, the members of the Utility Commission have examined the proposed Agreements, have considered the terms and provisions thereof and have determined that it is in the best interests of the City of Henderson Utility Commission and the City of Henderson that the said

SECOND AMENDATORY AGREEMENT and SETTLEMENT AGREEMENT AND RELEASE be approved by the Utility Commission and properly executed for delivery to the parties thereto at the time and place of the Closing of the Unwind Transaction.

NOW THEREFORE, BE IT RESOLVED by the City of Henderson Utility Commission that the above described documents, that is: the SETTLEMENT AGREEMENT AND RELEASE and the SECOND AMENDATORY AGREEMENT, including all attachments thereto, be approved and adopted by the City of Henderson Utility Commission; that the duly authorized officers of the City of Henderson Utility Commission be and they are hereby authorized and directed to execute said documents for and on behalf of the City of Henderson Utility Commission; and that said documents may be delivered among the other parties thereto at the time and place of the Closing of the Unwind Transaction; that the General Manager and Staff of the City of Henderson Utility Commission shall be authorized and directed to perform all acts and activities necessary or convenient to bring about a completion of the Station Two Unwind Transaction, and reinstatement of the Station Two Contracts to Big Rivers Electric Corporation as provided by Section 10.16 of the Station Two Agreement. The City of Henderson Utility Commission's approval of the SETTLEMENT AGREEMENT AND RELEASE and of the SECOND AMENDATORY AGREEMENT is subject to such insertions or changes therein as shall be approved by the General Manager and attorneys of the City of Henderson Utility Commission from and after the date of this Resolution, until the date of delivery thereof to the other parties to such agreements.

Motion was made by Commissioner RISCH, seconded by Commissioner MILLER that the foregoing Resolution be approved. On roll call the vote stood:

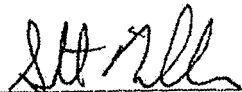
Commissioner Miller:	<u>AYE</u>
Commissioner Hopper:	<u>ABSENT</u>
Commissioner Risch:	<u>AYE</u>
Commissioner Smith:	<u>AYE</u>

WHEREUPON, Chairman Smith declared the Resolution to be adopted on this 30th day of
March, 2009.



William L. Smith, Chairman

ATTEST:



Scott Miller, Secretary

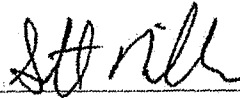
3630149.3

CERTIFICATION OF THE SECRETARY
CITY OF HENDERSON UTILITY COMMISSION

I, Scott Miller, hereby certify that I am the duly qualified and acting Secretary of the City of Henderson Utility Commission; that the attached Resolution is a true copy of a Resolution introduced, read, enacted and adopted at a properly convened meeting of the said Utility Commission on March 30, 2009, signed by William L. Smith, Chairman, as shown by the official records in my custody and under my control, and that said Resolution appears as a matter of public record in the official records of the said Utility Commission.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law; that a quorum was present at said meeting, and that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the City of Henderson Utility Commission this 21 day of April, 2009.



Secretary
City of Henderson Utility Commission

RESOLUTION NO. 21-09

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CITY OF HENDERSON APPROVING THE EXECUTION AND DELIVERY OF A SECOND AMENDATORY AGREEMENT WHICH AMENDS THE PROVISIONS OF THE STATION TWO AGREEMENT SO AS TO PROVIDE FOR ITS EARLY TERMINATION AND REVERSION OF THE STATION TWO CONTRACTS TO BIG RIVERS ELECTRIC CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A SETTLEMENT AGREEMENT AND RELEASE FOR SETTLEMENT OF OUTSTANDING CLAIMS BETWEEN THE UTILITY COMMISSION AND THE E.ON U.S. STATION TWO PARTIES; APPROVING AND AUTHORIZING THE STAFF OF THE CITY OF HENDERSON TO PERFORM ALL ACTIVITIES ON BEHALF OF THE CITY OF HENDERSON WHICH ARE NECESSARY OR CONVENIENT TO COMPLETE ALL TRANSACTIONS AMONG THE E.ON U.S. STATION TWO PARTIES, BIG RIVERS ELECTRIC CORPORATION, CITY OF HENDERSON AND THE CITY OF HENDERSON UTILITY COMMISSION AS HEREIN DESCRIBED.

