

FILED
September 18, 2020
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
INDIANA MICHIGAN POWER COMPANY)
FOR APPROVAL OF CERTAIN)
TRANSACTIONS RELATING TO THE)
LEASING OF NUCLEAR FUEL FOR THE)
DONALD C. COOK NUCLEAR PLANT OF)
INDIANA MICHIGAN POWER COMPANY)

CAUSE NO. 45417

**NOTICE OF FILING CONFIDENTIAL INFORMATION AND
SUBMITTAL OF PUBLIC VERSIONS OF DOCUMENTS
CONTAINING THE CONFIDENTIAL INFORMATION**

Petitioner Indiana Michigan Power Company, by counsel, hereby provides notice that it has filed with the Indiana Utility Regulatory Commission ("Commission") certain documents containing confidential, proprietary, competitively sensitive and/or trade secret information related to the direct testimony of Petitioner's witness Noah K. Hollis, pursuant to the Docket Entry dated September 15, 2020. The documents were filed in accordance with GAO 2016-2. The filing was made via the "Confidential" tab of the Commission's Online Services Portal.

In addition, with this pleading, Petitioner is submitting public (redacted) versions of the documents containing the confidential information. These documents are Exhibits 1-A and 1-B to Mr. Hollis' direct testimony.

Respectfully submitted,



Kay E. Pashos
Counsel for Indiana Michigan Power Company

CERTIFICATE OF SERVICE

The undersigned, one of the attorneys for Indiana Michigan Power Company, hereby certifies that the foregoing was served via Electronic Mail this 18th day of September, 2020, to the following:

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FUEL LEASE

Dated as of November 12, 2019

between

DCC FUEL TRUST XIV,

as Lessor

and

INDIANA MICHIGAN POWER COMPANY,

as Lessee

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Section 1. Defined Terms.	1
Section 2. Lease of Nuclear Fuel; Term.	1
Section 3. Payments by Lessee; Net Lease; Independent Obligations of Lessee.	1
Section 4. Payment of Fuel Costs by Lessor.....	4
Section 5. Allocation of Fuel Costs.	5
Section 6. Title to Remain in Lessor; Fuel Management; Nuclear Fuel to be Personal Property and Used Only for Generation; Location; Contract Assignment.	5
Section 7. Removals; Release to Lessee; Commingling; Substitution; Permanent Storage.	6
Section 8. Payment of Impositions; Further Assurances.	8
Section 9. Compliance with Legal and Insurance Requirements and with Instruments and Basic Documents.....	8
Section 10. No Representation as to Nuclear Fuel; Possession and Use of Fuel.....	9
Section 11. Maintenance of the Nuclear Fuel.	10
Section 12. Liens.....	11
Section 13. Permitted Contests.	11
Section 14. Insurance.	11
Section 15. Damage, Destruction or Malfunction.	13
Section 16. Condemnation or Eminent Domain.	15
Section 17. Terminating Events.	16
Section 18. Conditions of Conveyance.....	20
Section 19. Lease Events of Default and Remedies.	21
Section 20. Indemnification by Lessee.	24
Section 21. Surrender; Acceptance of Surrender.	24
Section 22. Estoppel Certificates; Information; Financial Information; Financial Covenant.	25
Section 23. Inspection; Right to Enter Generating Facilities.....	27

Section 24.	Right to Perform Lessee’s Covenants.....	27
Section 25.	Representations, Warranties and Covenants of Lessee.....	27
Section 26.	Assignments.....	29
Section 27.	No Merger.....	29
Section 28.	Notices.....	29
Section 29.	Amendments.....	30
Section 30.	Severability; Waiver.....	30
Section 31.	Special Considerations.....	30
Section 32.	Assignment of Rights Under Nuclear Fuel Contracts and Assigned Agreements.....	31
Section 33.	General.....	32

Schedules

Schedule A – Fixed Basic Rent Schedule

Schedule B – Lender’s Account Information

Schedule C – Form of Vendor’s Bill of Sale

Schedule D – Form of Fuel Schedule

Annex I -- Fuel Costs Payable

Part I to Annex II -- Contract Rights of Lessee to Nuclear Fuel

Part II to Annex II -- Description of Nuclear Fuel

Schedule E – Form of Lessor’s Bill of Sale

Schedule F-1 – Form of Assignment Agreement

Schedule F-2 – Form of U.S. Government Assignment Agreement

Schedule G – Form of Demand for Special Payment Under Section 3(b)

FUEL LEASE

FUEL LEASE, dated as of November 12, 2019, between DCC FUEL TRUST XIV, an Ohio grantor trust (“**Lessor**”), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (“**Lessee**”).

W I T N E S S E T H:

Recital

Lessor and Lessee hereby agree as follows:

Section 1. Defined Terms.

Terms used in the Loan and Security Agreement, dated as of November 12, 2019 (the “**Loan Agreement**”), between Lessor and the Lender and in Exhibit A to the Trust Agreement, dated as of November 12, 2019 (the “**Trust Agreement**”), among the Lessee, as trustor, the Owner Trustee, and the Lessee, as trust beneficiary, shall, when used in this Fuel Lease and not otherwise defined herein (including the Schedules hereto), have the respective meanings attributed to them pursuant to the Loan Agreement or the Trust Agreement, as the case may be.

Section 2. Lease of Nuclear Fuel; Term.

(a) Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Nuclear Fuel for the term provided in this Fuel Lease and subject to the terms and provisions hereof.

(b) The term of this Fuel Lease shall commence at 12:01 A.M. New York City time on the date hereof and, unless sooner terminated pursuant to the provisions hereof, shall end at 12:00 midnight, New York City time, on May 12, 2024. On any Basic Rent Payment Date from and including November 12, 2021, Lessee may terminate this Fuel Lease by paying to the Lessor the entire remaining outstanding principal amount of the Notes, together with all interest accrued thereon through the date of such payment and all other amounts owing to the Lender and the Lessor hereunder or under any other Basic Document. Lessee shall provide each of the Lender and Lessor not less than thirty (30) days prior to the proposed prepayment date with written notice of Lessee’s intention to early terminate this Fuel Lease in accordance with this Section 2(b).

Section 3. Payments by Lessee; Net Lease; Independent Obligations of Lessee.

(a) Lessee covenants to pay to Lessor or to such Persons as Lessor may direct, on each Basic Rent Payment Date, the Basic Rent due for the preceding Basic Rent Period and to pay such Basic Rent to Lessor at such place as Lessor or such Persons may direct, prior to 12:00 P.M. (noon), New York City time, on such date. Lessor hereby directs Lessee, which direction is irrevocable, to make all payments of Basic Rent to the account of the Lender set forth in Schedule B hereto or to such other account as the Lender may from time to time designate in writing. All Schedules, Annexes and Exhibits delivered by Lessee pursuant to the provisions of this Fuel Lease shall constitute representations of Lessee as to the accuracy of the matters

contained therein. Insofar as such matters include estimates or projections by Lessee, Lessee shall make such estimates or projections in good faith and with a diligent application of engineering and accounting expertise. Lessee shall and may revise such estimates and projections from time to time in accordance with the standards of the preceding sentence.

(b) During the term of this Fuel Lease (or thereafter prior to any Settlement Date provided for in subsection 17(d) hereof), whether or not a Lease Event of Default or a Terminating Event shall have occurred, Lessor shall have the right, from time to time, to demand special payments (“**Special Payments**”) from Lessee in amounts sufficient to enable Lessor to pay, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), its obligations under the Basic Documents (including without limitation, all Secured Obligations) and any other obligations and liabilities of Lessor (including without limitation (i) legal, printing, reproduction and closing fees and expenses, auditors’, accountants’, appraisers’ and attorneys’ fees and expenses, rating agency fees, filing fees, UCC search fees, (ii) franchise taxes and income taxes of the Lessor, any other fees, expenses or obligations incurred by Lessor under or in respect of the Basic Documents, (iii) all administrative fees and expenses incurred by the Lessor, (iv) any Funding Losses (as defined in the Loan Agreement) and other amounts payable under Section 2.4, 2.5 and 2.6 of the Loan Agreement, and (v) any Net Proceeds (as defined in the Loan Agreement) which the Borrower is required to apply or cause to be applied towards prepayment of the Loan (the foregoing items (i) through (v) inclusive, collectively, the “**Other Obligations**”) if Lessor does not have, or cannot reasonably expect to have, from the issuance of the Notes, and from rentals or other payments made by Lessee, funds on hand sufficient to meet the Other Obligations. Such demand shall be made by delivery of a certificate substantially in the form of Schedule G to this Fuel Lease. Lessee agrees, upon receipt of each such certificate, to unconditionally comply with all such demands therein in the amount and at the time (both amount and time being of the essence) and otherwise as set forth in that certificate; provided, however, that, to the extent reasonably requested by the Lessee, the Lessor shall deliver to the Lessee reasonable detail supporting the information contained in the certificate; and provided, further, that except as provided in the Loan Agreement in relation to prepayments of Net Proceeds, nothing contained therein shall require the payment by Lessee of any amounts in advance of the due date (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) of the Secured Obligations or the other obligations or liabilities with respect to which such demand is made.

(c) In the event of any failure by Lessee to make any Special Payment as requested by Lessor, then Lessor shall have all the rights, powers and remedies as in the case of failure to pay Basic Rent. Lessee’s obligation to make a Special Payment shall not be contingent upon there being SLV, of Nuclear Fuel equal to or in excess of such Special Payment. For purposes of this Agreement and each other Basic Document, “SLV” shall mean, as at any date of determination, the aggregate of (i) the amount indicated as SLV in Annex II of the then current Fuel Schedule (minus any amounts previously paid in respect of Fixed Basic Rent hereunder), plus (ii) all accrued and unpaid amounts of Variable Basic Rent payable hereunder, plus (iii) any unpaid Special Payments or Other Obligations payable hereunder.

(d) This Fuel Lease is a completely net lease; all costs and expenses, liabilities, obligations and responsibilities of every kind and nature relating to any and all of the Nuclear Fuel shall be paid and performed by Lessee, except as otherwise expressly provided in

this Fuel Lease. Basic Rent, Special Payments and all other amounts payable by Lessee hereunder (including, without limitation, following a Terminating Event or a Lease Event of Default) shall be paid without counterclaim, setoff, recoupment, deduction or defense and without abatement, suspension, deferment, diminution or reduction, it being the intention of the parties hereto that the obligations of Lessee hereunder shall be separate and independent covenants and agreements that the Basic Rent, Special Payments and all other amounts payable by Lessee hereunder shall be payable unconditionally in all events, and that the obligations of Lessee hereunder shall continue unaffected by any event or circumstance whatsoever, including without limitation any default in title, compliance with specifications, condition, design, operation or fitness for use of, or any damage to or loss or distribution of, any Nuclear Fuel or any interruption or cessation of the use in possession of Nuclear Fuel by Lessee for any reason whatsoever. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate, modify or surrender this Fuel Lease or Nuclear Fuel or any portion thereof or (ii) to any abatement, suspension, deferment, diminution or reduction of Basic Rent payable by Lessee hereunder. Lessee hereby waives, to the full extent permitted by law, any right it may now or hereafter have to require the sale, in mitigation of damages, of any Nuclear Fuel or any interest in any Assigned Agreement or any Partially Assigned Agreement.

(e) Subject to the provisions of Section 13 hereof, Lessee agrees that it will promptly pay all Impositions, taxes, assessments, and other governmental charges and fees levied or assessed upon the interest of Lessee in the Nuclear Fuel and against Lessor on account of its acquisition, ownership or leasing of the Nuclear Fuel or any part thereof, including any net income, excess profits or franchise taxes against Lessor on or measured by any moneys payable hereunder or the net income therefrom (including any payments made pursuant to this sentence) and including any personal property taxes on the Nuclear Fuel and all other costs and expenses assessed against Lessor on account of its acquisition, ownership or leasing of the Nuclear Fuel, provided that this subsection 3(e) shall not be deemed to obligate Lessee to pay (A) any taxes, assessments and other governmental charges and fees paid or payable by or on behalf of Lessor as part of the Fuel Cost of any Nuclear Fuel or (B) any income taxes on fees payable to the Owner Trustee. Lessee further agrees to do, at its own expense, all things required to be done by Lessor in connection with the levy, assessment, billing or payment of any such taxes and is hereby authorized by Lessor to act for and on behalf of Lessor in any and all such respects, and to file, when permitted by law, on behalf of Lessor, all required tax returns and reports (other than returns and reports in respect of income, excess profits or franchise taxes) concerning the Nuclear Fuel, the Assigned Agreements and the Partially Assigned Agreements.

