

DEED OF EASEMENT

File: 110.0.58  
110.0.21.1  
Original - D. Hill  
Recorded Copy - D. Hill  
copy - J. Miller  
M. Hite ✓

THIS DEED OF EASEMENT is made as of this 12th day of August, 2003, but with retroactive effect to June 1, 1999 (the "Effective Date"), by and between (i) the CITY OF HENDERSON, KENTUCKY (the "City"), a municipal corporation of the second class organized under the laws of the Commonwealth of Kentucky, and the CITY OF HENDERSON UTILITY COMMISSION ("HUC"), a public body politic and corporate, organized under the provisions of KRS 96.530 and related statutes, doing business as Henderson Municipal Power & Light ("HMP&L") (hereinafter, the City, HUC and HMP&L are collectively referred to as "Grantors"); (ii) WKE STATION TWO, INC., formerly known as LG&E STATION TWO, INC. ("Station Two Subsidiary"), a Kentucky corporation, LG&E ENERGY MARKETING, INC. ("LEM"), an Oklahoma corporation, WESTERN KENTUCKY ENERGY CORP. ("WKEC"), a Kentucky corporation, and WKE CORP. ("WKE Corp."), a Kentucky corporation (hereinafter Station Two Subsidiary, LEM, WKEC and WKE Corp. are collectively referred to as "Grantees"); and (iii) BIG RIVERS ELECTRIC CORPORATION, a Kentucky rural electric cooperative corporation ("BREC").

WITNESSETH:

WHEREAS, the City is the owner, in fee simple, of that certain electric generating station, consisting of two 175 megawatt coal-fired, steam-electric generators with related facilities located on a site near the Green River and adjacent to electric generating facilities owned by BREC, in Henderson County, Kentucky ("Grantors' Property");

WHEREAS, BREC is the owner of electric generating facilities located adjacent to and in the immediate vicinity of Grantors' Property, which BREC facilities are operated by WKEC or WKE Corp. pursuant to a Lease and Operating Agreement and related transactions among BREC and the Grantees dated as of July 15, 1998, as amended ("Lease Transaction Documents"); and

WHEREAS, WKEC and WKE Corp. desire to provide natural gas service to BREC's combustion turbine generation unit (located adjacent to Grantors' Property), and further extended to BREC's Reid Station (which is also adjacent to and on the opposite side of Grantors' Property, and is being converted to use natural gas as an alternative fuel source) so as to provide a source of natural gas to be used in the operation of both of those BREC facilities, and it is most economical and expeditious to route said gas line (an 8-inch diameter pipe designed for the transmission of high-pressure natural gas) across the structures of Units H-1 and H-2 of Grantors' Property; and

WHEREAS, Grantors are willing to provide an easement to Grantees and to BREC for the construction, operation, maintenance, repair, replacement, and/or removal of such gas line, routed across and attached to the structures of Grantors' Property, so as to provide a convenient and economical means for the construction, operation, maintenance, repair, replacement, and/or removal of such gas line, and also to provide to Grantors a potential source of natural gas for use by Grantors in the operation of Grantors' Property, in the event such need arises (with Grantors having such access and use rights with respect to that gas line as the Grantors, the Grantees and BREC may hereafter agree upon), and therefore it is Grantors' intent to grant and convey unto Grantees and

BREC a non-exclusive easement across certain portions of Grantors' Property for the uses and purposes hereinabove described.

NOW, THEREFORE, for and in consideration of the foregoing preambles which are hereby incorporated by this reference, subject to the provisions hereof, for the good and valuable consideration herein recited and for other valuable consideration, receipt and sufficiency of which is hereby acknowledged, the Grantors, the Grantees and BREC hereby agree as follows:

1. Definitions. All capitalized terms used in this Deed of Easement, but not otherwise defined herein, shall have the meanings set forth in the Agreement and Amendments to Agreement among Grantors, Grantees and BREC dated as of July 15, 1998, as amended (the "Agreement"), and the Power Plant Construction and Operation Agreement and Power Sales Contract between or among the Grantors, BREC, Station Two Subsidiary and, as applicable, LEM.