WHEREAS:

1. In 1970 the City of Henderson and the City of Henderson Utility Commission entered into agreements with Big Rivers Electric Corporation ("Big Rivers") for the construction and operation of the Station Two Power Plant, located in Henderson County, Kentucky on the banks of the Green River, adjacent to Big Rivers Reid and Green Power Plants; and
2. The 1970 contracts consisted of: (1) the Power Plant Construction and Operation Agreement; (2) the Power Sales Contract; and (3) the Joint Facilities Agreement (the "Station Two Contracts"); and
3. The Station Two Contracts provide that the City will purchase and construct the Station Two Power Plant, having two 175 megawatt coal-fired steam-electric generators, and that Big Rivers Electric Corporation will provide the manpower to operate the Station Two Power Plant so as to produce electric power and energy for use by the City to serve its inhabitants and customers; and
4. The Power Sales Contract provides that Big Rivers will purchase and pay for all surplus capacity of Station Two not utilized by the City for service of its inhabitants and customers; and
5. In 1993 the Station Two Contracts were amended to provide for the installation of a FGD System on each of the Station Two generating units so as to comply with Federal and State regulations for sulfur dioxide emissions resulting from the operation of coal-fired steam-electric generators; and
6. In 1998 the Station Two Contracts were amended to provide for the assignment by Big Rivers to WKE Station Two, inc. ("WKE"), an affiliate of LG&E Energy, LLC, of the Power Plant Construction and Operation Agreement and the Joint Facilities Agreement, and the assignment

RESOLUTION NO. 21-09
continued

to LG&E Energy Marketing, Inc. ("LEM"), a subsidiary of LG&E Energy, LLC, of the Power Sales Contract.

7. On July 15, 1998 the City of Henderson, the City of Henderson Utility Commission, Big Rivers Electric Corporation, WKE Station Two, Inc. and LG&E Energy, LLC entered into an agreement called the Station Two Agreement, whereby the assignment of the Station Two Contracts to the LG&E Entities would continue for a term of 25 years, terminating in calendar year 2023; and

8. In 2002 the Federal and Kentucky Environmental Agencies adopted regulations limiting the amount of nitrous oxide which can be emitted from the coal-fired steam-electric generators of the City's power plants. Units 1 and 2 of Station Two were affected by the current NOx SIP regulations; and

9. Pursuant to agreement by the City of Henderson Utility Commission, Big Rivers Electric Corporation and WKE/LEM in 2004 a selective catalytic reduction system was installed on each of the Station Two boilers, of sufficient capacity to provide compliance of Unit 6 of City's Station One and Units 1 and 2 of City's Station Two, and surplus capacity to provide additional NOx removal capabilities to be utilized by some of Big Rivers' other power plants; and

10. In 2004 the LG&E Companies and Big Rivers Electric Corporation began negotiations of agreements which, among other things, would permit the early termination of the Station Two Agreement at a time when the parties could reach agreements and understandings as to the terms and provisions of the early termination of the Station Two Agreement and other related contracts and documents.

11. On March 26, 2007 Big Rivers and the LG&E Parties reached an agreement identified as the Transaction Termination Agreement whereby, among other things, the Station Two Agreement would be terminated as soon as approval therefor could be obtained from the Kentucky Public Service Commission, the City of Henderson and the City of Henderson Utility Commission.

12. On December 28, 2007 Big Rivers Electric Corporation and the LG&E Entities filed a joint application with the Kentucky Public Service Commission seeking approval by the Kentucky Public Service Commission of the Transaction Termination Agreement providing for the termination of the LG&E Parties operation and control of Big Rivers Electric Corporation's Generating Plants, including Henderson's Station Two Power Plant.

13. On March 6, 2009 the Kentucky Public Service Commission entered an Order approving the provisions of the Transaction Termination Agreement providing, among other things, for the early termination of the Station Two Agreement and reversion of the Station Two Contracts from the E.ON U.S. Station Two Parties (formerly the LG&E Entities) to Big Rivers Electric Corporation, subject however to the agreement of the City of Henderson and the City of Henderson Utility Commission to the early termination of the Station Two Agreement.

14. The City of Henderson and the City of Henderson Utility Commission have reached agreements with the E.ON U.S. Station Two Parties and Big Rivers Electric Corporation for the terms upon which the City of Henderson and the City of Henderson Utility Commission will

RESOLUTION NO. 21-09
continued

approve the early termination of the Station Two Agreement and reversion of the Station Two Contracts to Big Rivers Electric Corporation, which terms and provisions are more particularly described in the following documents:

(a) A Second Amendatory Agreement which provides for the terms, conditions and considerations providing for the early termination of the Station Two Agreement and related agreements, and the reversion of the Station Two Contracts from the E.ON U.S. Station Two Parties to Big Rivers Electric corporation.

