

This grant of Rights and of Easements entered into as of April 1, 2005, between and among Big Rivers Electric Corporation, a rural electric cooperative corporation organized under Chapter 279 of the Kentucky Revised Statutes, P.O. Box 24, 201 Third Street, Henderson, Kentucky 42419, known herein as "Big Rivers", a Grantor, and Western Kentucky Energy Corp., 145 North Main Street, P. O. Box 1518, Henderson, Kentucky 42419-1518, known herein as "WKEC," also a Grantor herein, City of Henderson, Kentucky, a municipal corporation and city of the second class organized under the laws of Kentucky, of 222 First Street, Henderson, Kentucky 42419, and City of Henderson Utility Commission, a public body politic and corporate organized under Kentucky Revised Statutes 96.520, and related statutes, of 100 Fifth Street, Henderson, Kentucky 42419, the said city and commission being referred to herein collectively as "City", as Grantee herein.

WITNESSETH:

For and in consideration of the covenants and grants herein and in the 2005 Amendments to Contracts (defined below) by City, Big Rivers and WKEC, the parties hereto agree, covenant, and grant as follows:

1. City owns and Big Rivers acquired the right to operate City's electric generating station known as Henderson Municipal Power & Light Station Two ("Station Two"), and to purchase certain capacity and energy from Station Two, in each case under agreements and contracts (including certain related amendments thereto and subsequent agreements among two or more of the City, Big Rivers, WKEC and certain other subsidiaries or affiliates of LG&E Energy, LLC) collectively referred to herein as the "Station Two Documents," which are more particularly identified and described in the 2005 Amendments to Contracts of even date herewith

among the City, Big Rivers, WKE Station Two Inc. and LG&E Energy Marketing Inc. (the '2005 Amendments to Contracts.'

2. City's Station Two, and Big Rivers' generating stations Reid and Green are located on adjacent sites that are shown, in part, on Exhibit A hereto. By agreement dated as of July 15, 1998, WKEC leased the Big Rivers Green and Reid Generating Station sites from Big Rivers.

3. The parties to the Station Two Documents have agreed that Station Two should be equipped with a selective catalytic reduction system as more particularly described in the 2005 Amendments to Contracts ("Station Two SCR System") by May, 2004, so as to comply with applicable provisions of the Federal Environmental Protection Agency's 1998 NOx SIP Call (63 Fed. Reg. 57356), which was promulgated pursuant to Section 110 of the Clean Air Act, 42 U.S.C. 7410, and implemented in Kentucky by Regulation 401 KAR 51:160.

4. The City's existing Station Two site is inadequate in area to accommodate the Station Two SCR System design. Accordingly, the Station Two SCR System, including the SCR system reactors, the ammonia storage facility and an auxiliary building will be located, in whole or in part, on the Big Rivers Reid and Green Generating Stations site.

5. The 2005 Amendments to Contracts require that Big Rivers "transfer and convey to the City, easements on land lying adjacent to the Station Two plant site in order to permit the construction and operation and maintenance thereon of certain portions of the Station Two SCR System, including the SCR reactors, the ammonia storage facility and an auxiliary building, together with any additional easements to the City required for the construction, operation, maintenance and removal of auxiliary facilities required in connection therewith and for access

thereto” In order to implement, identify, expand, and place of record in the office of the Clerk of the County of Henderson, Kentucky, rights of access, location and use, and easements of ingress and egress to City’s facilities located, or to be located, on lands of Big Rivers, currently under lease to WKEC, Grantors grant to City, as Grantee, rights of access, easements of location and use, and easements of ingress and egress (collectively, “Rights and Easements”), to the facilities owned by such Grantee related to the Station Two SCR System identified on Exhibit A attached hereto, including without limitation, such additional facilities as may be subsequently installed therein or thereon pursuant to the 2005 Amendments to Contracts, and reflected on Exhibits A and B by mutual written consent of the Parties hereto. Big Rivers and WKEC except from this grant, to the extent of their respective interests, rights of access, location and use, and easements of ingress and egress to facilities owned or operated by either of them that are located, or as may be subsequently installed therein or thereon, on lands covered by this grant to City, provided that such subsequently-installed facilities shall not unreasonably interfere with the operation of Station Two.

6. The Rights and Easements herein granted to City (I) shall continue in full force and effect as to the Station Two SCR System only until Station Two shall be permanently decommissioned, and (ii) will not be terminated by reason of the termination of any other agreement or contract between or among the parties.