(f) If any lien, encumbrance or charge of any kind or any judgment, decree or order of any court or other governmental authority (including, without limitation, any tax lien affecting the income of Lessor), whether or not valid, shall be asserted or entered which interferes with the due and timely payment of any sum payable hereunder, Lessee shall, on receipt of notice to that effect from Lessor, promptly take such legally permissible action as may be necessary to prevent or terminate such interference. Lessee shall indemnify and hold harmless Lessor, the Owner Trustee, each Person to which any part of Lessor's rights or interest under the Fuel Lease shall at the time be assigned, conditionally or otherwise, by Lessor, as contemplated by Section 26 hereof (each, an "Assignee") and the Lender from and against any and all losses and damages caused by any such interference.

(g) Unless otherwise provided herein or in the Basic Documents, including, without limitation, pursuant to Section 5.2 of the Trust Agreement, all amounts payable hereunder to Lessor, any Assignee or the Lender shall be made to such Person at the address designated for notices in Section 28 hereof, or otherwise designated by notice given by such Person, and such amounts shall be payable in Federal funds or in other U.S. Dollar funds immediately available at such address. All past due amounts payable under this Fuel Lease shall bear interest at a rate per annum equal to the Default Rate during the period from and including the due date until the date of repayment.

Section 4. Payment of Fuel Costs by Lessor.

(a) Whenever Lessee desires Lessor to pay any Fuel Costs, to acquire Nuclear Fuel from any Person, to pay a Manufacturer for any Fuel Cost, or to reimburse Lessee for any Fuel Cost, Lessee shall deliver to Lessor (i) three (3) fully executed copies of a Fuel Schedule in the form of Schedule D to this Fuel Lease or such other form as may be acceptable to the Lender, setting forth in Annex I to such Fuel Schedule the Fuel Cost for which payment or reimbursement is desired and describing in Annex II to such Fuel Schedule the Nuclear Fuel to which such Fuel Cost is allocable and (ii) if Lessee or any other Person then has title to any of such Nuclear Fuel, a Vendor's Bill of Sale with respect to such Nuclear Fuel executed by Lessee or the other Person, as appropriate. At such time as a Nuclear Fuel Contract provides for transfer of title to any Nuclear Fuel to Lessor or Lessee, as the case may be, for which a Fuel Schedule has been or is being submitted to Lessor, Lessee shall deliver or cause to be delivered to Lessor, and Lessor shall accept, a duly executed Vendor's Bill of Sale with respect thereto or an invoice of sale or other instrument applicable to such Nuclear Fuel evidencing passage of title to Lessor, which Vendor's Bill of Sale, invoice of sale or other instrument shall be in form and substance satisfactory to Lessor. Lessor and Lessee agree that any invoice of sale for services shall be in form and substance satisfactory to each of them, provided that such invoice relates to a Nuclear Fuel Contract which, in substance, provides that title to the Nuclear Fuel covered thereby passes no later than at delivery.

(b) Not later than ten (10) Business Days after Lessor shall have received a Fuel Schedule hereunder (unless otherwise advised in such Fuel Schedule), Lessor shall cause the payment specified therein to be made and shall redeliver to Lessee a copy of a Fuel Schedule executed by Lessor as advice of such payment and the date thereof; provided, however, that Lessor shall not be required to cause such payment to be made pursuant to this Section 4: (i) if a Terminating Event or a Lease Event of Default has occurred and is continuing or if an event which with the giving of notice or lapse of time or both would constitute a Terminating Event or a Lease Event of Default, or (ii) to the extent that such proposed payment exceeds the amount of funds available to Lessor from the issuance of Notes or from rentals or other amounts paid by Lessee hereunder at the time of such proposed payment, or (iii) if such proposed payment relates to a Nuclear Fuel Contract between Lessee and a Manufacturer which has not theretofore been duly assigned (in form and substance satisfactory to Lessor) by Lessee to Lessor as an Assigned Agreement or a Partially Assigned Agreement and as to which assignment such Manufacturer has not theretofore consented (in form and substance satisfactory to Lessor).

Section 5. Allocation of Fuel Costs.

(a) Whenever any portion of any Fuel Cost cannot be allocated by Lessee as being applicable to specifically identifiable items of the Nuclear Fuel, such portion shall be prorated to all of the Nuclear Fuel on the basis of Lessee's prudent business judgment consistent with generally accepted accounting principles. Any such proration of a portion of the Fuel Cost shall be shown on a Fuel Schedule to be delivered to Lessor. Whenever any portion of any Fuel Cost can be allocated by Lessee as being applicable to specifically identifiable items of the Nuclear Fuel, such portion shall be added to the Fuel Cost of such Nuclear Fuel and shown on a Fuel Schedule to be delivered to Lessor. Any factor used in any computation required to be made under this Fuel Lease shall be stated to an accuracy of ten decimal places.

(b) Lessee shall maintain on a current basis for each item of Nuclear Fuel records which shall contain (i) the current SLV of each item of Nuclear Fuel, (ii) a statement of all adjustments or modifications to the SLV of each item of Nuclear Fuel and the reasons therefor, (iii) with respect to Nuclear Fuel not in Heat Production, its stage in the Nuclear Fuel Cycle, the Manufacturer or other Person in possession of such Nuclear Fuel and the location of such Nuclear Fuel, and (iv) copies of all Nuclear Fuel Contracts and copies of all consents to the assignment thereof to Lessor. Any change or modification to the SLV of each item of Nuclear Fuel (other than changes resulting only from periodic variations in the applicable LIBOR, base rate or cost of funds used in the calculation of the Variable Basic Rent) shall be shown on a Fuel Schedule to be delivered to Lessor and Lender.

Section 6. Title to Remain in Lessor; Fuel Management; Nuclear Fuel to be Personal Property and Used Only for Generation; Location; Contract Assignment.

(a) Title to the Nuclear Fuel shall, as between Lessor and Lessee, be in the name of Lessor and shall at no time, except as provided in Section 7(g) and Section 31(a) hereof, become vested in Lessee.

(b) Except as otherwise expressly limited by this Fuel Lease, Lessee shall have the exclusive right and lawful authority and shall be obligated to engage in Fuel Management (as hereinafter defined) and neither Lessor nor any of the Owner Trustee, any Assignee or the Lender shall have any obligation or responsibility in respect thereof. "Fuel Management" means the design of, contracting for, establishing the price and terms of acquisition of, management, movement, removal, disengagement, storage and other activities in connection with the acquisition, utilization, storage and disposal of the Nuclear Fuel. Until such time as a Lease Event of Default has occurred hereunder and Lessor has notified Lessee of the revocation of such power and authority, Lessee is hereby designated the lawful representative of Lessor in all dealings with Manufacturers and any regulatory agency having jurisdiction over the ownership, possession or utilization of the Nuclear Fuel. With respect to any Nuclear Fuel located at a Manufacturer's facility, Lessee shall cause delivery thereof to be made to any other Manufacturer or to Lessor at any of the Generating Facilities, and Lessor (in the case of a delivery to Lessor), in turn, shall deliver the same to Lessee at such location.

(c) The Nuclear Fuel is personal property and Lessee shall, at its sole cost and expense, take all such action as may be required to cause the Nuclear Fuel to retain its character as personal property. The Nuclear Fuel shall not become part of any real property on which it or

any portion thereof may from time to time be situated, notwithstanding the means by which it is installed or attached thereto and notwithstanding any law or custom or the provisions of any lease, mortgage or other instrument applicable to any such real property and shall not become an accession to any personalty not leased hereunder. Lessee agrees to indemnify and hold harmless each of Lessor, the Owner Trustee, each Assignee, the Lender and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, employees, agents and servants from any and all losses, costs and expenses arising out of, resulting from or in connection with any of the Nuclear Fuel becoming part of real property or becoming such an accession.

(d) Lessee represents and warrants to Lessor, the Owner Trustee and the Lender that neither the Nuclear Fuel nor any part thereof shall constitute a facility for the transmission or sale of electric energy. Lessee agrees that all Nuclear Fuel will be utilized during its Heat Production stage exclusively in the Generating Facilities and with due care to prevent injury thereto or to persons or property.

(e) Lessee represents and warrants to Lessor that, as of the date hereof, the Nuclear Fuel will be located only in the State of Michigan. Lessee agrees that it will not permit any Nuclear Fuel to be located outside the continental United States. Lessee further agrees that (other than in transit) it will not permit any Nuclear Fuel to be taken into or remain in any State of the continental United States without first having taken all steps so that Lessor's right, title and interest therein shall be duly perfected.

(f) Except to the extent otherwise agreed to by Lessor, prior to obtaining pursuant to Section 4 hereof any payment by Lessor to a Manufacturer pursuant to a Nuclear Fuel Contract, Lessee shall deliver to Lessor an executed Assignment Agreement with respect to such Contract (hereafter an "**Assigned Agreement**" or a "**Partially Assigned Agreement**"), together with a Consent applicable thereto executed by the Manufacturer which is a party to said Contract.

Section 7. Removals; Release to Lessee; Commingling; Substitution; Permanent Storage.

(a) If no Lease Event of Default shall have occurred and be continuing, Lessee may during any stage of the Nuclear Fuel Cycle prior to the Heat Production stage move Nuclear Fuel to any Manufacturer's facility for the purpose of having services performed thereon by executing and delivering to Lessor a Fuel Schedule; provided that no such action shall materially reduce the then fair market value of such Nuclear Fuel except as may be incidental to the Nuclear Fuel Cycle; and provided further that (i) such Nuclear Fuel shall be and remain the property of Lessor, except as contemplated by Section 31(a) hereof, subject to this Fuel Lease (except as permitted by subsection 7(d) hereof), and (ii) all requirements of federal, state and local law, regulation or order in respect of the Nuclear Fuel and the handling, possession and use thereof ("**Legal Requirements**") and insurance requirements set forth in Section 14 hereof ("**Insurance Requirements**") with respect to such move shall have been met and all necessary or advisable recordings, filings and registrations shall have been duly made in order to protect the validity and effectiveness of this Fuel Lease and the security interest created therein and in the Nuclear Fuel and the Nuclear Fuel Contracts under the Basic Documents. Lessee will continue to be obligated in respect of such Nuclear Fuel as provided in this Fuel Lease, will pay

or cause to be paid all taxes and reasonable costs and expenses incurred by Lessor, Lessee, the Owner Trustee, any Assignee or the Lender by reason of such removal, and the indemnities contained in this Fuel Lease (including, without limitation, in Section 20 hereof) shall continue in full force and effect with respect to such Nuclear Fuel. The provisions of this subsection 7(a) shall be applicable to each subsequent removal of any such Nuclear Fuel from each place of relocation.

(b) At any time and from time to time, Lessee shall have the right to disengage any portion of the Nuclear Fuel from a reactor core or to remove it from Heat Production; provided, however, that before any portion of the Nuclear Fuel which had been engaged in a reactor core is permanently removed from any core and removed from Heat Production, Lessee shall cause such portion of the Nuclear Fuel to be released from this Fuel Lease in accordance with the provisions of subsection 7(c) hereof and provided further that any portion of the Nuclear Fuel which has been engaged in a reactor core and is permanently removed from Heat Production shall be released within twelve (12) months after it has been so removed.

(c) Lessee may from time to time, upon no less than thirty (30) days' prior written notice to Lessor and Lender, obtain the release from this Fuel Lease of a portion (but not all) of the Nuclear Fuel by executing and delivering to Lessor two (2) copies of a Fuel Schedule and Annex II thereto and paying or causing to be paid to Lessor or any other Person entitled to receive such payment an amount equal to the SLV for such portion of the Nuclear Fuel, as shown on such Annex II thereto. Thereupon Lessor shall deliver to Lessee or any other Person designated by Lessee a Lessor's Bill of Sale (including therein the release of any security interest under the Collateral Agreements in such portion of the Nuclear Fuel as is shown on Annex II thereto), and such portion of the Nuclear Fuel shall cease to be Nuclear Fuel and shall cease to be subject to any provision of this Fuel Lease, the Collateral Agreements and the other Basic Documents (other than any indemnities contained therein).