(b) The Settlement Agreement and Release which provides for the resolution of outstanding disputes and claims between the City of Henderson and the City of Henderson Utility Commission, on the one hand, and the E.ON U.S. Station Two Parties, on the other hand, whereby all such disputes and claims will be settled and thereby eliminated, (which documents enumerated (a) and (b) are hereinafter referred to as the Station Two Related Contracts).

WHEREAS, the City of Henderson Utility Commission has requested that the members of the Board of Commissioners of the City of Henderson become personally familiar with the terms and provisions of the said Station Two Related Contracts, and that a Resolution be adopted by the Board of Commissioners of the City of Henderson approving the adoption of the Station Two Related Contracts and authorizing the execution and delivery thereof at the time and place of the Closing of the Unwind Transaction, and

WHEREAS, the members of the Board of Commissioners of the City of Henderson have examined the proposed Contracts and Agreements, have considered the terms and provisions thereof and have determined that it is in the best interests of the City of Henderson and the City of Henderson Utility Commission that the Station Two Related Contracts be approved by the Board of Commissioners of the City of Henderson and properly executed for delivery to the parties thereto.


NOW THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that the Station Two Related Contracts in substantially the form submitted to this meeting are hereby approved, and the Mayor of the City of Henderson be and is hereby authorized on behalf of the City of Henderson to execute each of the Station Two Related Contracts, with only such insertions and changes therein as shall be approved by the City Attorney, and the City Clerk is hereby authorized to attest and affix the seal of the City of Henderson thereto and, after execution, the City Clerk of the City of Henderson shall deliver each of the Station Two Related Contracts to the City of Henderson Utility Commission for delivery to the other party or parties thereto at the time and place of the Closing of the Unwind Transaction.

On motion of Commissioner Jim White, seconded by Commissioner Robert Pruitt, that the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Farmer:	<u>ABSENT</u>	Commissioner White:	<u>AYE</u>
Commissioner Mills:	<u>AYE</u>	Mayor Davis:	<u>AYE</u>
Commissioner Pruitt:	<u>AYE</u>		

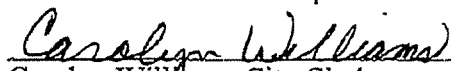
RESOLUTION NO. 21-09
continued

WHEREUPON, Mayor Davis declared the Resolution adopted, affixed his signature and the date thereto and ordered that the same be recorded.



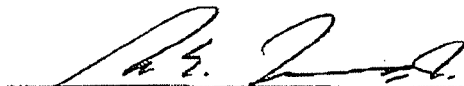
Thomas E. Davis, Mayor
Date March 31, 2009

ATTEST:



Carolyn Williams, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 31st DAY OF
MARCH, 2009.**



Joseph E. Ternes, Jr.
City Attorney

CERTIFICATE OF CITY CLERK

I, Carolyn Williams, hereby certify that I am the duly qualified and acting City Clerk of the City of Henderson, Kentucky; that the foregoing Resolution is a true copy of Resolution No. 21-09, introduced, read, enacted, and adopted at a properly convened meeting of said City on March 31, 2009, signed by the Mayor and attested by me as City Clerk, as shown by the official records in my custody and under my control, and that said Resolution appears as a matter of public record in the official records of said City.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said Resolution has not been modified, amended, revoked or repealed and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk and the official seal of the City this 31st day of March 2009


Carolyn Williams, City Clerk

(SEAL OF CITY)

CREDITOR CONSENT, TERMINATION AND RELEASE AGREEMENT

This CREDITOR CONSENT, TERMINATION AND RELEASE AGREEMENT (this “Creditor Consent, Termination and Release”), dated as of [_____], ~~2008~~, May 15, 2009, 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”) (E.ON, LEM and 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) TRISAIL CAPITAL CORPORATION, ~~as~~ (successor to Fleet Real Estate, Inc. ("Bank of America), a Rhode Island corporation ("TriSail Capital")), (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"); and (xvii) U.S. BANK NATIONAL ASSOCIATION (successor to State Street and Trust Company of Connecticut, National Association), a national banking association organized under the laws of the United States, as Collateral Agent under the Stock Pledge Agreement (the "Collateral Agent"); (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~~ TriSail Capital 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, as amended (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~~was a party to that certain Third Amended and Restated Subordination, Non-Disturbance, Attornment and Intercreditor Agreement, dated as of August 1, 2001 (the "Intercreditor 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 any Operative Document to which it is a party which has not heretofore been terminated pursuant to the FBR Omnibus Termination Agreement or the PBR Omnibus Termination Agreement and release the E.ON Entities from