7. The Rights and Easements herein granted shall permit the owner and the operator (if it shall be different from the owner) of the Station Two SCR System, and their respective employees, agents, representatives and contractors, to inspect, test, maintain, operate, repair, renew, make necessary and incidental improvements, and to replace such owner’s facilities

located on the lands of any other party hereto, as shown in Exhibit A, and any facilities added thereto pursuant to the 2005 Amendments to Contracts and identified on Exhibit B, or by agreement of the Parties, and to enter upon the lands covered by the Rights and Easements from time to time whenever reasonably necessary to effectuate the above purposes.

8. The lands to which the Rights and Easements are granted herein are located, or to be located, in Henderson County, Kentucky, on the West bank of Green River, between Green River and Kentucky Highway 2096, approximately twelve miles South of Henderson, Kentucky, at the intersection of Kentucky Highway 2096 and 2097, as shown in part on Exhibit A hereto.

9. Pursuant to KRS 142.050(1)(a), the parties hereto are not required to declare the fair market value of the Rights and Easements herein granted to City. The Rights and Easements herein granted are less than a life estate in the lands affected thereby and sources of title to such interests are not required by KRS 382.110.

10. This instrument, including the Rights and Easements herein granted and received, shall extend to, inure to the benefit of, and bind the parties hereto, and their respective successors, assigns, and transferees.

11. City hereby agrees, to the maximum extent permitted by law, to indemnify and hold harmless Big Rivers and WKEC, and their respective successors and assigns, of and from any and all claims, demands, actions, suits, proceedings, damages, liabilities and controversies of any nature whatsoever, that Big Rivers, WKEC or such other persons or entities may suffer or incur resulting from, arising out of or in any manner relating to City's or its employee's, agent's, representatives' or invitee's activities, actions or omissions on, at, over or across any of the lands or properties of Big Rivers that are the subject of the Rights and Easements occurring at any time

during the term of this Grant of Rights and Easements. Notwithstanding the foregoing, City shall have no obligation to indemnify or hold harmless Big Rivers, WKEC or their respective employees, agents, representatives or invitees from or against any claim, demand, action, suit, proceeding, damage, liability or controversy to the extent resulting from the negligence or willful misconduct of Big Rivers, WKEC, any affiliate of WKEC or the employees, agents, representatives or invitees of Big Rivers, WKEC or any affiliate of WKEC. The foregoing indemnification and hold harmless covenant of City shall survive the expiration or termination of this Grant of Rights and Easements for any reason.

IN TESTIMONY WHEREOF, the parties hereto have executed this instrument in multiple copies as of the date first herein written.

This 1st day of April, 2005.

CITY OF HENDERSON, KENTUCKY

By: [Signature]
HENRY G. LACKY, Mayor

ATTEST:

[Signature]
Carolyn Williams

CITY OF HENDERSON UTILITY COMMISSION

By: [Signature]

ATTEST:

[Signature]
Anne Kuster Boyd

BIG RIVERS ELECTRIC CORPORATION

By: [Signature]
Michael H. Core, President/CEO

WESTERN KENTUCKY ENERGY CORP.

By: [Signature]
Vice President

COUNTY OF HENDERSON
COMMONWEALTH OF KENTUCKY

The foregoing instrument was subscribed, sworn and acknowledged before me by Homer L. Lackey, Mayor, and attested by Carolyn Williams, City Clerk as the act and deed of the City of Henderson, Kentucky, and as their individual acts and deeds in Henderson County, Kentucky, on this 7th day of April, 2005.

IN TESTIMONY WHEREOF, I have placed my hand and seal on this 7th day of April, 2005.

[Signature]
Notary Public, Ky. State at Large
My commission expires: 6/23/08

COUNTY OF HENDERSON
COMMONWEALTH OF KENTUCKY

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The foregoing instrument was subscribed, sworn and acknowledged before me by Phelps Lambert, Chairman of the City of Henderson Utility Commission, and attested by Anne Thrasher Boyd, Secretary, as the act and deed of the City of Henderson Utility Commission, Kentucky, and as their individual acts and deeds in Henderson County, Kentucky, on this 1st day of April, 2005.

IN TESTIMONY WHEREOF, I have placed my hand and seal on this 1st day of April, 2005.

Mary Sue Saw

Notary Public, Ky. State at Large

My commission expires: 6-23-08

COUNTY OF HENDERSON
COMMONWEALTH OF KENTUCKY

The foregoing instrument was subscribed, sworn and acknowledged before me by Michael H. Core, President/CEO, as the act and deed of Big Rivers Electric Corporation, Henderson, Kentucky, on this 27th day of April, 2005.6

IN TESTIMONY WHEREOF, I have placed my hand and seal on this 27th day of April, 2005.6

Paula Mitchell

Notary Public, Ky. State at Large

My commission expires: 1-12-09

COUNTY OF HENDERSON
COMMONWEALTH OF KENTUCKY

The foregoing instrument was subscribed, sworn and acknowledged before me by
Ralph Bowling, as Vice President, as the act and deed of Western
Kentucky Energy Corp., Henderson, Kentucky, on this 8th day of July, 2005.