(d) Notwithstanding any provision of this Fuel Lease to the contrary, Nuclear Fuel may become subject to an Assigned Agreement or a Partially Assigned Agreement with a Manufacturer for services on such Nuclear Fuel which requires that title thereto be transferred to such Manufacturer and that such Nuclear Fuel be commingled with similar materials, with an obligation on such Manufacturer, upon completion of the services, to reconvey clear and unencumbered title to Nuclear Fuel of the amount and type customarily resulting from such services. Such Nuclear Fuel shall be deemed to be and remain leased hereunder while title thereto is in such Manufacturer, and any Nuclear Fuel delivered by such Manufacturer upon completion of its services shall be automatically leased hereunder in substitution for the Nuclear Fuel originally delivered to such Manufacturer. Upon such delivery to such Manufacturer and redelivery from such Manufacturer, Lessee shall deliver to Lessor each of the following (i) a Fuel Schedule and Annex II or Exhibits thereto and (ii) either (x) a receipt executed by such Manufacturer for such Nuclear Fuel or (y) a delivery invoice of such Manufacturer acknowledged by Lessee for such Nuclear Fuel, as the case may be.

(e) Whenever Nuclear Fuel is moved from one physical location to another physical location, and whenever Nuclear Fuel is moved from one stage of the Nuclear Fuel Cycle to another stage of the Nuclear Fuel Cycle, Lessee shall notify Lessor and the Lender as to such movement and shall, upon Lessor's request, execute and deliver to Lessor a Fuel Schedule and

appropriate Annexes and Exhibits thereto reflecting such movement. At least forty-five (45) days prior to moving Nuclear Fuel into any state not listed in Section 6(e), Lessee shall notify Lessor as to such proposed movement.

(f) Any other provisions of this Fuel Lease to the contrary notwithstanding, provided that Lessor has not exercised its rights to sell such Nuclear Fuel after a Lease Event of Default and provided that Lessee has not surrendered such Nuclear Fuel pursuant to Section 19(b) hereof upon termination of this Fuel Lease, Lessee shall be obligated, at its expense, either to store, dispose of or reprocess Nuclear Fuel which has completed Heat Production. Lessee shall be entitled to choose whether to store, dispose of or reprocess the Nuclear Fuel at its discretion. If required by Lessee in connection with permanent storage, disposal or reprocessing of such Nuclear Fuel, Lessor will transfer title to such Nuclear Fuel to Lessee at Lessee's request, pursuant to a Lessor's Bill of Sale in the form of Schedule E hereto, and Lessor and Lessee shall execute a Fuel Schedule reflecting such transfer.

(g) When any assembly of Nuclear Fuel is no longer useful for Heat Production, Lessor shall be entitled to transfer title to such assembly of Nuclear Fuel to Lessee, pursuant to a Lessor's Bill of Sale in the form of Schedule E hereto. A Fuel Schedule reflecting such transfer shall be executed and delivered by Lessor and Lessee.

Section 8. Payment of Impositions; Further Assurances.

(a) Subject to the provisions of Section 13 hereof, Lessee will pay all Impositions before any fine, penalty, interest, cost or expense may be added for nonpayment, and will furnish to Lessor, upon request, copies of official receipts or other satisfactory proof evidencing such payment.

(b) Lessee, at its expense, shall execute, acknowledge, obtain and deliver from time to time such further counterparts of this Fuel Lease or such affidavits, certificates, Bills of Sale, financing and continuation statements, consents and other instruments as may be reasonably requested by Lessor in order to evidence the respective interests of Lessor, Lessee and any Assignee in this Fuel Lease, any Nuclear Fuel, any Assigned Agreement and any Partially Assigned Agreement and in order to establish the character of the Nuclear Fuel as personal property and the security interest therein intended to be created by the Collateral Agreements, and shall, at its expense, cause such documents, if necessary or so requested by Lessor, to be recorded, filed or registered and to be refiled or reregistered in such manner and at such times and in such places as may be required by any present or future law applicable to this Fuel Lease, any Assigned Agreement or Partially Assigned Agreement or the Nuclear Fuel in order to perfect and preserve the validity of such interests or as may be reasonably requested by Lessor.

Section 9. Compliance with Legal and Insurance Requirements and with Instruments and Basic Documents.

(a) Subject to the provisions of Section 13 hereof, Lessee, at its expense, will promptly comply with (i) all Legal Requirements and Insurance Requirements necessary to maintain insurance with adequate limits, terms and conditions as required by this Fuel Lease, and (ii) any instruments, contracts or agreements affecting title to or ownership of the Nuclear Fuel;

provided; however that the foregoing shall not be construed to prevent Lessee from contesting such requirements so long as Lessor's or any Assignee's rights in the Nuclear Fuel or this Fuel Lease shall not be jeopardized.

(b) In addition, Lessee at its expense from time to time shall provide the Lessor with such administrative and recordkeeping assistance as the Lessor shall request to enable the Lessor to comply in a full and timely fashion with all requirements of the Basic Documents, including, without limitation, those relating to the maintenance of records and the furnishing of reports, certificates and information by the Lessor.

Section 10. No Representation as to Nuclear Fuel; Possession and Use of Fuel.

(a) Any and all Nuclear Fuel to be leased hereunder is leased (i) as-is, where-is, and subject to the rights of any Person in possession thereof, the state of the title thereto and the rights of ownership therein, in each case, as in existence when the same first become subject to this Fuel Lease, (ii) subject to all applicable Legal Requirements then or thereafter existing, and (iii) without representations and warranties, express or implied, of any kind by Lessor (except for the warranties of Lessor to be made pursuant to subsection 18(a) hereof), the Owner Trustee, any Assignee, the Lender or any Person acting on behalf of any of them.

LESSEE ACKNOWLEDGES AND AGREES THAT THE TYPE AND DESIGN OF THE NUCLEAR FUEL HAS NOT BEEN SELECTED BY LESSOR, THE OWNER TRUSTEE, ANY ASSIGNEE OR THE LENDER, THAT NEITHER LESSOR, NOR THE OWNER TRUSTEE, NOR ANY ASSIGNEE NOR THE LENDER HAS SUPPLIED ANY SPECIFICATIONS WITH RESPECT TO THE MANUFACTURE OF ANY PORTION THEREOF AND THAT NEITHER LESSOR, NOR THE OWNER TRUSTEE, NOR ANY ASSIGNEE NOR THE LENDER NOR ANY PERSON ACTING ON BEHALF OF ANY THEREOF (i) IS A MANUFACTURER OF, OR DEALER IN, SPECIAL NUCLEAR MATERIAL OR SOURCE MATERIAL OF ANY KIND OR HAS ANY LICENSE TO USE OR POSSESS SUCH MATERIAL, (ii) HAS MADE ANY RECOMMENDATION, GIVEN ANY ADVICE OR TAKEN ANY OTHER ACTION WITH RESPECT TO (y) THE CHOICE OF ANY MANUFACTURER, VENDOR, PROCESSOR, DESIGNER, FABRICATOR, SUPPLIER OR TRANSPORTER OF, OR ANY OTHER CONTRACTOR WITH RESPECT TO, ANY NUCLEAR FUEL OR (z) ANY ACTION TAKEN OR TO BE TAKEN WITH RESPECT TO ANY NUCLEAR FUEL AT ANY STAGE OF THE NUCLEAR FUEL CYCLE, (iii) HAS AT ANY TIME HAD PHYSICAL POSSESSION OF ANY NUCLEAR FUEL OR MADE ANY INSPECTION THEREOF, OR (iv) HAS MADE OR, PURSUANT TO ANY PROVISION OF THIS FUEL LEASE OR OTHERWISE, IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER (EXCEPT FOR THE WARRANTIES OF LESSOR TO BE MADE PURSUANT TO SUBSECTION 18(a) HEREOF), EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION THAT ANY NUCLEAR FUEL (x) WILL NOT RESULT IN INJURY OR DAMAGE TO PERSONS OR PROPERTY, (y) HAS BEEN PROPERLY DESIGNED OR FABRICATED OR WILL ACCOMPLISH THE RESULTS WHICH LESSEE INTENDS THEREFOR, OR (z) IS SAFE IN ANY MANNER OR RESPECT.

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED HAS BEEN OR IS MADE PURSUANT TO ANY PROVISION OF THIS FUEL LEASE OR OTHERWISE OR

UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER PRESENT OR FUTURE LAW BY LESSOR (EXCEPT FOR THE WARRANTIES OF LESSOR TO BE MADE PURSUANT TO SUBSECTION 18(a) HEREOF), THE OWNER TRUSTEE, ANY ASSIGNEE OR THE LENDER OR ANY PERSON ACTING ON BEHALF OF ANY OF THEM-RELATING TO ANY NUCLEAR FUEL (INCLUDING WITHOUT LIMITATION, WITH RESPECT TO THE MERCHANTABILITY THEREOF OR THE FITNESS FOR A PARTICULAR PURPOSE THEREOF).

(b) So long as no Lease Event of Default has occurred and is continuing, Lessor hereby authorizes Lessee, at Lessee's expense, to assert any and all claims, and to bring suits, actions and proceedings, in its own name or in the name of Lessor, in respect of any Manufacturer's warranties or undertakings, express or implied, relating to any portion of the Nuclear Fuel and, so long as no Lease Event of Default has occurred and is continuing, to retain the proceeds of any such claims, suits, actions and proceedings.

(c) (i) Lessee shall investigate the state of the title to and rights of ownership in and possession of the Nuclear Fuel, and shall make or cause to be made any physical inspection of such Nuclear Fuel that Lessee deems necessary, and (ii) Lessee will not permit any such Nuclear Fuel to become subject to this Fuel Lease unless Lessee is satisfied with and has approved the same in writing for all purposes hereof. No approval by Lessee pursuant to this subsection 10(c) shall affect or impair any of Lessee's rights under subsection 10(b) hereof or otherwise in respect of any Manufacturer's or other Person's warranties or undertakings.

(d) So long as no Lease Event of Default shall have occurred and be continuing, Lessee shall have exclusive possession and use of the Nuclear Fuel. Notwithstanding any other provision of this Fuel Lease, Lessee will not do or permit any act or thing to be done (i) which might impair the value or usefulness of the Nuclear Fuel or any part thereof (other than (y) in the normal usage thereof during Heat Production or (z) as may be incidental to the Nuclear Fuel Cycle) or (ii) which is contrary to any Legal Requirement or Insurance Requirement or (iii) which might impair the security interest of any Assignee in the Nuclear Fuel or in Lessor's interest in this Fuel Lease.

Section 11. Maintenance of the Nuclear Fuel.

Lessee, at its own cost and expense, will keep the Nuclear Fuel in good condition, promptly make or cause to be made in a workmanlike manner all necessary or appropriate repairs, replacements and renewals thereof and arrange for proper Fuel Management. Lessee will be responsible for all actions, costs and expenses necessary or appropriate for the proper acquisition, transportation, utilization, preservation, storage, disposal and safety of the Nuclear Fuel. Neither Lessor, nor the Owner Trustee, nor any Assignee or the Lender shall be required to perform any construction, or to alter, repair, rebuild or replace the Nuclear Fuel, or to maintain, service or manage the Nuclear Fuel in any way or to engage in Fuel Management, and Lessee hereby expressly waives the right to perform any construction or to make such alterations or repairs to or effect any such Fuel Management at the expense of Lessor, the Owner Trustee, any Assignee or the Lender which may be provided for in any law now in effect or hereafter enacted.

Section 12. Liens.

Lessee will not, directly or indirectly, create or permit to be created or to remain, and will at its expense promptly discharge, any Lien with respect to the Nuclear Fuel, or upon Lessee's leasehold interest therein or under this Fuel Lease, or upon any amount payable by it under this Fuel Lease, other than (i) this Fuel Lease and any assignment hereof permitted by Section 26 hereof, (ii) Liens for Impositions not yet payable or being contested as permitted by Section 13 hereof, (iii) Liens created in favor of any Assignee, including without limitation Liens arising from the Collateral Agreements and other liens, charges or encumbrances resulting from acts of Lessor or any Assignee, or Liens securing obligations of Lessor or any Assignee which Lessee is not obligated to pay or discharge under the terms of this Fuel Lease and (iv) Liens arising by operation of law of mechanics, laborers, materialmen, carriers, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums of money which under the terms of the related contracts are not at the time due or being contested as permitted by Section 13 hereof, provided that such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles and policies shall have been made in respect thereof.

Section 13. Permitted Contests.