further obligation or liability under or pursuant to the Intercreditor 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 (i) the Omnibus Termination Agreement dated as of June 30, 2008, among Big Rivers, Big Rivers Leasing Corporation, the Owner Trusts, the OP Trusts, ~~Bank of America~~TriSail Capital, AME Investments, LLC, CoBank, ACB, AME Asset Funding, LLC, U.S. Bank National Association, AIG Matched Funding Corp., Ambac Credit Products, LLC, and Ambac Assurance Corporation (the "FBR Omnibus Termination Agreement"), and (ii) the Omnibus Termination Agreement dated as of September 30, 2008, among Big Rivers, Big Rivers Leasing 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, CoBank, ACB, AME Asset Funding, LLC, U.S. Bank National Association, AIG Matched Funding Corp., Ambac Credit Products, LLC, and Ambac Assurance Corporation (the "PBR Omnibus Termination Agreement"), the 2000 Lease Transaction Parties ~~have agreed to terminate~~terminated the various lease transactions entered into by such persons in April, 2000, and ~~terminate~~terminated most of the 2000 Operative Documents.

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~~FBR Omnibus Termination Agreement terminated all 2000 Operative Documents in the lease transactions to which there entities were a party other than the Operating and Support Agreement, the Intercreditor Agreement, the First Mortgage Supplement, the Subordinated Mortgage and the Stock Pledge Agreement. The PBR Omnibus Termination Agreement terminated all the 2000 Operative Documents in the lease transactions to which those entities were parties other than the First Mortgage Supplement.

H. 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.

~~H.~~I. 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.

~~II.~~ 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.

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 INTEREST IN REAL PROPERTY

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.~~

Section 2.2 Release of 2000 Subordinated Mortgage. Each of the 2000 Transaction Parties hereby fully, irrevocably and forever remises, releases, acquits, and discharges any Lien created in form of any such Party by the 2000 Subordinated Mortgage.

ARTICLE 3

TERMINATION AND RELEASE OF INTERCREDITOR AGREEMENT, OPERATING AND SUPPORT AGREEMENT AND STOCK PLEDGE AGREEMENT

Section 3.1 Termination of Intercreditor 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 Intercreditor Agreement.

Section 3.2 Termination of Operating and Support Agreement. Each of Big Rivers, the PBR-1 Trust, the PBR-2 Trust, the PBR-3 Trust, the FBR-1 Trust and the FBR-2 Trust, 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 and effect whatsoever, the Operating and Support Agreement.

Section 3.3 Termination of Stock Pledge Agreement. Each of Big Rivers, the Collateral Agent, Ambac Credit Products, the PBR-1 Trust, the PBR-2 Trust, the PBR-3 Trust, the FBR-1 Trust, the FBR-2 Trust and Ambac, 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 and effect whatsoever, the Stock Pledge Agreement.

Section 3.4 ~~Section 3.2~~ Release of Parties' Obligations. Each of Big Rivers, WKEC, LEM, RUS, Ambac, 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 Intercreditor Agreement, the Operating and Support Agreement or the Stock Pledge Agreement, other than itself, and E.ON to the extent that the Intercreditor Agreement or any obligations thereunder (or under any predecessor agreement or instrument thereto described below) may behave been 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 Intercreditor Agreement (or any predecessor agreement or instrument that was replaced or superseded by the Intercreditor Agreement), the Operating and Support Agreement or the Stock Pledge Agreement or the E.ON Guarantee.

ARTICLE 4

RELEASE OF E.ON ENTITIES FROM OPERATIVE DOCUMENTS

Section 4.1 ~~Consent to~~ Acknowledgement of 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 a Termination and Release Agreement and a separate Station Two Termination and Release Agreement, each 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 those Termination and Release Agreements. Each 2000 Transaction Party and Creditor ~~(i) hereby consents, to the extent required by any 2000 Operative Document or the Intercreditor Agreement (in the case of the 2000 Transaction Parties), or~~ hereby acknowledges it no longer has any right to consent to the termination described in the preceding sentence since the 2000 Operative Documents have all been terminated by the FBR Omnibus Termination Agreement, the PBR Omnibus Termination Agreement or this Creditor Consent Termination and Release. Each Creditor hereby consents to the extent required by any of the agreements or instruments referred to in Section 2.1 above or the Intercreditor 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. Each 2000 Transaction Party and (ii) each Creditor 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 Intercreditor Agreement, any of the agreements or instruments referred to in Section 2.1 above, the First Mortgage or the New RUS Loan Agreement.