2. Grant of Easement. From and after the Effective Date and throughout the period contemplated in Section 7 below, Grantors hereby grant, dedicate, declare, establish, and convey to Grantees and BREC, and their respective successors and assigns, a non-exclusive, irrevocable easement for access to, and ingress and egress over, Grantors' Property at all reasonable times for purposes of the construction and installation thereon, use, operation, maintenance, repair, replacement, alteration and/or removal of an 8-inch diameter, high pressure natural gas line and associated valves, fittings, supports, meters, ducts, casings, vents, connectors, fixtures, appliances and ancillary facilities (collectively, the "Gas Line Equipment"), transmitting natural gas and other fuel sources over Grantors' Property in such reasonable quantities as the Grantees (or, upon the termination of this Deed of Easement as it may relate to the Grantees as contemplated below, as BREC) shall determine, to BREC's Reid Station and BREC's combustion turbine generation unit which are adjacent to Grantors' Property, all of which construction, installation, use, operation, maintenance, repair, replacement, alteration and/or removal shall be performed and/or conducted by the Grantees (or any of them), BREC or their respective contractors pursuant to engineering plans and specifications prepared by WKEC (or, as applicable, BREC) and approved by Grantors (which approval shall not be unreasonably withheld, conditioned or delayed), and pursuant to such operating standards and insurance protections as are provided by terms of the Lease Transaction Documents, and the Agreement, the Power Plant Construction and Operation Agreement, and the Power Sales Contract existing between and among the Grantors, BREC, and the Grantees relating to Grantors' Property. The parties acknowledge that the Gas Line Equipment will be constructed or installed in, on or across the general areas of the Grantors' Property identified on Exhibit A attached hereto. Once the Gas Line Equipment is constructed or installed, Grantors shall be entitled to request that the Gas Line Equipment be moved to another location on the Grantors' Property (thereby extending this Deed of Easement to such other location) only to the extent (a) the same can be accomplished without adversely affecting or unreasonably delaying or discontinuing Grantee's or, as applicable, BREC's operation of the Reid Station and BREC's combustion turbine generating unit, (b) the movement of the Gas Line Equipment is scheduled during the period from October 1 through December 1 or from March 1 through April 30 during the relevant year, and (c) the Grantees or, as applicable, BREC are permitted, in their discretion, to construct and install a replacement gas line and associated Gas Line Equipment prior to discontinuing their use and removal of the existing gas line and associated Gas Line Equipment. The Grantees and BREC agree that the first such movement of the Gas Line Equipment (at Grantors' request) during the term of this Deed of

Easement (as contemplated in Section 7) shall be at the sole cost and expense of the Grantees or, if the Grantees (or their successors or permitted assigns) shall, at the time of such request, no longer have the right to operate the Reid Station or BREC's combustion turbine generation unit pursuant to the Transaction Documents, at the sole cost and expense of BREC. The Grantors agree to reimburse the Grantees or, as applicable, BREC for their reasonable costs and expenses associated with any subsequent requested movement and reinstallation of the Gas Line Equipment (or purchase of replacements therefor or additions thereto which may be necessitated by such move). Subject to the right of the Grantors to request movements of the Gas Line Equipment to another location as contemplated above (and subject to the Grantees' obligation to honor that request), the Grantees shall not seek to move the Gas Line Equipment to another location without the prior written consent of BREC (which consent shall not be unreasonably withheld, conditioned or delayed). The Grantees shall also promptly notify BREC of any request by the Grantors that the Gas Line Equipment be relocated. Until such time as the Grantees and their successors and permitted assigns shall no longer have the right to operate the Reid Station or BREC's combustion turbine generation unit pursuant to the Transaction Documents, BREC agrees with the Grantees that it shall not attempt to exercise its easement rights contemplated in this Section 2 without the prior written consent of WKEC (which consent shall not be unreasonably withheld, conditioned or delayed).

3. Restrictions on Use. Grantors and Grantees hereby agree that Grantees' and BREC's use of Grantors' Property shall not unreasonably interfere with the operation, maintenance, construction, repair, reconstruction, replacement and/or removal of all or any portion of Grantors' Property, nor unreasonably interfere with BREC's, Station Two Subsidiary's, LEM's or WKE Corp.'s ability to fulfill their respective responsibilities and exercise their respective rights pursuant to the Agreement. Neither Grantors nor any persons or entities acting through or under Grantors shall take any action that would or could reasonably be expected to disturb the rights, rights-of-way, or easements granted to the Grantees and BREC hereunder, or the use of the Grantors' Property by Grantees or BREC as contemplated herein.