After prior notice to Lessor, by appropriate legal proceedings conducted in good faith and with due diligence, Lessee at its expense (a) may contest any Legal Requirement or any Imposition and (b) shall contest any Lien prohibited by Section 12 hereof; provided, however, that all actions of Lessee as authorized by this Section 13 that would have a material effect on this Fuel Lease or the Nuclear Fuel shall be subject to the express prior written consent of Lessor, which consent shall not be unreasonably withheld; and provided further that such actions would not subject Lessee, Lessor, the Owner Trustee, any Assignee or the Lender to any criminal liability for failure to pay any such Imposition or to comply with any such Legal Requirement or any such Lien. Lessee will pay, and shall protect and save harmless Lessor, the Owner Trustee, each Assignee, the Lender and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, employees, agents and servants from and against all losses, judgments, decrees and costs, including reasonable attorneys' fees and expenses, in connection with any contest conducted pursuant to this Section 13 and will, promptly after the final determination of such contest, pay and discharge the amounts which shall be imposed or determined to be payable therein, together with all penalties, costs and expenses incurred in connection therewith.

Section 14. Insurance.

(a) Lessee shall, at its own expense, procure and maintain or cause to be procured or maintained with financially sound and reputable insurance companies nuclear liability insurance with respect to each of the Generating Facilities (identified in a Fuel Schedule) and the Nuclear Fuel insuring the respective interests of Lessor, Lessee, the Owner Trustee, each Assignee and the Lender, and all other covered persons to the greater of (i) the full extent required, from time to time, under the Atomic Energy Act or any other applicable law, rule or regulation and (ii) the extent that such coverage is customarily carried in the nuclear utility industry in the United States. In the event the provisions of the Atomic Energy Act with respect to liability insurance provided thereunder shall change (whether by legislation, judicial action or otherwise), then Lessee shall use its best efforts to obtain comparable insurance from

governmental and/or private sources which are reasonably acceptable to Lessor, the Owner Trustee, any Assignee and the Lender, and which make such coverage available.

(b) Lessee shall, at its own expense, procure and maintain physical damage insurance with respect to the Nuclear Fuel insuring Lessor, the Owner Trustee, each Assignee and the Lender, and all other covered persons against loss or damage to the Nuclear Fuel in an amount not less than the SLV thereof and in a manner which is consistent at all times with current prudent utility industry practice (for nuclear power plant operators) in the United States; provided, however, that Lessee in any event shall maintain physical damage coverage for the generating facilities, including the Nuclear Fuel, in an amount not less than \$1 billion. Any such insurance may provide for such deductibles not in excess of \$5,000,000 or such higher amounts as shall be customary utility industry practice (for nuclear power plant operations) in the United States (it being understood that all deductibles shall be for the account and at the risk of Lessee), may include the standard coinsurance provision contained in nuclear property insurance and may exclude the types of property and kinds of risks customarily included in and excluded from the standard coverage of such nuclear property insurance. Lessee may insure with respect to such physical damage insurance with financially sound and reputable insurance companies. The insurance to be provided under this paragraph (b) may be furnished by Lessee under its blanket coverage for the Generating Facilities as a whole. Lessee may self-insure with respect to physical damage insurance to the extent customary in the nuclear utility industry.

(c) In addition to the insurance required to be obtained under subsections 14(a) and (b) hereof, Lessee will at all times maintain insurance against third party liability on account of loss or damage to persons and properties (which insurance shall also insure Lessor, the Owner Trustee, each Assignee and the Lender on account of loss or damage caused by the Generating Facilities or Nuclear Fuel) in the manner (including, without limitation, by way of self-insurance) usually maintained by companies engaged in comparable activities and which own or operate like properties.

(d) Any portion of the Nuclear Fuel in the possession of or to be delivered to any third party (including a Manufacturer) for transportation, storage, processing or other services, shall be covered by the insurance having the scope required by subsection 14(a) hereof to the extent available and Lessee shall cause to be maintained physical damage insurance in accordance with subsection 14(b) and liability insurance in the maximum amount available from time to time from American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters jointly, or their respective successor organizations.

All insurance required under this subsection 14(d) shall insure the respective interests of Lessee, Lessor, the Owner Trustee, each Assignee and the Lender, and other covered persons. Any other provision of this Fuel Lease to the contrary notwithstanding, if the insurance with respect to such portion of the Nuclear Fuel in the possession of or to be delivered to a third party for transportation, storage, processing or other services are not substantially in the form and amounts provided for in this subsection 14(d), Lessee shall be required to obtain a release of such portion of the Nuclear Fuel from this Fuel Lease in accordance with subsection 7(c) hereof.

(e) Lessee will provide Owner Trustee, Lessor, each Assignee and the Lender with insurance certificates in respect of the insurance procured pursuant to the provisions of subsections 14(a), (b) and (c) hereof and will provide written advice to Lessor, each Assignee

and the Lender of all expirations of policies, all renewals of policies and all endorsements issued by the insurers thereunder. Copies of such policies will be provided to Owner Trustee, Lessor, any Assignee and the Lender upon request. On the commencement of the term of this Fuel Lease and annually thereafter, Lessee will furnish to Lessor a reasonably detailed statement as to the insurance coverage provided pursuant to subsections 14(a), (b) and (c) hereof. Lessee will further give prompt written notice to Owner Trustee, Lessor, any Assignee and the Lender as to any change in the nature of the insurers, coverages, amounts or terms of such insurance (including any change in the provisions of the Atomic Energy Act or any other applicable law, rule or regulation with respect to liability insurance, or in the application, interpretation or enforcement thereof), which change could reasonably be expected to adversely affect Lessee, Lessor, the Owner Trustee, any Assignee or the Lender. Lessor, the Owner Trustee, each Assignee and the Lender, and other covered persons shall be an insured (and, if possible, named as such) in all insurance policies maintained by Lessee as required under subsections 14(a), (b) and (c) hereof. All such policies shall provide for at least twenty (20) days' written notice to Lessor, the Owner Trustee, each Assignee and the Lender prior to any cancellation and, if and to the extent possible, any material alteration of such policies, and shall provide that loss thereunder shall be payable to each Assignee as its interest may appear. Upon receipt of proceeds under any insurance policy, Lessee shall pay over to Lessor, each Assignee, the Lender, the Owner Trustee, and the other covered persons, the amount of their respective interests therein subject to any restrictions imposed by the Nuclear Regulatory Commission or any other governmental authority. Lessee shall deliver to Lessor, promptly upon Lessee's receipt thereof, copies of each recommendation made by its unaffiliated insurance consultants as to the inadequacy of its existing insurance coverage or as to any additional insurance which is available to Lessee and which is required for the protection of the interests of Lessee, Lessor, each Assignee, the Lender, and the Owner Trustee in accordance with subsections 14(a), (b) and (c) hereof.

Section 15. Damage, Destruction or Malfunction.

(a) If an event resulting in any damage to, destruction of or malfunction of any or all of the Nuclear Fuel should occur, which damage or destruction is of such a nature as to prevent Heat Production by any Nuclear Fuel, Lessee will promptly advise Lessor, Owner Trustee, any Assignee and the Lender in writing as to such event and will, no later than thirty (30) days after such event, give complete written notice thereof to Lessor, Owner Trustee, any Assignee and the Lender, generally describing such event and such damage, destruction or malfunction and stating whether the replacement thereof can be completed within two (2) years after such event. If such event affects all or substantially all of the Nuclear Fuel and such written notice by Lessee does not state that the replacement can be completed within two (2) years, Lessor shall have the right to terminate this Fuel Lease by giving the notice provided for in subsection 17(a)(vi) hereof. If such event affects some but not all or substantially all of the Nuclear Fuel and Lessee's written notice with respect thereto does not state that the replacement thereof can be completed within such two (2) years, Lessee shall, within sixty (60) days after such event, obtain the release pursuant to subsection 7(c) hereof of the Nuclear Fuel affected by such event. If Lessee shall state in its written notice that the replacement can be completed within two (2) years after such event, it shall as promptly as practicable commence the replacement and shall complete the same no later than two (2) years after such event, such replacement to be at Lessee's own cost and expense and whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose. Any such

written notice that the replacement can be so completed shall be deemed a representation by Lessee to that effect. If, at any time during said two (2) years period such representation could not be reaffirmed, Lessee shall so notify in writing Lessor, any Assignee and the Lender and upon such notification Lessor may terminate this Fuel Lease by giving the notice provided for in subsection 17(a)(vi) hereof with the effect set forth in Section 17.

(b) If an event resulting in any damage to, destruction of or malfunction of operation of any or all of the Generating Facilities should occur, which event is of such a nature as to prevent Heat Production of Nuclear Fuel leased hereunder at such Generating Facility or Facilities, Lessee will promptly advise in writing Lessor, Owner Trustee, any Assignee and the Lender as to such event and will, no later than sixty (60) days after such event, give complete written notice thereof to Lessor, Owner Trustee, any Assignee and the Lender, generally describing such event and stating whether the repair or reconstruction thereof can be completed within two (2) years after such event or, if such repair or reconstruction cannot be completed within two (2) years, whether the Nuclear Fuel which was intended to have been engaged in Heat Production at the Generating Facilities where such event occurred (i.e., the Nuclear Fuel located in, and the Nuclear Fuel intended to be used within two (2) years at, such Generating Facility or Facilities), can be relocated or reassigned within two (2) years after such event to another Generating Facility and engaged in Heat Production within two (2) years after such event. If such event affects all or substantially all of the Generating Facilities and such written notice by Lessee does not state that such repair, or reconstruction or relocation and engagement or reassignment can be completed within such two (2) years, Lessor shall have the right to terminate this Fuel Lease by giving the notice provided for in subsection 17(a)(vi) hereof. If such event affects some but not all or substantially all of the Generating Facilities and Lessee's written notice with respect thereto does not state that such repair or reconstruction or relocation and engagement or reassignment can be completed within such two (2) years, Lessee, if so requested by Lessor, shall within sixty (60) days after such event obtain the release pursuant to subsection 7(c) hereof of the Nuclear Fuel located in, and if no reassignment can be made the Nuclear Fuel intended to be used at, the Generating Facility or Facilities where such event occurred. If Lessee shall state in its notice that repair or reconstruction or relocation and engagement or reassignment can be completed within two (2) years after such event, it shall promptly commence such repair or reconstruction or relocation and engagement or reassignment and shall complete the same no later than two (2) years after such event, such repair or reconstruction or relocation and engagement or reassignment to be at Lessee's own cost and expense and whether or not the insurance proceeds, if any, on account of such damage, destruction or malfunction shall be sufficient for the purpose. Any such written notice that repair or reconstruction can be so completed shall be deemed a representation by Lessee to that effect. If, at any time during said 2-year period, such representation could not be reaffirmed, Lessee shall so notify Lessor, Owner Trustee, any Assignee and the Lender in writing and upon such notification Lessor may terminate this Fuel Lease by giving the notice provided for in subsection 17(a) (vi) hereof with the effect set forth in Section 17.

(c) If no Lease Event of Default, or an event which with the giving of notice or the lapse of time or both would constitute a Lease Event of Default, shall have occurred and be continuing, (i) all insurance proceeds received by Lessor, the Owner Trustee, any Assignee or the Lender on account of any damage to, or destruction or malfunction of, the Nuclear Fuel (less the actual costs and expenses incurred in the collection thereof) shall be paid to Lessee and (ii)

Lessee shall have the right to bring and control litigation with respect to claims arising out of damage, destruction or malfunction of Nuclear Fuel or out of insurance with respect thereto. Lessee expressly waives the provisions of any present or future law relating to damage, malfunction or destruction and agrees that the provisions of this Fuel Lease shall control the rights of Lessor, the Owner Trustee, each Assignee, the Lender and Lessee with respect to the Nuclear Fuel and any insurance proceeds received with respect thereto.

Section 16. Condemnation or Eminent Domain.

(a) In case of the condemnation, eminent domain or other governmental taking (each, a “**Taking**”) or the commencement of any proceedings or negotiations which might result in a Taking, Lessee will promptly give notice thereof to Lessor, generally describing the nature and extent thereof. Lessee hereby assigns to Lessor any award or payment payable to Lessee on account of a Taking of the Nuclear Fuel. Lessor shall have the right to participate fully in any proceedings or negotiations in connection with any Taking of Nuclear Fuel; provided that Lessee shall be entitled to control such proceedings or negotiations so long as no Lease Event of Default shall have occurred and be continuing. Lessee will pay all reasonable costs and expenses incurred by Lessor in connection with any Taking of Nuclear Fuel and seeking and obtaining any award or payment on account thereof.