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 or was 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 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 5.2 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, 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

REPRESENTATIONS AND WARRANTIES

Section 8.1 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 9

MISCELLANEOUS

Section 9.1 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 9.2 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~~Crédit Local, New York Branch

445 Park Avenue, 7th floor

New York, NY _____ 10022

Facsimile No.: _____ (212) 515 7000

Telephone No.: _____ (212) 753 5522

Attention: _____ General Manager

If to the Series 2001A Trustee:

U.S. Bank National Association

Suite 200

180 East Fifth Street

St. Paul, Minnesota 55101

Facsimile No.: (860) 241-6881

Telephone No.: (860) 241-6842

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~~Street

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) 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 West
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: ~~(914) 203~~ 335-5000708-8204
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) 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 West
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: ~~(914) 203~~ 335-5000708-8204
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) 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 West
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: ~~(914) 203-335-5000~~ 708-8204
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) 241-6881
Telephone No.: (860) 241-6842
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) 241-6881
Telephone No.: (860) 241-6842
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) 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 West
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: ~~(914) 203~~ 335-5000708-8204
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) 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 West
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: ~~(914) 203-335-5000~~ 708-8204
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) 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 West
Stamford, CT 06905
Facsimile No.: (914) 335-8297
Telephone No.: ~~(914) 203-335-5000~~ 708-8204
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) 241-6881
Telephone No.: (860) 241-6842
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) 241-6881
Telephone No.: (860) 241-6842
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~~ TriSail Capital:

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

If to the Collateral Agent:

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

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 9.3 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 9.4 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 9.5 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 9.6 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 9.7 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 9.8 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 9.9 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 9.10 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 9.11 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 9.12 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 9.13 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, 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~~ Philip Morris Capital Corporation, 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~~ TRISAIL CAPITAL
CORPORATION
(successor to Fleet Real Estate, Inc.)

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]

U.S. BANK NATIONAL ASSOCIATION,
solely as Collateral Agent under the Stock Pledge
Agreement

By: _____
Its: _____

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.

“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.

~~***“Intercreditor 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.

“FBR 2000 Transaction Parties” shall mean the FBR-1 Trust, the FBR-2 Trust, the FBR-1 OP Trust, The FBR-2 OP Trust, AME Investments, CoBank, AME Asset Funding, Ambac Credit Products, Ambac and TriSail Capital.

“First Mortgage Supplement” shall have the meaning set forth in each Participation Agreement.

“Intercreditor Agreement” shall have the meaning set forth in Recital D to this Creditor Consent, Termination and Release.

“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.

“Operating and Support Agreement” shall have the meaning set forth in each Participation Agreement.

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

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

“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~~TriSail Capital, 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~~TriSail Capital, AME Investments and Co-Bank.

“PBR 2000 Transaction Parties” shall mean the PBR-1 Trust, the PBR-2 Trust, the PBR-3 Trust, the PBR-1 OP Trust, The PBR-2 OP Trust, the PBR-3 OP Trust, AME Investments, CoBank, AME Asset Funding, Ambac Credit Products, Ambac and Bluegrass Leasing.

“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 mean the Station Two Termination and Release Agreement, dated the date of this Creditor Consent, Termination and Release, among the E.ON Entities, Big Rivers, the City and the City Utility Commission.

“Stock Pledge Agreement” shall have the meaning set forth in each 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.

“*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		
	Livington		
	Lyon		
	McCracken		
	MeLean		
	Meade		
	Muhlenberg		
	Ohio		
Union			
Webster			
Third Restated Mortgage and Security Agreement dated as of August 1, 2001	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	MeLean		
	Meade		
	Muhlenberg		
	Ohio		
Union			
Webster			

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
Second Restated Mortgage and Security Agreement dated as of December 15, 2000	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	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			

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
	Meade Muhlenberg Ohio Union Webster		
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	Breckinridge Caldwell Crittendon Daviess Hancock		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
dated as of February 1, 1988	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of September 15, 1987;	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
Supplement to Supplemental Mortgage and Security Agreement, dated as of November 17, 1980;	McLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
	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		
Amendment to Supplement to Supplemental Mortgage and Security Agreement dated as of August 30, 1977	Breckinridge Caldwell Crittendon Daviss Hancock 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 Daviss 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 Daviss 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 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,	Breckinridge		
	Caldwell		
	Crittendon		