4. Indemnification. Grantees hereby agree to indemnify and save harmless Grantors from all claims, losses, liabilities, damages, costs (including court costs), and expenses (including reasonable attorney fees and consultant fees) (collectively, the "Damages") suffered or incurred by, or made against Grantors or either of them, or their respective agents, representatives, and employees, arising out of, or resulting from or related to the Grantees' construction, use, operation, maintenance, repair, replacement, alteration and/or removal of the Gas Line Equipment on and across Grantors' Property, except (a) for Damages resulting from the associated loss by Grantors of the use of that portion of the Grantors' Property that is the subject of this Deed of Easement, (b) for Damages for which BREC has an indemnification and save harmless obligation pursuant to this Section 4, and (c) to the extent that the Damages are appropriate shared costs under the Lease Transaction Documents, the Agreement, the Power Plant Construction and Operation Agreement, and/or the Power Sales Contract. The foregoing covenants of Grantees shall be released and discharged, however, in the manner contemplated in Section 6 below. BREC hereby agrees to indemnify and save harmless Grantors from all Damages suffered or incurred by, or made against Grantors or either of them, or their respective agents, representatives, and employees, arising out of, or resulting from or related to BREC's construction, use, operation, maintenance, repair, replacement, alteration and/or removal of the Gas Line Equipment on and across Grantors' Property after the expiration or termination of the Lease Transaction Documents, except (a) for Damages resulting from the associated loss by

Grantors of the use of that portion of the Grantors' Property that is the subject of this Deed of Easement, (b) for Damages which first arise or accrue during the period that the Reid Station and BREC's combustion turbine generation unit are being operated by WKEC, WKE Corp. or their respective successors or permitted assigns pursuant to the Transaction Documents, and (c) to the extent that the Damages are appropriate shared costs under the Agreement, the Power Plant Construction and Operation Agreement, and/or the Power Sales Contract.

5. Insurance. Grantees shall provide for the use and benefit of Grantors, pursuant to and under the terms of the Agreement, insurance in the amounts, risks, and coverages described in Section 10.8, Insurance, of said Agreement, but with all necessary endorsements on such policy or policies of insurance as to fully protect and insure Grantors' Property against damage, destruction, interruption of operation, repair and/or replacement which shall result from or be substantially contributed to by Grantees' construction, operation, use, maintenance, repair, replacement, alteration and/or removal of the Gas Line Equipment in connection with Grantors' Property. The obligations of Grantees under this Section 5 will become the obligations of BREC upon the expiration or termination of the Lease Transaction Documents.

6. Succession of Big Rivers to Rights and Obligations of a Grantee. At such time as the rights of WKEC, WKE Corp. and their respective Affiliates, successors or permitted assigns, to operate and maintain BREC's Reid Station and BREC's combustion turbine generating unit adjacent to the Grantors' Property shall expire or be terminated, the Grantors, the Grantees and BREC acknowledge and agree that the Grantees shall then and thereafter (a) have no further easement rights or rights of ingress or egress over or with respect to the Grantor's Property under this Deed of Easement, and (b) be deemed to be fully and forever remised, released and discharged by Grantors and BREC of and from any and all obligations and other Damages arising under or pursuant to this Deed of Easement or the Grantees' construction, use, operation, maintenance, repair, replacement, alteration and/or removal of any Gas Line Equipment pursuant hereto (other than any Damages resulting from or arising out of a breach or default on the part of any Grantee under this Deed of Easement or under the Lease Transaction Documents occurring prior to such expiration or termination); provided, that the rights and obligations of BREC under this Deed of Easement shall survive such expiration or termination and shall continue thereafter until terminated pursuant to Section 7 below. The parties to this Deed of Easement further acknowledge that BREC will have no liability to the Grantors arising out of, or resulting from, or related to an act or omission of WKEC, LEM, WKE Corp. or Station Two Subsidiary in the performance of their obligations under this Deed of Easement, and the Grantees will have no liability to the Grantors arising out of, or resulting from, or related to an act or omission of BREC in the performance of its obligations under this Deed of Easement.