(b) In the case of any Taking, (i) the provisions of this Fuel Lease shall remain in effect, except as expressly provided below in this Section 16, without any abatement or reduction of any amount payable hereunder, and (ii) unless Lessee shall have exercised, within sixty (60) days after the happening of such Taking, its right to obtain a release of such Nuclear Fuel pursuant to subsection 7(c) hereof, Lessee, whether or not the awards or payments, if any, on account of such Taking shall be sufficient for the purpose, at its cost and expense, will promptly commence and complete the replacement of the Nuclear Fuel affected by such Taking; provided, however, Lessee may request payment by Lessor of such costs and expenses of the replacement pursuant to Section 4 hereof. Upon completion of the replacement, Lessee shall execute and deliver to Lessor a Fuel Schedule, together with any necessary Bills of Sale, to subject such replacement Nuclear Fuel to this Fuel Lease. The replacement shall be promptly commenced and completed no later than two (2) years after a Taking. If the replacement is not completed within two (2) years after a Taking, Lessee must obtain a release of the Nuclear Fuel affected by such Taking pursuant to subsection 7(c) hereof.

(c) If no Lease Event of Default shall have occurred and be continuing and if Lessee exercises its right to obtain a release of any Nuclear Fuel pursuant to Section 7(c) hereof, then all awards and payments received prior to, contemporaneous with or following such release on account of any Taking of such Nuclear Fuel (less the actual costs and expenses incurred in the collection thereof) shall be paid to Lessee.

(d) For purposes of this Fuel Lease, all amounts paid pursuant to any agreement with any condemning authority which has been made in connection with or in anticipation of any Taking shall be deemed to constitute an award on account of such Taking.

Section 17. Terminating Events.

(a) This Fuel Lease shall terminate prior to the scheduled expiration of its term upon the happening of any of the events enumerated in clauses (i) through (ix) below (each herein called a “**Terminating Event**”), in accordance with the further provisions set forth in this Section 17:

(i) If, on or after any Basic Rent Payment Date from and including November 12, 2021, so long as no Lease Event of Default shall have occurred and be continuing and provided that at the time of termination Lessor has the right and available funds to pay in full, the then unamortized balance of the Loan and all other amounts which have accrued but remain unpaid under the Loan Documents, Lessee shall have delivered to Lessor a certificate of Lessee, signed by its President, a Vice President or Treasurer, stating that the Nuclear Fuel leased hereunder is no longer useful, is surplus or is economically obsolete to Lessee’s business, and that Lessee desires to terminate this Fuel Lease on such Basic Rent Payment Date, and at least ninety (90) days shall have elapsed after such notice;

(ii) If Lessor shall have given notice (x) that it is not satisfied with (A) any material adverse change since the date hereof (whether by legislative, act, administrative or judicial determination or otherwise) in the provisions of the Atomic Energy Act or any other applicable law, rule or regulation with respect to liability insurance or indemnification or in the application, interpretation or enforcement thereof, or (B) any material adverse change in the insurers, coverage, amount or terms of any insurance policy or indemnity agreement required to be obtained and maintained by Lessee pursuant to subsections 14(a), (b) and (c) hereof, or (C) an event which has occurred which has the effect of substantially decreasing such insurance coverage, and that Lessor desires that this Fuel Lease be terminated or (y) that Lessor or any Assignee or the Lender has determined, in the reasonable exercise of its business judgment, that any change in the provisions of the Price Anderson Act, the Atomic Energy Act, any regulations of the Nuclear Regulatory Commission or any other applicable law, rule or regulation increases the potential liability or franchise or reputation risk associated with the Lessor, any Assignee or the Lender being a party to any Basic Document, and that Lessor or such Assignee or the Lender desires that this Fuel Lease be terminated;

(iii) If (a) Lessor becomes, or is declared by any relevant governmental or regulatory body or authority to be (and such declaration is not stayed upon terms satisfactory to the Owner Trustee, any Assignee and the Lender), as a consequence of being a party to this Fuel Lease or its acquisition, ownership or leasing of the Nuclear Fuel, an “electric utility company”, a “public utility” or a similarly regulated entity under the Federal Power Act, or any other federal law or regulation, or under the laws of any state, or (b) Lessor or the Owner Trustee, any Assignee or the Lender, or their respective officers, directors, shareholders, direct or indirect controlling Persons or parents, agents, partners or employees shall become subject to regulation under such laws as a result of being a party to the transactions contemplated by this Fuel Lease, or (c) Lessor, with the passage of a specific period of time would become, a public utility (or the equivalent) or subject to regulation under the Acts or laws referred to in subclause (a) of this clause (iii) as a result of the consequences described therein, or Lessor or the Owner Trustee or any

Assignee or the Lender or their respective officers, directors, shareholders, partners, direct or indirect controlling Persons or parents, agents, partners or employees would after such period become subject to regulation under such laws and said specific period of time less one week shall have elapsed;

(iv) If any law or regulation or interpretation of any law or regulation shall be adopted after the date hereof or enforced by any governmental or regulatory body or authority (including the New York Stock Exchange) (which adoption or enforcement shall not be stayed upon terms satisfactory to the Owner Trustee, any Assignee and the Lender) and as a result of such adoption or enforcement approval of the transactions contemplated by the Basic Documents shall be required and shall not have been obtained within any grace period after such adoption or enforcement (if there is no grace period or a grace period of less than ten (10) days, within ten (10) days after such adoption or enforcement), or as a result of which adoption or enforcement, this Fuel Lease or any transaction contemplated hereby or the Basic Documents, including, without limitation, any payments to be made by Lessee or Lessor or the acquisition, ownership or leasing of the Nuclear Fuel by Lessor, shall be or become unlawful or the performance of this Fuel Lease shall be rendered impracticable in any material way;

(v) If a nuclear incident (as that term is defined in the Atomic Energy Act) involving or connected in any way with any of the Nuclear Fuel or any of the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production shall have occurred, and such nuclear incident may reasonably be expected to give rise to liability or to damage, destruction or personal injury, in an aggregate amount in excess of \$100,000,000 (whether or not covered by insurance or indemnification agreements) and Lessor, the Owner Trustee, any Assignee or the Lender shall have given notice to Lessee stating that Lessor, the Owner Trustee, such Assignee or the Lender desires that this Fuel Lease be terminated;

(vi) If an event described in Section 15(a) or (b) hereof and affecting all or substantially all of the Nuclear Fuel or all or substantially all of the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production shall have occurred and Lessee shall not have stated in its notice required under Section 15(a) or (b) with respect thereto that repair or reconstruction or relocation and engagement or reassignment or the replacement as provided therein can be completed within two (2) years after such event, and Lessor, the Owner Trustee, any Assignee or the Lender shall have given notice to Lessee stating that Lessor, the Owner Trustee, such Assignee or the Lender desires that this Fuel Lease be terminated and five days shall have elapsed after such notice;

(vii) If an event described in Section 15(a) or (b) hereof and affecting all or substantially all of the Nuclear Fuel or all or substantially all of the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production shall have occurred and Lessee shall have stated in its notice required under Section 15(a) or (b) with respect thereto that repair or reconstruction, relocation and engagement or reassignment or the replacement can be completed within two (2) years after such event, but Lessee shall have failed within such two (2) years to complete the same and Lessor, the Owner Trustee, any Assignee or the Lender shall have given notice to Lessee stating

that Lessor, the Owner Trustee, such Assignee or the Lender desires that this Fuel Lease be terminated and five (5) days shall have elapsed after such notice;

(viii) If any government license, approval, or consent granted to Lessee with respect to the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production, without which license, approval or consent Lessee cannot continue to operate such Generating Facilities shall have been revoked or modified in a materially adverse manner and (A) Lessee does not, in good faith, within sixty (60) days of such revocation or modification, represent in writing to Lessor that Lessee has made a good faith determination that the Generating Facilities will return to operation within two (2) years of such revocation, (B) at any time during such 2-year period, such representation could not be reaffirmed after Lessee shall have delivered such representation, or (C) within such 2-year period, the Generating Facilities are not, in fact, returned to operation; or

(ix) If the Generating Facilities shall cease to be in Heat Production for a period of two (2) years after Heat Production is commenced and Lessor, the Owner Trustee, any Assignee or the Lender shall have given notice to Lessee stating that Lessor, the Owner Trustee, such Assignee or the Lender desires that this Fuel Lease be terminated and twenty (20) days shall have elapsed after such notice.

(b) Upon the happening of any Terminating Event, or upon the scheduled expiration of the term of this Fuel Lease as to all of the Nuclear Fuel, this Fuel Lease shall cease and terminate, except (i) with respect to obligations and liabilities of Lessee, actual or contingent, which arose under this Fuel Lease on or prior to the date of termination, (ii) for the provisions of Sections 3, 6(c), 7 (except to the extent modified by this Section 17), 8, 9, 10, 11, 12, 13, 14, 16 and 25(d) hereof and in this Section 17, and all obligations of Lessee thereunder shall continue independently of the termination of this Fuel Lease until the delivery of documentation by Lessor and the payment by Lessee provided for below in this Section 17, and (iii) that Lessee's obligations under Section 20 hereof shall survive any termination of this Fuel Lease.

(c) Upon such termination, the entire interest of Lessor in the Nuclear Fuel shall (except as provided in the last sentence of this subsection 17(c)) automatically transfer to and be vested in Lessee, without the necessity of any further action by either Lessor or Lessee, but subject to the rights of any Assignee under the Loan Documents, and to the liens and security interests created thereby; provided, however, that if Lessee shall have assigned its interest therein to any Person lawfully entitled to receive the same as in accordance with Section 18(b) hereof and Lessor shall not have in writing disapproved such assignment for reasonable cause within twenty (20) days after notice thereof, the entire interest of Lessor in the Nuclear Fuel shall, upon such termination, automatically transfer to and be vested in such Person designated by Lessee, subject, however, to compliance with such approved terms of such transfer and subject also to the rights of any Assignee under the Collateral Agreements, and to the liens and security interests created thereby. If this Fuel Lease shall terminate as a result of the occurrence of a Terminating Event described in clauses (ii) through (v) of subsection 17(a) hereof, then, in such event, immediately following the transfer of Lessor's interest in the Nuclear Fuel as provided in this subsection 17(c), at the request of Lessor, Lessee at its own cost and expense shall execute and deliver from time to time such security agreements, financing and continuation statements and

such other instruments as may be reasonably requested by Lessor in order to confirm the existence of, or create, a security interest in the Nuclear Fuel, and shall, at its cost and expense, cause such documents to be recorded, filed or registered and to be re-recorded, refiled or re-registered in such manner and at such times and in such places as may be required by any present or future law applicable to the Nuclear Fuel in order to perfect and preserve such interest or as may be reasonably requested by Lessor. If this Fuel Lease shall terminate for any reason other than as a result of the occurrence of a Terminating Event described in clauses (ii) through (v) of subsection 17(a) hereof, then, in such event, at the request of Lessor, Lessee at its own cost and expense shall execute and deliver from time to time such security agreements, financing and continuation statements and such other instruments as may be reasonably requested by Lessor in order to confirm the existence of, or create, a security interest in the Nuclear Fuel, and shall, at its cost and expense, cause such documents to be recorded, filed or registered and to be re-recorded, refiled or re-registered in such manner and at such times and in such places as may be required by any present or future law applicable to the Nuclear Fuel in order to perfect and preserve such interest or as may be reasonably requested by Lessor, and Lessor's interest in the Nuclear Fuel shall not be transferred to Lessee or such other Person until such actions have been duly and properly taken.