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
dated as of September 11, 1973	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	MeLean		
	Meade		
	Muhlenberg		
	Ohio		
	Union		
	Webster		
Supplemental Mortgage, dated as of January 4, 1966	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	MeLean		
	Meade		
	Muhlenberg		
Ohio			
Union			
Webster			
Supplemental Mortgage, dated as of August 6, 1965	Breckinridge		
	Caldwell		
	Crittendon		
	Daviess		
	Hancock		
	Henderson		
	Hopkins		
	Livington		
	Lyon		
	McCracken		
	MeLean		
	Meade		
	Muhlenberg		
Ohio			

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

<u>Instrument</u>	<u>County</u>	<u>Mortgage Book</u>	<u>Page</u>
	Lyon		
	McCracken		
	MeLean		
	Meade		
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	Ohio		
	Union		
	Webster		

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RUS ~~2008~~2009 PROMISSORY NOTE SERIES A

\$611,111,913

Washington May [], D.C. 2009

\$[]

[], 2008

FOR VALUE RECEIVED, the undersigned, BIG RIVERS ELECTRIC CORPORATION ("Big Rivers"), a Kentucky corporation, hereby unconditionally promises to pay to the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service, (the "RUS"), at the office of the RUS located in Washington, D.C., in lawful money of the United States of America and in immediately available funds, the principal amount of [] [] (\$[]) SIX HUNDRED ELEVEN MILLION ONE HUNDRED ELEVEN THOUSAND NINE HUNDRED THIRTEEN AND 00/100 DOLLARS (\$611,111,913) together with interest on so much of the principal amount as is from time to time outstanding and unpaid at the rate of 5.75% per annum simple interest as set forth below.

Big Rivers shall make quarterly payments of interest and/or principal commencing on October 1, ~~2008~~2009, and continuing on the first day of January, April, July and October of each year through and including ~~October~~July 1, 2022~~2021~~ such that, after each such payment, the outstanding amount under this Note, including principal and all accrued interest, if any, does not exceed the Allowed Balance amount shown on the RUS Maximum Debt Balance Schedule, attached hereto and hereby made a part hereof, for the applicable date. If any such payment is insufficient to retire all interest accrued during the period ending with such payment and beginning with the last previous payment, then the amount of accrued but unpaid interest relating to such period shall be added to the principal amount of this Note. If the day upon which any payment hereunder is due falls on a day that is not a Business Day (as defined in the Indenture (as defined below)), then such payment shall be due on the next Business Day.

On ~~November 15, 2022~~July 1, 2021, the entire outstanding principal hereof, together with all accrued but unpaid interest thereon, shall be due and payable in full.

This Note is secured by the lien of that certain Indenture dated as of [], ~~2008~~among the 2009 between Big Rivers and [] U.S. Bank National Association, as trustee (the "Indenture").

Any amounts under this Note may be prepaid at any time without penalty or prepayment premium.

Upon the occurrence of any one or more Events of Default specified in the Indenture all amounts then remaining unpaid on this Note may be declared to be immediately due and payable all as provided therein.

Presentment, demand, protest and all other notices of any kind are hereby expressly waived by the undersigned.

This Note shall be governed by and construed in accordance with federal law.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Title: President and Chief Executive Officer

[Corporate Seal]

Attest:

By: _____
~~Secretary or Assistant Secretary~~

BIG RIVERS ELECTRIC CORPORATION

Effective Date: ~~_____~~, 2008
 RUS MAXIMUM DEBT BALANCE SCHEDULE
 Balance After Quarterly Payment

YEAR	1 ST OF THE MONTH	ALLOWED BALANCE (\$1,000'S)
2009	July	<u>606.773</u>
2009	October	<u>603.211</u>
2009 2010	January	<u>599.882</u>
2010	April	<u>595.748</u>
2010	July	<u>591.932</u>
2010	October	<u>588.155</u>
2010 2011	January	<u>584.509</u>
2011	April	<u>580.256</u>
2011	July	<u>576.218</u>
2011	October	<u>572.395</u>
2011 2012	January	<u>568.244</u>
2012	April	<u>564.012</u>
2012	July	<u>559.719</u>
2012	October	<u>495.365</u>
2012 2013	January	<u>490.247</u>
2013	April	<u>484.765</u>
2013	July	<u>479.358</u>
2013	October	<u>473.949</u>
2013 2014	January	<u>468.537</u>
2014	April	<u>462.750</u>
2014	July	<u>457.028</u>
2014	October	<u>451.295</u>
2014 2015	January	<u>445.551</u>
2015	April	<u>439.442</u>
2015	July	<u>433.386</u>
2015	October	<u>427.311</u>
2015 2016	January	<u>221.349</u>
2016	April	<u>212.607</u>
2016	July	<u>203.845</u>
2016	January October	<u>195.053</u>
2016	April	
2017	July January	<u>186.040</u>
2017	October April	<u>176.905</u>
2017	January July	<u>167.639</u>
2017	April October	<u>158.240</u>
2018	July January	<u>148.731</u>
2018	October April	<u>139.038</u>