7. Termination of Grantees' Rights. At such time as WKEC, WKE Corp. or their respective Affiliates, successors or permitted assigns shall no longer operate and maintain BREC's Reid Station and BREC's combustion turbine generating unit, or at such time as BREC or its Affiliates, successors, or permitted assigns shall no longer own, operate and maintain its Reid Station and its combustion turbine generating unit (whichever event shall last occur), Grantees and BREC (or their successors or permitted assigns) shall execute and file with appropriate governmental offices such instruments and other agreements and documents, in form reasonably satisfactory to Grantors, releasing Grantees' and BREC's (or their successors' or permitted assigns') rights and interests created by this Deed of Easement.

8. Binding Effect. This Deed of Easement shall be binding on and inure to the benefit of the Grantors, the Grantees and BREC, and their respective successors and permitted assigns.

9. Non-Exclusivity. Grantors reserve the right to use Grantors' Property for all other purposes not otherwise described herein to the extent not materially inconsistent with the rights hereby granted to Grantees and BREC. Consistent with the foregoing, and notwithstanding the preceding sentence or any other provision of this Deed of Easement to the contrary, Grantors agree that (a) they shall not attempt to grant to any other person or entity any easement, license or other right to use any portion of the Grantors' Property that is then dedicated for use and being used by the Grantees or BREC pursuant to this Deed of Easement, and (b) they shall not sell, assign or convey the Grantors' Property (or any relevant portions thereof) to any other person or entity that does not expressly assume in writing the Grantors' obligations to the Grantees and BREC (and their successors and assigns) pursuant to this Deed of Easement.

10. Compliance. The easements herein granted are and shall be subject to all state, federal and local laws, rules and regulations.

11. Assignments. The Grantees shall each be entitled to convey, assign and transfer all or any portion of their rights, interests and obligations under this Deed of Easement to any person or entity to whom the Grantees (or any of them) are permitted to convey, assign or transfer their rights, interests or obligations under the Agreement (as contemplated in Section 15 of the Agreement), the Power Plant Construction and Operation Agreement or the Power Sales Contract, without the prior written consent of the Grantors. BREC shall be entitled, without the prior written consent of the Grantors, to convey, assign and transfer all or any portion of its rights, interests and obligations under this Deed of Easement to any person or entity to whom it transfers any of its interests in Reid Station or in BREC's combustion turbine generation unit adjacent to the Grantors' Property.

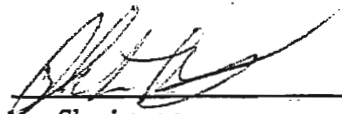
IN WITNESS WHEREOF, the Grantors, the Grantees and BREC have executed this Deed of Easement as of the day, month and year first above written.

GRANTORS:

CITY OF HENDERSON, KENTUCKY

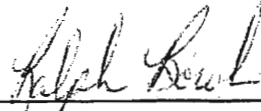
By:   
Title: Henry G. Lackey, Mayor

CITY OF HENDERSON UTILITIES  
COMMISSION

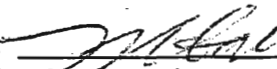
By:   
Title: Chairman

**GRANTEES:**

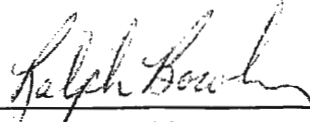
WKE STATION TWO INC.

By:   
Title: Vice President Power Operations


LG&E ENERGY MARKETING INC.

By:   
Title: Senior Vice President Energy Marketing

WESTERN KENTUCKY ENERGY CORP.

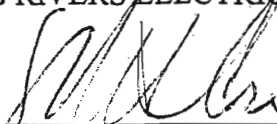
By:   
Title: Vice President Power Operations

WKE CORP.

By:   
Title: Vice President Power Operations

**BREC:**

BIG RIVERS ELECTRIC CORPORATION

By:   
Title: President and CEO

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 9<sup>th</sup> day of September, 2003, by Henry G. Lackey, as Mayor of the City of Henderson, Kentucky, a Kentucky municipal corporation, for and on behalf of said corporation.

My Commission expires August 30, 2005.

(SEAL)

By: Carolyn Williams

Name: Carolyn Williams  
Notary Public

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 26th day of August, 2003, by Phelps L. Lambert, as Chairman of the City of Henderson Utilities Commission, for and on behalf of said commission.

My Commission expires 6/23/04.