IN TESTIMONY WHEREOF, I have placed my hand and seal on this 8th day of
July, 2005.

May De Lauer
Notary Public, Ky. State at Large
My commission expires: 6-23-08

THIS INSTRUMENT PREPARED BY:

James M. Miller
James M. Miller
Sullivan, Mountjoy, Stainback & Miller, P.S.C.
100 St. Ann Street
Owensboro, Kentucky 42303
(270) 926-4000

PARCEL OWNED BY HENDERSON

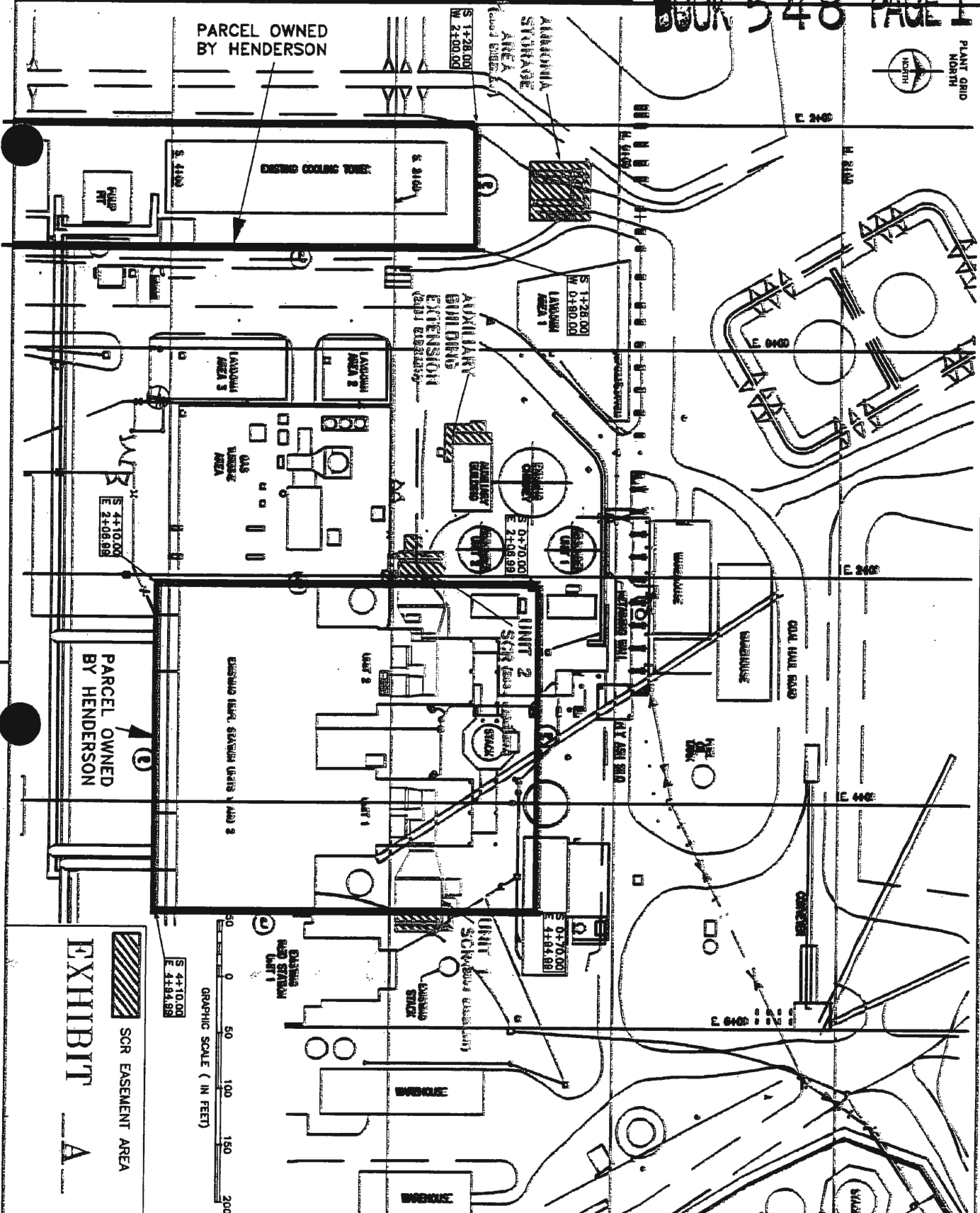


EXHIBIT A

SCR EASEMENT AREA

GRAPHIC SCALE (IN FEET)

Sources of Title:
 AND BEING a part of the same property described in the deeds of record in Deed Book 211, pg. 56; Deed Book 211, pg. 180; Deed Book 212, pg. 23; Deed Book 213, pg. 20; Deed Book 257, pg. 275; and Deed Book 293, pg. 616. Office of the Henderson County Court Clerk.