YEAR	<u>1st OF THE MONTH</u>	ALLOWED BALANCE (\$1,000'S)
2018	January <u>July</u>	<u>129,229</u>
2018	April <u>October</u>	<u>119,280</u>
2019	July <u>January</u>	<u>109,225</u>
2019	October <u>April</u>	<u>98,955</u>
2019	January <u>July</u>	<u>88,571</u>
2019	April <u>October</u>	<u>78,053</u>
2020	July <u>January</u>	<u>67,395</u>
2020	October <u>April</u>	<u>56,545</u>
2020	January <u>July</u>	<u>45,552</u>
2020	April <u>October</u>	<u>34,408</u>
2021	July <u>January</u>	<u>23,120</u>
2021	October <u>April</u>	<u>11,635</u>
2021	January <u>July</u>	<u>0</u>
2021	April	
2022	July	
2022	October	
2022	January	
2022	April	

This is one of the Existing Obligations referred to in the Indenture, dated as of
1 _____, 2009, between Big Rivers Electric Corporation and U.S. Bank National
Association.

as Trustee

By: _____
Authorized Signatory

Document comparison by Workshare Professional on Monday, May 04, 2009
10:23:38 AM

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Total changes	153

RUS ~~2008~~2009 PROMISSORY NOTE SERIES B

<u>\$245,530,257.30</u>	May 1, 2009 Outstanding on Unwind Closing Date	Washington, D.C. {Unwind Closing Date}, 2008
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FOR VALUE RECEIVED, the undersigned, BIG RIVERS ELECTRIC CORPORATION ("Big Rivers"), a Kentucky corporation, hereby unconditionally promises to pay to the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service, (the "RUS"), at the office of the RUS located in Washington, D.C., in lawful money of the United States of America and in immediately available funds, the principal amount of ~~the amount outstanding on Unwind Closing Date~~ (\$245,530,257.30) ~~(\$ ~~_____~~ TWO HUNDRED FORTY-FIVE MILLION FIVE HUNDRED THIRTY THOUSAND TWO HUNDRED FIFTY-SEVEN AND 30/100 DOLLARS)~~ as set forth below.

This Note shall bear no interest. This Note shall not require any payments prior to December 31, 2023 (the "Maturity Date"), when the entire outstanding principal hereof shall be due and payable in full. All payments on this Note shall reduce the principal balance of this Note on a dollar for dollar basis.

This Note is secured by the lien of that certain Indenture dated as of _____, ~~2008~~ 2009 between Big Rivers and ~~_____~~ U.S. Bank National Association, as trustee (the "Indenture").

Upon the occurrence of an Event of Default specified in the Indenture, this Note may be declared to be accelerated as provided therein; provided, however, that if this Note is accelerated, the amount payable as principal hereunder shall be the outstanding amount under this Note multiplied by the applicable percentage indicated in the ARVP Series B Note Applicable Acceleration Percentage Table attached hereto and made a part hereof.

Presentment, demand, protest and all other notices of any kind are hereby expressly waived by the undersigned.

This Note shall be governed by and construed in accordance with federal law.

BIG RIVERS ELECTRIC CORPORATION

By: _____
 Title: President and Chief Executive Officer

[Corporate Seal]

Attest:

By: _____
Secretary or Assistant Secretary

BIG RIVERS ELECTRIC CORPORATION

Effective Date: † _____, ~~2008~~2009
ARVPSERIES B NOTE ACCELERATION TABLE
 Applied to the Outstanding Balance
 Balance After Quarterly Payment