(SEAL)

By: Mary Sue Barron

Name: Mary Sue Barron  
Notary Public

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 16<sup>th</sup> day of September, 2003, by Ralph Bowling, as VP Power Operations of FWKE Station Two Inc., a Kentucky corporation, for and on behalf of said corporation.

Notary Public, Kentucky State-At-Large  
My Commission expires My Commission Expires June 25, 2006.

(SEAL)

By: Joy P. Wright  
Name: Joy P. Wright  
Notary Public

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 18<sup>th</sup> day of September, 2003, by M. Alan, as SVP Energy Marketing of LG&E Energy Marketing Inc., an Oklahoma corporation, for and on behalf of said corporation.

My Commission expires January 12, 2006.

(SEAL)

By: Phyllis A. Godin  
Name: Phyllis A. Godin  
Notary Public



COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 16<sup>th</sup> day of September, 2003, by Ralph Bowling, as VP Power Operations of Western Kentucky Energy Corp., a Kentucky corporation, for and on behalf of said corporation.

**Notary Public, Kentucky State-At-Large**  
My Commission expires My Commission Expires June 25, 2006.

(SEAL)

By: Joy P. Wright

Name: Joy P. Wright  
Notary Public

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 16<sup>th</sup> day of September, 2003, by Ralph Bowling, as VP Power Operations of WKE Corp., a Kentucky corporation, for and on behalf of said corporation.

**Notary Public, Kentucky State-At-Large**  
My Commission expires My Commission Expires June 25, 2006.

(SEAL)

By: Joy P. Wright

Name: Joy P. Wright  
Notary Public

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF HENDERSON )

The foregoing Deed of Easement was acknowledged before me this 25<sup>th</sup> day of September, 2003, by Michael H. Core, as President / CEO of Big Rivers Electric Corporation, a Kentucky corporation, for and on behalf of said corporation.

My Commission expires 1-12-05.

(SEAL)

By: Paula Mitchell

Name: Paula Mitchell  
Notary Public

This Deed of Easement Was  
Prepared By:

Patrick R. Northam  
Greenebaum Doll & McDonald, PLLC  
3500 National City Tower  
Louisville, Kentucky 50202  
(502) 587-3774