(d) Promptly after either party hereto shall learn of the happening of any Terminating Event, such party shall give written notice thereof to the other party hereto (and in the case of such a notice to Lessor, signed also by any other Person in whom title to the Nuclear Fuel shall have vested or is to vest as aforesaid) which notice shall (x) acknowledge that this Fuel Lease has terminated, subject to the continuing obligations of Lessee specified above in this Section 17, and that title to and ownership of the Nuclear Fuel has transferred to and vested in or will transfer to and vest in Lessee or such other Person, and (y) subject to the next sentence of this subsection, specify a settlement date (the "**Settlement Date**") occurring, if the notice is given by Lessor, sixty (60) days after the giving of such notice or, if the notice is given by Lessee, not more than sixty (60) days after the giving of such notice; provided, however, that in case of a Terminating Event described in any of clauses (ii), (iii), (iv), or (v) or, if the Lessee does not make the representation referred to therein, clause (viii) of subsection 17(a), the Settlement Date shall be one hundred and twenty (120) days if the notice is given by Lessor, and not more than one hundred and twenty (120) days if given by Lessee, after the giving of such notice; and provided further that in no event shall the Settlement Date in respect of any Terminating Event be later than May 12, 2024. If any Settlement Date determined in accordance with this Section 17 would occur after May 12, 2024, the "Settlement Date" shall be deemed for all purposes of this Agreement to be May 12, 2024. In the event the termination shall be by reason of the scheduled expiration of the term of this Fuel Lease as to all of the Nuclear Fuel, each of the parties shall give to the other a notice as of the scheduled expiration date to the effect described in clause (x) of the preceding sentence (and in the case of such a notice to Lessor, signed also by any other Person in whom title to the Nuclear Fuel shall have vested as aforesaid and the Settlement Date shall be such scheduled expiration date. On the Settlement Date (time being of the essence), Lessee shall be obligated to pay or cause to be paid to Lessor as the purchase price for Nuclear Fuel an amount equal to the sum of (i) the then-unamortized principal amount of the Loan as of the Settlement Date plus (ii) any accrued and unpaid interest as of the Settlement Date plus (iii) any other accrued but unpaid amounts owing under the Basic Documents through the Settlement Date, including, but not limited to breakage

costs, if any, incurred by the Lender if the Settlement Date is a date other than a Basic Rent Payment Date.

(e) Upon receipt of such payment in full, Lessor shall be obligated to deliver a Lessor's Bill of Sale acknowledging the above-described transfer and vesting of title and ownership of the Nuclear Fuel in Lessee or in such other Person designated by Lessee (including therein the release of any security interest under the Collateral Agreements). Lessee shall pay all reasonable costs and expenses in connection with such transfer, including all escrow fees, search and recording and filing fees, reasonable attorneys' fees and all Impositions which may be incurred by reason of the transfer and all applicable federal, state and local sales, use and other taxes (except income taxes on any fees payable at such time) which may be incurred or imposed by reason of the transfer then being made by Lessor or by reason of the delivery of said instruments of transfer and release, provided, however, that Lessee's obligation to make payments shall not be conditioned upon receipt of such Bill of Sale and releases.

(f) If Lessee shall have made the payment required pursuant to subsection 17(d), then any payments which have been theretofore or may thereafter be received in respect of the Nuclear Fuel as a result of a Taking under Section 16 or damage or loss under Section 15 and which have not been expended as provided herein shall be paid or payable to Lessee, as the case may be.

Section 18. Conditions of Conveyance.

(a) Upon the release of any Nuclear Fuel from this Fuel Lease or upon the conveyance by Lessor of any Nuclear Fuel pursuant to the provisions of this Fuel Lease, (i) Lessor need not transfer any better title thereto or better ownership interest therein than it obtained pursuant to this Fuel Lease, (ii) all such transfers shall be without any representation or warranty of any kind, express or implied, except that Lessor shall warrant that it has not permitted any Lien, exception or restriction to attach to such Nuclear Fuel other than as contemplated by this Fuel Lease and the Basic Documents or as caused by Lessee and except that Lessor shall obtain and deliver a release of all security interests under the Collateral Agreements as to the affected Nuclear Fuel, and (iii) Lessee (or any other Person to whom title is transferred as provided herein) shall accept the same subject to all Liens, exceptions and restrictions attaching thereto, whether before or after such Nuclear Fuel became subject to this Fuel Lease (except as provided in clause (ii) above or for any resulting from any acts of Lessor, the Owner Trustee, or any Assignee or the Lender, other than such acts taken pursuant to and in accordance with this Fuel Lease and the Basic Documents), and subject to all applicable laws, regulations and ordinances.

(b) Whenever Lessee has the right or obligation to obtain the release of any Nuclear Fuel from this Fuel Lease pursuant to any provision hereof or whenever any Nuclear Fuel is to be conveyed to Lessee pursuant to the provisions hereof, Lessee may cause such Nuclear Fuel to be released to any other Person lawfully entitled to receive the same specified by Lessee in a notice to Lessor given at least fifteen (15) days prior to the date of such release; provided, however, that nothing specified in this subsection 18(b) shall in any way impair or affect the obligations of Lessee under this Fuel Lease; and provided further that at the time of any such release Lessee shall deliver to Lessor, the Owner Trustee, each Assignee and the Lender the undertaking of Lessee, satisfactory in form and substance to each of them,

indemnifying and holding harmless each of Lessor, the Owner Trustee, each Assignee and the Lender and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, employees, agents and servants from and against any and all loss, liability, cost and expense incurred by any of them by reason of such release.

(c) Upon any release of any Nuclear Fuel pursuant to any right or obligation of Lessee to obtain the release of Nuclear Fuel from this Fuel Lease under any provision hereof or upon the conveyance by Lessor of any Nuclear Fuel pursuant to the provisions of this Fuel Lease, Lessee shall pay all costs and expenses in connection with such release, including all escrow fees, search and recording and filing fees, reasonable attorneys' fees and all Impositions and all applicable federal, state and local sales, use and other similar taxes which may be incurred or imposed by reason of the release then being made by Lessor or by reason of the delivery of any instruments of release or conveyance.

Section 19. Lease Events of Default and Remedies.

(a) Any of the following events shall constitute a "**Lease Event of Default**":

(i) failure to pay when due any amount payable pursuant to Section 24 hereof and the continuance of such default for ten (10) days after notice to Lessee; or failure to pay when due any portion of any Basic Rent or Special Payment and the continuance of such default for five (5) days thereafter; or

(ii) failure to perform or observe any of the obligations or covenants of Lessee under subsections 14(a), 14(b) or 14(c) hereof; or failure to obtain the release of any Nuclear Fuel under subsection 7(c) hereof when required by subsections 15(a) or 15(b) hereof; or

(iii) failure to perform or observe any of the other obligations or covenants of Lessee hereunder and the continuance of such failure for thirty (30) days after notice to Lessee by Lessor or any Assignee or the Lender; or

(iv) any representation or warranty made by Lessee in connection with this Fuel Lease shall be false in any material respect on the date as of which made; or

(v) any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Lessee or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(vi) any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Lessee or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Lessee or any Significant Subsidiary and either (i)

enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(vii) the Lessee or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Lessee or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of sixty (60) days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Lessee or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (vii); or

(viii) (i) the termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by the Lessee or any of its ERISA Affiliates shall have occurred and the liability of the Lessee and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (ii) any other ERISA Event shall have occurred and the liability of the Lessee and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000.

(b) Upon the occurrence of any Lease Event of Default, Lessor may (subject to the rights assigned to the Lender) in its discretion do any one or more of the following:

(i) treat the Lease Event of Default as a Terminating Event effected by Lessee under Section 17(a) hereof, entitling Lessor to the consequent benefits of Sections 17(b), (c) and (d) hereof and in general proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by Lessee of the applicable provisions of this Fuel Lease; or

(ii) by notice to Lessee terminate this Fuel Lease, whereupon Lessee's interest and all right of Lessee and Persons claiming through or under Lessee to the use of Nuclear Fuel shall forthwith terminate but Lessee shall remain liable with respect to obligations and liabilities, actual or contingent, which arose under this Fuel Lease on or prior to the date of such termination and Lessee's obligations set forth in Section 20 and this Section 19(b)(ii) and, until the earlier of (1) Lessee's taking possession of the Nuclear Fuel or (2) final and uncontested payment of the amounts referred to in (A) and (B) below, Sections 8, 9, 11 and 14 hereof; and upon such termination Lessor shall have the immediate right of possession of the Nuclear Fuel (to the extent not prohibited by law) and the right, at Lessor's election but only in accordance with applicable law, either

to enter the Generating Facility or any other premises where the Nuclear Fuel or any portion thereof is located and remove the Nuclear Fuel or such portion thereof there located (to the extent not prohibited by and in compliance with law) or cause the same to be done by any Person entitled by law so to do, in which case Lessor shall not be responsible for any damage to the Generating Facility or such premises, except for damage resulting from Lessor's bad faith, willful misconduct or gross negligence (Lessee hereby agreeing to indemnify and hold Lessor harmless from all losses and liabilities in respect of any such damage to the Generating Facility, such premises or the Nuclear Fuel or injury to Lessor's, Lessee's or such other Person's employees sustained in the course of such removal, except any such damage resulting from Lessor's bad faith, willful misconduct or gross negligence, provided that Lessee hereby further agrees that the misconduct or negligence of an Assignee shall not be imputed to Lessor), or to require Lessee, at Lessee's expense, to deliver the Nuclear Fuel or any portion thereof, properly containerized and insulated for shipping, at the Generating Facility and consigned to a Person specified by Lessor and licensed to receive such Nuclear Fuel, in which case the risk of loss shall be upon Lessee until such delivery is made; and Lessor may thenceforth hold, possess and enjoy the Nuclear Fuel (to the extent not prohibited by law) and may sell Lessor's interest in the Nuclear Fuel or any portion thereof upon any terms deemed satisfactory to Lessor, free from any rights of the Lessee and any Person claiming through or under Lessee; but Lessor shall, nevertheless, have the right to recover forthwith from Lessee (A) any and all Basic Rent, Special Payments and all other amounts payable by Lessee hereunder which may be due and unpaid immediately prior to such termination or which may then be accrued and unpaid; and (B) as liquidated damages for loss of the bargain and not as a penalty, an amount equal to the excess of (x) the sum of (i) the SLV of the Nuclear Fuel as of the date of such termination of this Fuel Lease plus (ii) the Termination Rent, if any, over (y) the amount, if any, realized by Lessor in a sale of the Nuclear Fuel (at which Lessor may be a purchaser), without set-off, defense or reduction other than a deduction from the sale price of all the costs of such sale, including Lessor's expenses and attorneys' fees in connection with asserting its rights hereunder and consummating such sale, and other commissions, sales taxes and other customary charges; it being understood that Lessor shall have no obligation to conduct any such sale, and that Lessor may, in lieu of conducting such sale, transfer and convey title to, and its entire ownership interest in, the Nuclear Fuel to Lessee or any trustee or liquidator therefor upon the terms and conditions set forth in Section 18, but that, if Lessor conducts such sale, the Nuclear Fuel may be sold free and clear of all rights of Lessee.

Lessee hereby waives, to the full extent not prohibited by law, any right it may now or hereafter have to require the sale, in mitigation of damages, of the Nuclear Fuel or any portion thereof consequent to a Lease Event of Default.

(c) Pending Lessor's exercise of any available remedy to take or deliver to a third party possession of any Nuclear Fuel, Lessee shall be responsible for the storage of the Nuclear Fuel.

(d) The remedies herein provided in favor of Lessor in case of a Lease Event of Default as hereinabove set forth shall not be deemed to be exclusive, but shall be cumulative

and shall be in addition to all other remedies in its favor existing at law, in equity or in bankruptcy.

Section 20. Indemnification by Lessee.

Without limitation of any other provision of this Fuel Lease, Lessee shall pay, and shall protect, indemnify and save harmless Lessor, the Owner Trustee, each Assignee and the Lender and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, direct or indirect membership interest holders, employees, agents and servants (collectively, the “**Indemnitees**”) from and against any and all liabilities (other than, as to an Indemnatee, liabilities arising out of the bad faith, gross negligence or willful misconduct of such Indemnatee), taxes (excluding, however, taxes measured solely by the net income of any Person indemnified or intended to be indemnified pursuant to this Section 20, except as otherwise provided in subsection 3(d) hereof), losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) and judgments of any nature relating to, arising out of or in connection with: (i) this Fuel Lease (including schedules hereto), any Assignment Agreement, Assigned Agreement, Nuclear Fuel Contract or Partially Assigned Agreement, (ii) Lessor’s ownership of Nuclear Fuel, (iii) Fuel Management, (iv) the creation with Lessee’s written consent of a security interest in Nuclear Fuel in favor of any Assignee, (v) the assignment with Lessee’s written consent of Lessor’s rights hereunder in favor of any Assignee, (vi) any transfer of Nuclear Fuel or rights therein, or (vii) any action or inaction of any Indemnatee in connection with the Basic Documents. If any action, suit or proceeding arising from any of the foregoing is brought against any Indemnatee, Lessee will, at Lessee’s cost and expense, resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by Lessee and reasonably acceptable to such Indemnatee, with full power to litigate, compromise or settle the same with the prior consent of such Indemnatee, such consent not to be unreasonably withheld. The foregoing indemnity shall not limit any indemnification to which any Indemnatee may otherwise be entitled. Any payment to any Indemnatee pursuant to this Fuel Lease shall be increased to such amount as will, after taking into account (i) all taxes imposed with respect to the accrual or receipt of such payment by such Indemnatee (as the same may be increased pursuant to this sentence) and (ii) any deductions or credits under any applicable tax law attributable to the accrual or receipt of such payment or taxes for which payment has been made, equal the amount of the payment. The obligations of Lessee under this Section 20 shall survive any termination of this Fuel Lease, in whole or in part.