YEAR	MONTH	ACCELERATION PERCENTAGE
2008	July	35.51%
2008	October	36.09%
2009	January	36.72%
2009	April	37.34%
2009	July	37.96%
2009	October	38.59%
2010	January	39.25%
2010	April	39.92%
2010	July	40.59%
2010	October	41.25%
2011	January	41.97%
2011	April	42.68%
2011	July	43.39%
2011	October	44.10%
2012	January	44.87%
2012	April	45.63%
2012	July	46.39%
2012	October	47.15%
2013	January	47.97%
2013	April	48.78%
2013	July	49.59%
2013	October	50.41%
2014	January	51.28%
2014	April	52.15%
2014	July	53.02%
2014	October	53.89%
2015	January	54.82%
2015	April	55.75%
2015	July	56.69%
2015	October	57.62%
2016	January	58.61%
2016	April	59.61%
2016	July	60.60%
2016	October	61.60%
2017	January	62.66%
2017	April	63.73%

YEAR	MONTH	ACCELERATION PERCENTAGE
2017	July	64.79%
2017	October	65.85%
2018	January	66.99%
2018	April	68.13%
2018	July	69.27%
2018	October	70.40%
2019	January	71.62%
2019	April	72.84%
2019	July	74.05%
2019	October	75.27%
2020	January	76.57%
2020	April	77.87%
2020	July	79.17%
2020	October	80.47%
2021	January	81.86%
2021	April	83.25%
2021	July	84.64%
2021	October	86.03%
2022	January	87.52%
2022	April	89.00%
2022	July	90.49%
2022	October	91.98%
2023	January	93.56%
2023	April	95.15%
2023	July	96.74%
2023	October	98.33%
2024	January	100.00%

This is one of the Existing Obligations referred to in the Indenture, dated as of
_____], 2009, between Big Rivers Electric Corporation and U.S. Bank National
Association.

as Trustee

By: _____
Authorized Signatory

Document comparison by Workshare Professional on Monday, May 04, 2009
3:57:44 PM

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Bureau of Competition
Premerger Notification Office

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
Washington, D.C. 20580

April 27, 2009

Sean P Gallagher, Esq.
Greenebaum Doll & McDonald, PLLC
3500 National City Tower 101 S. Fifth Street
Louisville, KY 40202 USA

Re: EARLY TERMINATION GRANTED
Transaction Identification Number 20090254
Big Rivers Electric Corporation / E.ON AG

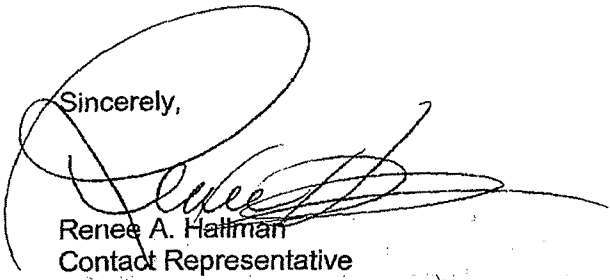
Dear Mr. Gallagher :

The request for early termination of the waiting period is granted effective April 27, 2009 09:53 AM with respect to the proposed acquisition by Big Rivers Electric Corporation of certain assets of Western Kentucky Energy Corp.; LG&E Energy Marketing Inc. from E.ON AG. Early termination of the waiting period is provided by Section 7A(b)(2) of the Clayton Act and Sections 803.10(b) and 803.11(c) of the Premerger Notification Rules.

Notice of this termination will be published in the Federal Register in accordance with Section 7a(b)(2) of the Clayton Act and Section 803.11(c) of the Premerger Notification Rules and on the Federal Trade Commission's internet site [<http://www.ftc.gov/bc/earlyterm/index.html>].

If you have any questions concerning this matter, please contact me at 202-326-3589.

Sincerely,



Renee A. Hallman
Contact Representative
Premerger Notification Office
Bureau of Competition



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

Washington, D.C. 20580

Bureau of Competition
Premerger Notification Office

April 27, 2009

Patricia R Zeigler, Esq.
Orrick, Herrington & Sutcliffe LLP
1152 15th Street NW
Washington, DC 20005 USA

Re: EARLY TERMINATION GRANTED
Transaction Identification Number 20090254
Big Rivers Electric Corporation / E.ON AG


Dear Ms. Zeigler :

The request for early termination of the waiting period is granted effective April 27, 2009 09:53 AM with respect to the proposed acquisition by Big Rivers Electric Corporation of certain assets of Western Kentucky Energy Corp.; LG&E Energy Marketing Inc. from E.ON AG. Early termination of the waiting period is provided by Section 7A(b)(2) of the Clayton Act and Sections 803.10(b) and 803.11(c) of the Premerger Notification Rules.

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