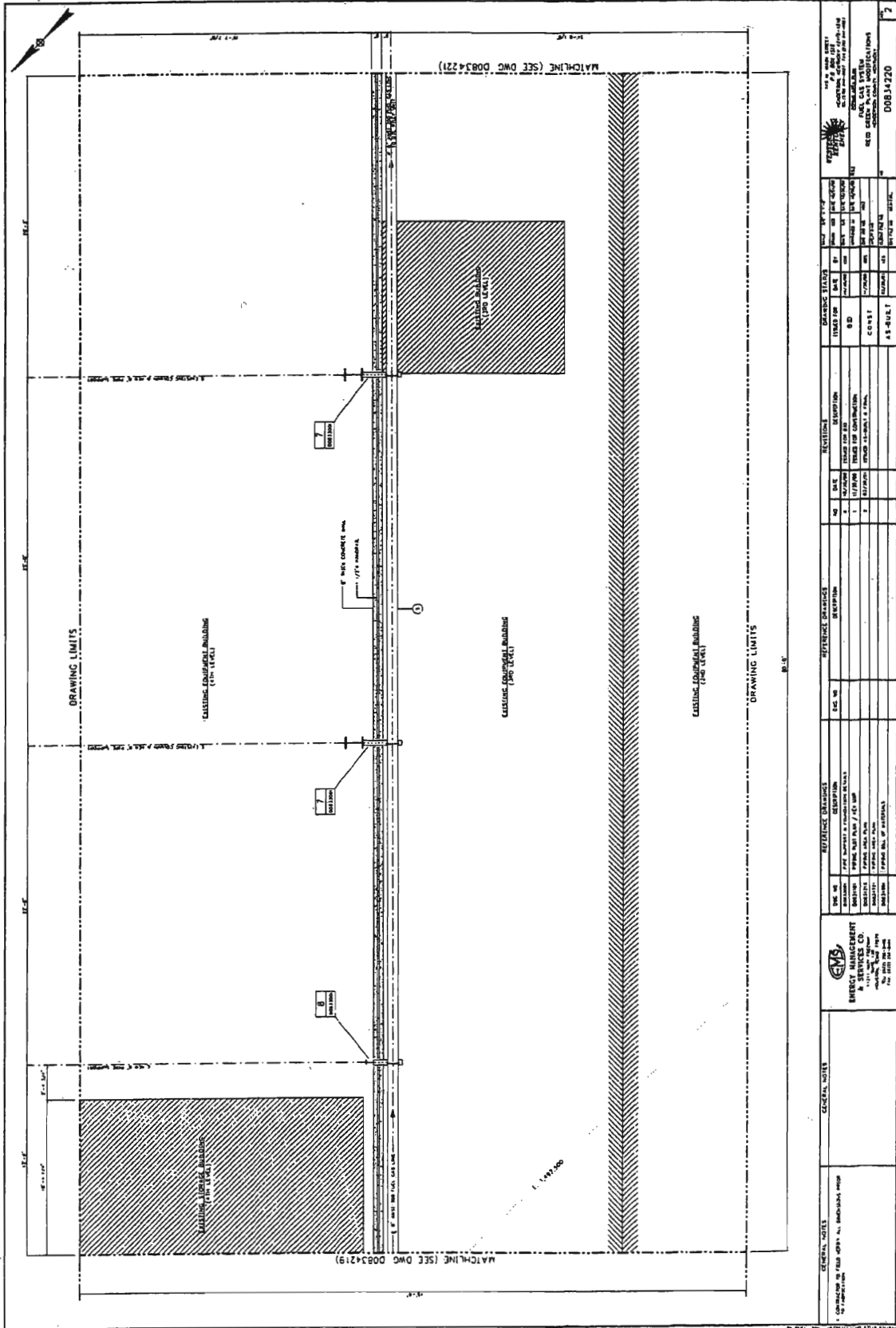
LOU:687398.6

**EXHIBIT A**

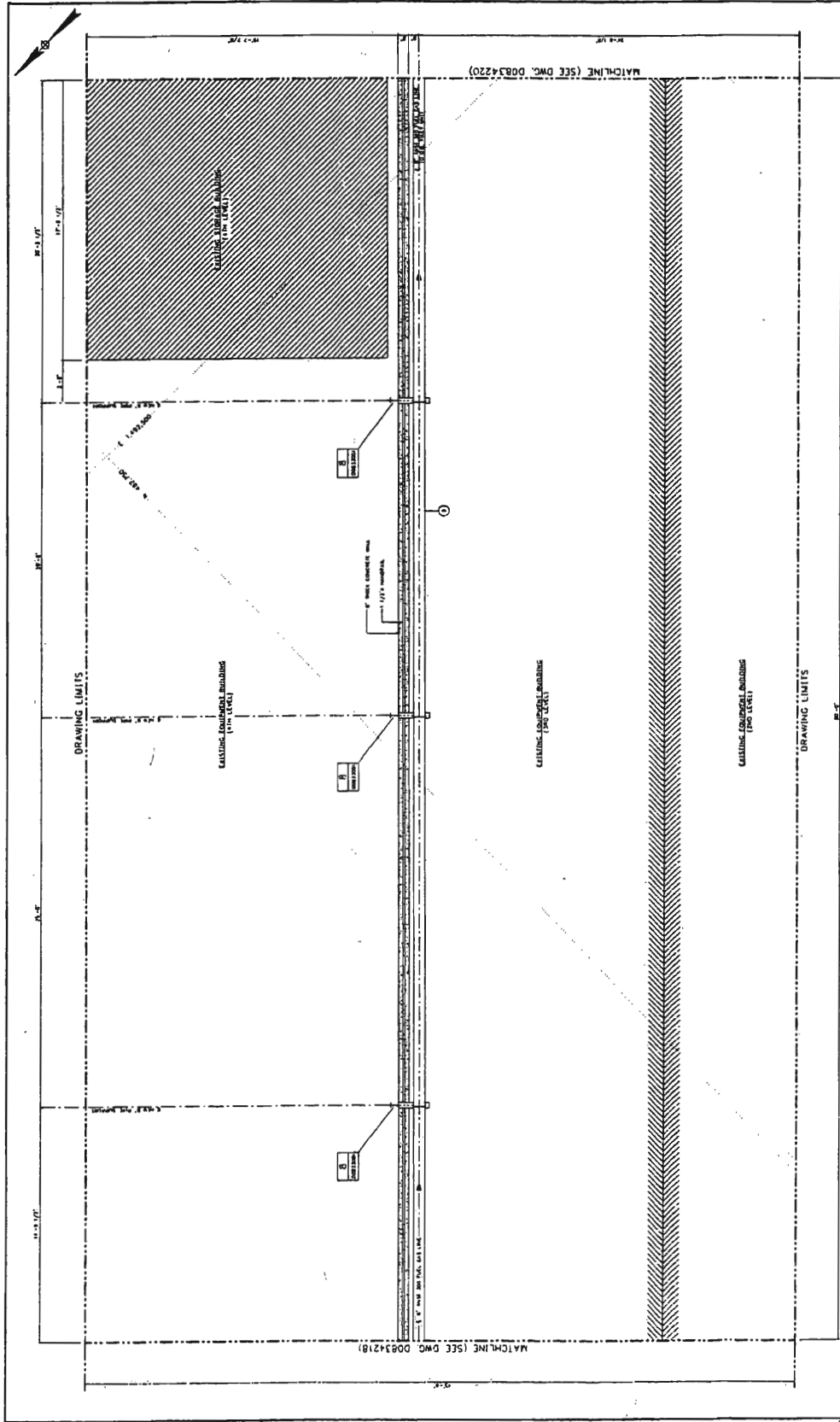
**GRANTORS' PROPERTY DRAWING**

**[See Attached]**





GENERAL NOTES		REFERENCE DRAWINGS		REVISIONS		DRAWING STATUS		PROJECT INFORMATION	
<p>CONTRACTOR TO FIELD VERIFY ALL DIMENSIONS PRIOR TO CONSTRUCTION</p>		<p>DATE NO. DESCRIPTION</p> <p>1. 10/15/2010 1. 10/15/2010 1. 10/15/2010</p>		<p>NO. DATE DESCRIPTION</p> <p>1. 10/15/2010 1. 10/15/2010 1. 10/15/2010</p>		<p>ISSUED FOR: 00</p> <p>DATE: 10/15/2010</p> <p>BY: [Signature]</p>		<p>PROJECT NO. D0834220</p> <p>PROJECT NAME: [Project Name]</p>	
<p>ENGINEER'S SEAL AND SIGNATURE</p>		<p>DATE: 10/15/2010</p>		<p>SCALE: AS SHOWN</p>		<p>PROJECT LOCATION: [Location]</p>		<p>CLIENT: [Client Name]</p>	
<p>PROJECT MANAGER</p>		<p>DATE: 10/15/2010</p>		<p>SCALE: AS SHOWN</p>		<p>PROJECT LOCATION: [Location]</p>		<p>CLIENT: [Client Name]</p>	



GENERAL NOTES

1. CONTRACTOR TO VERIFY ALL DIMENSIONS FROM THE CENTERLINE.

GENERAL NOTE

ENERGY MANAGEMENT  
3111 W. 10TH AVENUE  
DENVER, CO 80202  
303.733.1111  
www.energymgmt.com