Section 21. Surrender; Acceptance of Surrender.

No surrender of this Fuel Lease or of the Nuclear Fuel or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by Lessor or any representative or agent thereof, other than such written agreement and acceptance by Lessor, shall constitute an acceptance of any such surrender. No surrender of this Fuel Lease or of the Nuclear Fuel or of any interest therein and no acceptance of any such surrender shall reduce or release Lessee’s obligations to make the rental and other payments provided for herein, all of which are absolute, unconditional and independent covenants.

Section 22. Estoppel Certificates; Information; Financial Information; Financial Covenant.

(a) Lessee will, within ninety-five (95) days after the end of each quarter of each fiscal year, deliver to the Lessor and the Lender a statement, executed by a vice president, assistant vice president, treasurer, assistant treasurer, secretary, assistant secretary, controller or assistant controller of Lessee, certifying that this Fuel Lease is unmodified and in full force and effect (or, if there have been modifications, that this Fuel Lease is in full force and effect as modified, and identifying such modifications), and that no Lease Event of Default or Lease Default has occurred (or specifying the nature and period of existence of any thereof and what action Lessee is taking or proposes to take with respect thereto), it being intended that any such statement may be relied upon by Lessor, the Owner Trustee, and the Lender.

(b) Lessee will deliver to Lessor, each Assignee and the Lender:

(i) as soon as available and in any event within ninety (90) days after the end of each of the first three quarters of each fiscal year of Lessee, a copy of the consolidated balance sheet of Lessee and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of Lessee and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of Lessee as having been prepared in accordance with generally accepted accounting principles and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of Lessee as to compliance with the terms of this Fuel Lease and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 22(d); provided that in the event of any change in GAAP used in the preparation of such financial statements, Lessee shall also provide, if necessary for the determination of compliance with Section 22(d), a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) as soon as available and in any event within one hundred and twenty (120) days after the end of each fiscal year of Lessee, a copy of the annual audit report for such year for Lessee and its Subsidiaries, containing a consolidated balance sheet of Lessee and its Subsidiaries as of the end of such fiscal year and consolidated statements and income and cash flows of Lessee and its Subsidiaries for such fiscal year, in each case accompanied by an opinion by Deloitte & Touche LLP or PricewaterhouseCoopers LLP or other independent registered public accounting firm acceptable to the Lender, and consolidating statements of income and cash flows of Lessee and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of Lessee as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 22(d), provided that in the event of any change in GAAP used in the preparation of such financial statements, Lessee shall also be provided, if necessary for the determination of compliance with Section 22(d), a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) as soon as possible and in any event within five (5) days after the chief financial officer or treasurer of Lessee obtains knowledge of the occurrence of each Lease Event of Default or Lease Default relating to Lessee continuing on the date of such statement, a statement of the chief financial officer or treasurer of Lessee setting forth details of such Lease Event of Default or Lease Default and the action that such Lessee has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all Reports on Form 8-K that the Lessee or any Significant Subsidiary of the Lessee files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator, including without limitation, any Environmental Action, affecting Lessee or any Significant Subsidiary of Lessee that is reasonably likely to have a Material Adverse Effect;

(vi) prior to the date for the timely recordation of continuation statements and other documents filed or caused to be filed in accordance with Sections 8(b) and 17(c) of this Fuel Lease in order to maintain, protect, preserve and perfect the liens and security interests in the Collateral in effect as legal, valid and enforceable liens and security interests, evidence of the due recordation of such continuation statements and other documents; and

(vii) with all reasonable promptness, such other information and data with respect to Lessee, the Nuclear Fuel (including the SLV thereof) or the Generating Facilities as may reasonably be requested by Lessor, any Assignee or the holders of a majority of the Notes.

The financial reports required to be delivered by Lessee under subsections (i) and (ii) above shall be delivered in the form of Lessee's Quarterly Report on Form 10-Q or Annual Report on Form 10-K, in each case, for the applicable fiscal period, if Lessee is required pursuant to applicable law to file, or does file, such reports with the Securities and Exchange Commission.

The information required to be delivered pursuant to subsections (i), (ii) and (iv) above shall be deemed to have been delivered if such information shall be available on the website of the Securities and Exchange Commission at <http://www.sec.gov> or any successor website.

(c) All financial statements referred to in subsection 22(b) hereof shall fairly present the financial position and results of operations of Lessee as of the dates and for the periods specified therein and shall be prepared in accordance with generally accepted accounting principles and policies consistently applied (except as may otherwise be specified therein and except, with respect to interim, unaudited financial statements, for certain footnote disclosure and other details not normally included in such interim, unaudited financial statements) throughout the periods covered thereby.

(d) Lessee will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.00.

Section 23. Inspection; Right to Enter Generating Facilities.

Lessor, any Assignee, the Lender holding in the aggregate more than 10% of the Notes or any authorized representatives of any of them may, but shall not be obligated to, upon not less than five (5) days' notice, (i) enter the Generating Facilities at reasonable times, subject to applicable security regulations governing access thereto, for the purpose of inspecting the Nuclear Fuel and the reactors in which it may be loaded from time to time (subject to their availability for inspection) and (ii) discuss their condition and performance with the responsible officers of Lessee; and Lessee agrees to take such reasonable and customary steps as are appropriate to facilitate such inspection and discussions; provided, however, that, unless an Event of Default has occurred and is continuing, such inspection right shall be limited to one inspection per calendar year. Lessor shall not incur any liability or obligation for not making any such inspection or for not conducting any such discussion.

Section 24. Right to Perform Lessee's Covenants.

If Lessee shall fail to make any payment or perform any act required to be made or performed by it hereunder, Lessor or any Assignee, upon notice to Lessee but without waiving or releasing any obligation or Lease Default, or Lease Event of Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the cost and expense of Lessee. All such payments made by Lessor or any Assignee and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) made or incurred by Lessor or any Assignee in connection with any such payment or performance shall be paid to Lessor, or such Assignee, upon demand therefor, with interest on the amounts so expended or incurred at a rate per annum equal to the Default Rate during the period from and including the date so expended or incurred to the date of repayment.

Section 25. Representations, Warranties and Covenants of Lessee.

(a) Lessee (i) acknowledges receipt of an executed copy of the Basic Documents and agrees that such copies constitute adequate notice of all matters contained therein and consents to the execution and delivery of same and the performance of all of the transactions provided for therein and (ii) agrees not to take or omit to take any action if such action or omission would result in a Lease Event of Default under the Fuel Lease.

(b) Lessee agrees to furnish to each Assignee and the Lender a copy of each notice, report, schedule, certificate or other document or instrument furnished to Lessor contemporaneously with the furnishing thereof to Lessor.

(c) Without waiver of or prejudice to any rights or remedies otherwise available under law or in equity, Lessee agrees that its obligations to make all rental and other payments payable by it under this Fuel Lease are absolute and unconditional and are independent of its use or enjoyment of any Nuclear Fuel or the performance by Lessor of any of its obligations under the Basic Documents or the realization by Lessee of the benefits sought by the

transactions contemplated by the Basic Documents and that it will make all rental and other payments payable by it under this Fuel Lease and all payments regardless of (i) the validity of the organization of Lessor, the termination of the existence of Lessor or the illegality, invalidity or unenforceability of any of the Basic Documents or the Obligations, (ii) any defense, claim, set-off, recoupment, abatement or other right, existing or future, which Lessee may have against Lessor, (iii) whether a lien on or security interest in the Collateral shall have been perfected or shall continue to be perfected or whether the Collateral shall otherwise be impaired in any manner, (iv) whether Lessor shall have amended, extended, supplemented, accelerated, surrendered, released, waived, terminated or otherwise modified any of the terms of provisions of, or any of its rights, powers or remedies under, any of the Basic Documents or the Obligations, (v) the impossibility of performance by Lessor or any inaccuracy of any representation, warranty or statement made by or on behalf of Lessor or any other Person, (vi) the bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up, arrangement, composition, readjustment of debt or similar event with respect to Lessor, (vii) whether a Taking shall have occurred or whether any damage to, destruction of or malfunction of any or all of the Nuclear Fuel or the Generating Facilities shall have occurred, or (viii) any other circumstance, whether similar or dissimilar, which in any manner would constitute a legal, equitable or other excuse for nonperformance by Lessee.

(d) Lessee agrees to pay all costs and expenses (including, without limitation, reasonable counsel fees and expenses) incurred in connection with enforcing any rights under the Basic Documents.

(e) Lessee shall not provide to any Person, in order to induce such Person to extend credit to Lessor, any collateral other than the Collateral described in the Loan Agreement or any guarantee or other assurance against loss or non-payment, nor shall any Person cause Lessor to provide such additional collateral, guarantee or assurance (or consent to the provision thereof by Lessor) unless, in each case, all outstanding Secured Obligations shall have equally and ratably been accorded the benefit of such additional collateral, guarantee or assurance, whether such benefit is contained in an amendment to this Fuel Lease or otherwise.

(f) Lessee shall not agree to any affirmative or negative covenant with respect to the business, operations or properties or condition, financial or otherwise, of Lessee with any Person in order to induce such Person to extend credit to Lessor unless such covenant is included in this Fuel Lease.

(g) Lessee shall not purchase, directly or indirectly, any of the Secured Obligations.

(h) Lessee shall make all payments of Basic Rent to the Lender's account referenced in Section 3(a) and shall not agree to any modifications of or changes to such Section without the prior written consent of the Lender.

(i) Lessee is a Subsidiary of American Electric Power Company, Inc.

Section 26. Assignments.

As provided herein, Lessor may grant a security interest in or an assignment of all or part of its right, title and interest in this Fuel Lease to any Assignee or Assignees (including, but not limited to, the Lender) and grant a security interest in the Nuclear Fuel pursuant to the Collateral Agreements. No Assignee shall have any liability hereunder or be obligated to perform any duty, covenant or condition required to be performed by Lessor under any of the terms hereof, and Lessee by its execution hereof acknowledges and agrees that notwithstanding any such grant or assignment each and all such duties, covenants or conditions required to be performed by Lessor shall survive any such assignment and any such grant of a security interest and shall be and remain the sole liability of Lessor. Upon any such assignment by Lessor, such Assignee or Assignees shall succeed to all of the rights, privileges and powers of Lessor provided in this Fuel Lease as to such right, title, or interest so assigned.

Section 27. No Merger.

There shall be no merger of this Fuel Lease or of the leasehold interest created by this Fuel Lease with the absolute ownership interest in the Nuclear Fuel by reason of the fact that the same entity may at any time or from time to time acquire or own or hold, directly or indirectly, (i) this Fuel Lease or the leasehold interest created by this Fuel Lease or any other interest in this Fuel Lease or in any such leasehold interest, and (ii) the absolute ownership or other interest in the Nuclear Fuel, and no such merger shall occur unless and until all entities, including each Assignee, having any interest in (y) this Fuel Lease or the leasehold interest created by this Fuel Lease and (z) the absolute ownership or other interest in the Nuclear Fuel shall join in an instrument effecting such merger and shall duly record the same.

Section 28. Notices.