<p>CITY OF HENDERSON PARCELS PLOTTED BY BRANSON SURVEYS, INC. NO IMPROVEMENTS WERE LOCATED BY THE SURVEYOR</p>		<p>BRANSON SURVEYS, INC. 1000 W. 10th St. Henderson, NC 27534 Phone: 252-233-1111 Fax: 252-233-1112</p>	
<p>PLANNING DEPARTMENT 1000 W. 10th St. Henderson, NC 27534 Phone: 252-233-1111 Fax: 252-233-1112</p>		<p>DATE: 10/15/03 DRAWN BY: J. W. BROWN CHECKED BY: J. W. BROWN SCALE: AS SHOWN SHEET: 1 OF 1</p>	

COMPONENTS OF STATION TWO SCR SYSTEM**SCR SYSTEM**

The SCR system for each of the units is located between the boiler economizer outlet and the air heater inlet. The catalyst modules are located in one vertical down flow reactor for each boiler.

The SCR reactors are of an outdoors design.

During periods of operation, flue gas from the boilers after the economizer sections will pass through the SCR and then through the air heaters. When the SCR is not in service, the flue gas will by-pass the SCR system. The ammonia injection system will use anhydrous ammonia from a storage facility. Two layers of catalyst will be employed initially to attain required performance. A third layer will be added, when necessary after the guarantee period, to maintain continued performance.

Ammonia System

The purpose of the ammonia injection system is to ensure that there is a correct amount of ammonia and an even distribution of NH_3/NO_x ratio at the first catalyst layer. The ammonia injection process involves moving the liquid anhydrous ammonia from the storage tanks to the vaporizer skid, where it is vaporized, and then moved to the reactor area where it is mixed with heated dilution air. The ammonia air mixture is then injected into the flue gas duct ahead of the SCR reactor through a specially designed injection grid.

SCR, Ductwork and Support System:

Pile Foundations
Grade Beams
Slabs on Grade
Equipment Pads
SCR and Ductwork Support Steel
Access Platforms and Stairs to Grade
2 SCR Reactor Vessels
SCR Inlet and Outlet Ductwork
SCR and Ductwork Insulation and Lagging
Ductwork Expansion Joints
SCR and Ductwork Access Doors
Pipe Supports

Buildings and Enclosures:

Electrical Building Extension
NOx Analyzer Shelter
2 Dilution Air Fan Skid Enclosures

Mechanical Equipment, SCR System:

4 Diverter Dampers
6 Diverter Damper Seal Air Fans
6 Damper Seal Air Fan Intake Silencers
2 Seal Air Heaters
SCR Catalyst Modules
Catalyst Handling Equipment; Carts, Air Powered Hoists, and Crane Beams
16 Sonic Air Horns
2 Air Filters
2 Air Compressors
1 Regenerative Air Dryer Skid

- 1 Air Receiver
- 6 Ash Hoppers
- 6 Hopper Ash Handling Valves

Mechanical Equipment, Ammonia System:

- 2 Ammonia Storage Tanks
- 2 Ammonia Leak Detection System
- 3 Ammonia Vaporizers
- 4 Dilution Air Fans
- 4 Dilution Air Intake Silencers
- 4 Dilution Air Heaters
- 1 Mixing Chamber
- 2 Air Filters
- Ammonia Piping
- 2 Ammonia Injection Grids and Associated Nozzles, etc.
- 3 Ammonia Area Eye Wash Stations
- Nitrogen Bottles for Purging

Electrical Equipment:

- 2 SCR Control Systems
- 2 Motor Control Centers
- 2 Gas Analyzers & Monitoring System

Air Preheater Refurbishment

- Air Heater Baskets
- 4 Air Heater Rotors
- Seals and Stay Plates
- Multi-media Cleaning System
- 1 Air Heater Water Wash Skid

STATE OF KENTUCKY
 COUNTY OF HENDERSON.....Sci
 I, Renny T. Matthews, Clerk of Henderson County, certify that the foregoing Easement was this day at 4:41 o'clock P. M. lodged in my said office for record and that I have recorded it, the foregoing and this certificate in my said office.
 Given under my hand this 28th day April 20 06
 Renny T. Matthews
 By: [Signature] D.C.