DATE: 11/11/11

PROJECT: 1111 W. 10TH AVENUE

DESCRIPTION: 1111 W. 10TH AVENUE

NO. OF SHEETS: 2

SHEET NO.: 2

DATE: 11/11/11

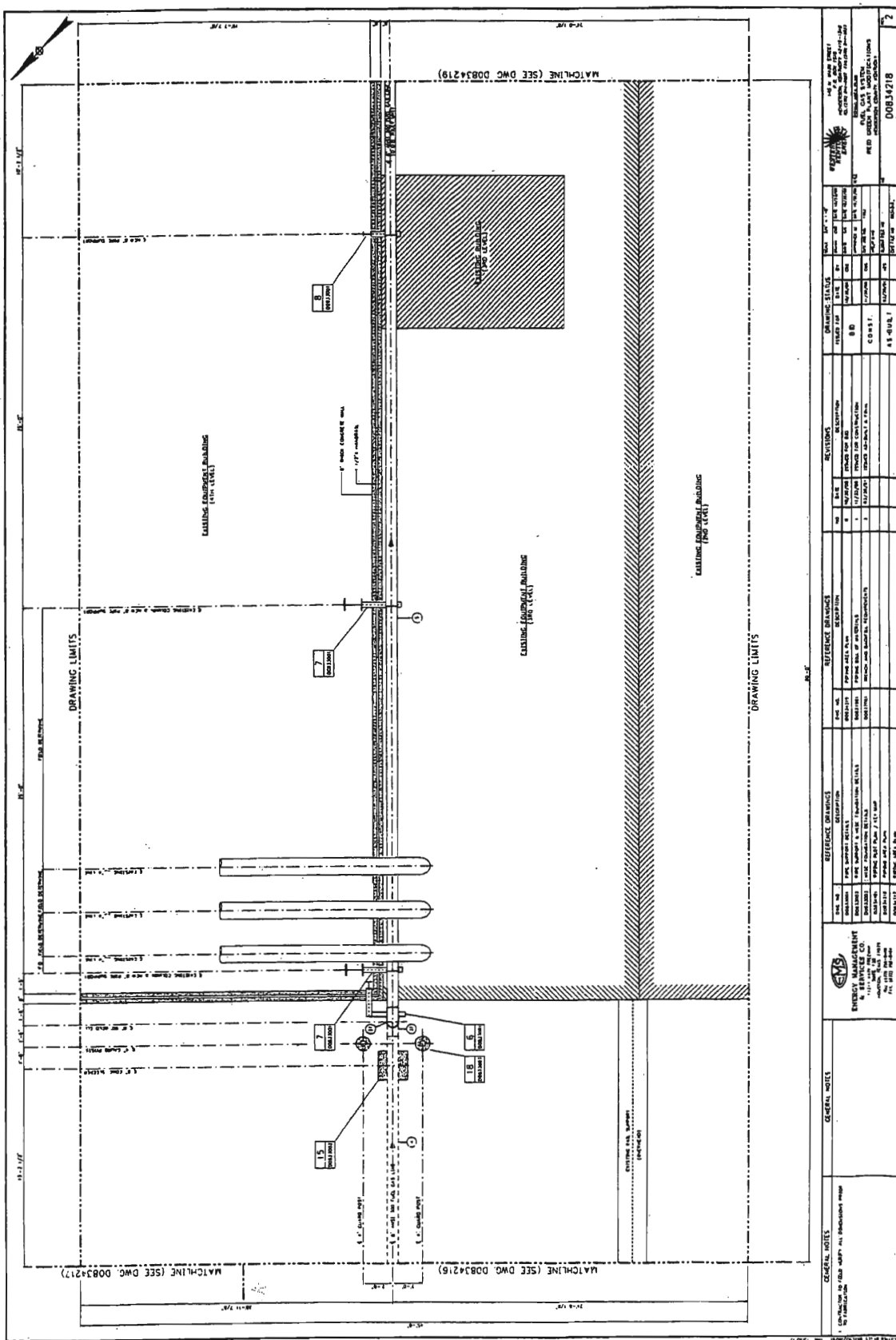
BY: [Signature]

CHECKED BY: [Signature]

APPROVED BY: [Signature]

PROJECT NO.: 00834218

SCALE: AS SHOWN



GENERAL NOTES		REFERENCE DRAWINGS		REFERENCE DRAWINGS		REVISIONS		DRAWING STATUS	
GENERAL NOTES 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS. 2. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE APPROVED SHOP DRAWINGS. 3. ALL MATERIALS SHALL BE OF THE HIGHEST QUALITY. 4. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE APPROVED SCHEDULE. 5. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE APPROVED METHODS. 6. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE APPROVED DETAILS.		01 FOUNDATION	02 CONCRETE	03 STRUCTURAL	04 MECHANICAL	05 ELECTRICAL	06 CIVIL	07 SANITARY	08 EXTERIOR
		09 INTERIOR	10 FINISHES	11 ROOFING	12 PAINTING	13 SIGNS	14 FURNITURE	15 EQUIPMENT	16 SPECIAL
GENERAL NOTE 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS.		01 FOUNDATION		02 CONCRETE		03 STRUCTURAL		04 MECHANICAL	
GENERAL NOTE 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS.		01 FOUNDATION		02 CONCRETE		03 STRUCTURAL		04 MECHANICAL	
GENERAL NOTE 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS.		01 FOUNDATION		02 CONCRETE		03 STRUCTURAL		04 MECHANICAL	