All notices, demands, instructions and other communications required or permitted to be given or to made upon either of the parties hereto or any other Person shall be in writing and (except for financial statements and regulatory filings and orders pertaining to Lessor or Lessee, which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by telecopier or e-mail, and shall be deemed to be given for purposes of this Fuel Lease on the day that such writing is delivered or sent to the intended recipient thereof in accordance with the provisions of this Section 28. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 28, notices, demands, instructions and other communications shall be given to or made upon the following parties at their respective addresses (or to their respective telecopier numbers indicated below):

If to Lessor:

DCC Fuel Trust XIV
c/o The Huntington National Bank, as Owner Trustee
7 Easton Oval-EA5W43
Columbus, OH 43219
Telephone No. (614) 331-8698
Telecopier No. (614) 331-5862
E-mail: James.Schultz@huntington.com

If to Lessee: Indiana Michigan Power Company
1 Riverside Plaza
Columbus, OH 43215
Attention: Treasurer
Telephone No. (614) 716-2208
Telecopier No. (614) 716-2807
E-mail: lldieck@aep.com

If to any Assignee or the Lender, to such Assignee or the Lender at the notice address most recently provided by such Assignee or the Lender to Lessee or Lessor, as applicable.

All notices, demands, instructions and other communications required or permitted to be given to or made upon Lessor by Lessee hereunder, and all certificates, schedules, reports, financial statements and other documents required or permitted to be furnished or delivered to Lessor by Lessee hereunder, shall be concurrently given, made, furnished or delivered (as the case may be) to the Lender at its address specified in the Basic Documents.

Section 29. Amendments.

This Fuel Lease may not be amended or modified, nor may any obligation hereunder be waived, orally, and no amendment, modification or waiver of this Fuel Lease shall be effective for any purpose unless it is in writing, signed by both parties hereto and consented to in writing by the Lender.

Section 30. Severability; Waiver.

Any provision of this Fuel Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee and Lessor hereby waive any provision of law now or hereafter existing which renders any provision hereof prohibited or unenforceable in any respect.

Section 31. Special Considerations.

(a) Notwithstanding the provisions of Section 6(a), it is recognized that for purposes of Michigan law, this Fuel Lease may be deemed to constitute a financing lease transaction and title to Nuclear Fuel located in the State of Michigan may be deemed to vest in Lessee. For tax purposes, both federal and state (including, without limitation, the State of Michigan), neither Lessor nor Lessee shall file any tax returns or reports or take any similar action which would be inconsistent with that assumption.

(b) To the extent that the Nuclear Fuel is or becomes eligible for the work incentive credit or the investment credit or service credit or other similar credit under the Code as in effect on the date hereof or as thereafter amended from time to time, Lessor at Lessee's request shall elect to treat Lessee as having acquired the Nuclear Fuel and shall provide Lessee

with an appropriate credit election. Lessee shall provide Lessor with a report or statement with respect to all Nuclear Fuel as to which such credit election is applicable, and such report or statement shall be in such form as may be required for Internal Revenue Service reporting.

Section 32. Assignment of Rights Under Nuclear Fuel Contracts and Assigned Agreements.

(a) Neither any assignment contemplated by this Fuel Lease, nor any action or inaction on the part of Lessor under this Fuel Lease or otherwise, shall (i) release Lessee from any of its obligations and agreements under any Nuclear Fuel Contract, (ii) constitute an assumption of any such obligations or agreements on the part of Lessor or any Assignee or the Lender or (iii) impose any obligation or liability whatsoever on Lessor or any Assignee or the Lender. No action or failure to act on the part of Lessee shall adversely affect or limit in any way the rights of Lessor under this Fuel Lease or under any Nuclear Fuel Contract.

(b) Lessee at its cost and expense will perform and comply with all the terms and provisions of each Nuclear Fuel Contract to be performed or complied with by it; will maintain each Nuclear Fuel Contract in full force and effect; and will enforce each of the Nuclear Fuel Contracts in accordance with their respective terms and will take all such action to that end as from time to time may be reasonably requested by Lessor.

(c) Without the prior written consent of Lessor and each Assignee and the Lender (which consent shall not be unreasonably withheld), Lessee will not (i) cancel, amend in any material respect or terminate any Nuclear Fuel Contract or consent to or accept any cancellation or termination thereof, (ii) waive any material default under or breach of any Nuclear Fuel Contract, or (iii) take any other action in connection with any Nuclear Fuel Contract which would materially impair the interests or rights (or value thereof) of Lessee thereunder or of Lessor or any Assignee or the Lender in connection therewith.

(d) Lessee will promptly deliver to Lessor copies of all notices, requests, agreements and other documents received or delivered by Lessee under or with respect to any Nuclear Fuel Contract which are material to the interests or rights (or value thereof) of Lessee thereunder or of Lessor or any Assignee or the Lender in connection therewith. Lessee will from time to time, upon request of Lessor, furnish Lessor such information concerning the Nuclear Fuel, any Nuclear Fuel Contract or the Generating Facilities as Lessor may reasonably request. Lessor shall preserve the confidentiality of any information which, under the terms of the relevant Nuclear Fuel Contract, is required to be kept confidential.

(e) Lessee will not change its principal place of business and chief executive office or remove therefrom its records concerning the Nuclear Fuel Contracts unless it gives Lessor at least 30 days' prior written notice thereof.

(f) Lessee hereby represents and warrants and agrees that: (i) each Nuclear Fuel Contract is in full force and effect and Lessee has delivered to Lessor a true and complete copy of each such Nuclear Fuel Contract as presently in effect; (ii) except as contemplated by the Basic Documents, as of the date hereof, Lessee has not sold, assigned or transferred, or created any security interest in, the Nuclear Fuel, any Nuclear Fuel Contract or any part thereof (except for such portions of Partially Assigned Agreements which are not assigned to Lessor); (iii)

Lessee has not agreed to any amendment, modification or supplement which would constitute part of any Nuclear Fuel Contract (other than as disclosed in connection with clause (i) of this subsection 32(f)), or waived performance by any other Person obligated under any Nuclear Fuel Contract of any obligation of such Person thereunder; (iv) neither Lessee nor any other Person is in default in the payment, performance or observance of any term, covenant or agreement on its part to be performed or observed under any Nuclear Fuel Contract; (v) the Nuclear Fuel will be kept at the locations designated by Lessee in Fuel Schedules to be submitted from time to time hereunder; and (vi) no unreleased financing statement (other than (x) any which may have been filed on behalf of an Assignee or Lessor and (y) any which relate to such portions of Partially Assigned Agreements which are not assigned to Lessor, covering all or any part of the Nuclear Fuel or any Nuclear Fuel Contract) is on file in any public office.

Section 33. General.

(a) Lessor agrees that (i) Lessor will not terminate, amend, waive or modify or consent to any termination, amendment, waiver or modification of the Basic Documents without the prior written consent of Lessee and, for so long as the Loan Agreement Obligations are not satisfied in full, the Lender, (ii) Lessor will at all times comply with, observe and perform all of its covenants and agreements under the Basic Documents, (iii) Lessor will exercise its rights to issue the Notes under the Loan Agreement at the times and in the manner directed by Lessee and (iv) Lessor will promptly furnish to Lessee copies of all notices, requests, agreements and other documents received or delivered by Lessor under or with respect to the Basic Documents, to the extent that the same shall not have been delivered to Lessee pursuant thereto.

(b) This Fuel Lease shall be binding upon Lessee and Lessor and their respective successors and assigns, and shall inure to the benefit of Lessee and Lessor and the successors and assigns of Lessor and to the benefit of each Assignee and the Lender. Notwithstanding the foregoing provisions of this subsection 33(b), (i) no Assignee shall have any liability or obligation whatsoever under or in connection with this Fuel Lease and (ii) Lessee may not assign or otherwise transfer this Fuel Lease or any of its rights or interest hereunder without the prior written consent of Lessor. No assignment, transfer or delegation of duties by Lessee shall relieve it as a primary obligor hereunder.

(c) The terms and provisions of this Fuel Lease supersede all prior negotiations and oral understandings, if any, between Lessor and Lessee with respect to the transactions contemplated hereby.

(d) This Fuel Lease is intended to be only an obligation of DCC Fuel Trust XIV, as Lessor, and no recourse with respect to this Fuel Lease shall be had by Lessee against the Owner Trustee or any officer, director, employee, agent or shareholder of the Owner Trustee. This Fuel Lease is intended to be only a corporate obligation of Lessee and no recourse with respect to this Fuel Lease may be had by Lessor against any officer, director, employee, agent or shareholder of Lessee. All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of arise under, out or by reason of be connected with, or relate in any manner to this Fuel Lease, or the negotiation, execution, or performance of this Fuel Lease (including any representation or warranty made in, in connection with, or as an inducement to, this Fuel Lease), may be made only against (and are those solely of) the entities that are expressly identified as parties in the

preamble to this Fuel Lease ("**Contracting Parties**"), No Person who is not a Contracting-Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of and any financial advisor or lender to, any Contracting Party, or any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of and any financial advisor or lender to, any of the foregoing ("**Nonparty Affiliates**"), shall have any liability (whether in contract or in tort; in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Fuel Lease or based on, in respect of or by reason of this Fuel Lease or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with respect to the performance of this Fuel Lease or any representation or warranty made in, in connection with, or as an inducement to this Fuel Lease.

(e) Notwithstanding that the Lender has no obligations or liabilities of any kind or nature under this Fuel Lease, the Lender is an intended third party beneficiary of all rights stated to be granted in its favor under this Fuel Lease (including, but not limited to, rights to indemnification on behalf of itself and its related Indemnitees under Section 20) and the Lender shall have standing to enforce all such rights directly.

(f) The captions in this Fuel Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(g) THIS FUEL LEASE SHALL BE GOVERNED BY, AND BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO APPLICABLE TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF OHIO, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

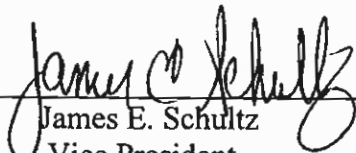
(h) This Fuel Lease is being executed by The Huntington National Bank, not in its individual capacity, but solely as Owner Trustee of DCC Fuel Trust XIV and in no case shall The Huntington National Bank be liable for any loss, claim, tax, liability, expense or penalty hereunder.

[Signature page follows]

CONFIDENTIAL

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officers thereunto duly authorized as of the date first above written.

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee


By: James E. Schultz
Its: Vice President

Signature Page to Fuel Lease

CONFIDENTIAL

INDIANA MICHIGAN POWER COMPANY



By: Renee V. Hawkins
Its: Assistant Treasurer

Signature Page to Fuel Lease

IURC CAUSE NO. 45417

Schedule A contains confidential information and has been redacted.

SCHEDULE B
TO
FUEL LEASE

LENDER ACCOUNT INFORMATION

MIZUHO BANK (USA)

Bank Name:	Mizuho Bank, Ltd., New York Branch
Bank Address:	1800 Plaza Ten, Harborside Financial Ctr., Jersey City, NJ 07311
Bank ABA No.:	026 004 307
Account No.:	H79-740-005344
Account Name:	ISA Loan Agency
Attention:	Edward Polanco
Reference:	DCC Fuel Trust XIV / Indiana Michigan Power Company / LAU / Mizuho Bank (USA)

SCHEDULE C
TO
FUEL LEASE

VENDOR'S BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, _____, a _____ corporation (the "**Vendor**"), whose post office address is _____ for and in consideration of the sum of \$1.00 paid to the Vendor by DCC FUEL TRUST XIV, an Ohio grantor trust (the "**Purchaser**"), whose post office address is _____, hereby conveys, transfers, sells and sets over to the Purchaser, its successors and assigns, all right, title, interest and claim of the Vendor in and to the personal property consisting of the assemblies of nuclear fuel or components thereof or other nuclear material described in Annex II to Fuel Schedule No. _____, a copy of which is attached hereto and made a part hereof (the "**Nuclear Fuel**"), and by this Bill of Sale does hereby grant, bargain, sell, transfer and deliver the Nuclear Fuel unto the Purchaser, to have and to hold the Nuclear Fuel, for itself and its successors and assigns, forever. The Nuclear Fuel shall be delivered to the Purchaser, as a necessary incident of this Bill of Sale, at any of the Generating Facilities in which INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "**Utility**"), has an interest, or at the facilities of a Manufacturer performing services on the Nuclear Fuel (designated by the Utility), in either case by the Vendor, its agents or a common carrier consigned to the Purchaser.

The Vendor hereby warrants itself to be the true and lawful owner of the Nuclear Fuel, free and clear of liens and encumbrances, and to have full power, good right and lawful authority to dispose of the same in the aforesaid manner; and the Vendor, for itself, its successors and assigns, does hereby covenant and agree with the Purchaser, its successors and assigns, to warrant and defend the true ownership of the Nuclear Fuel by the Purchaser against the claims and demands of all and every person or persons.

The Vendor and the Purchaser hereby acknowledge that, notwithstanding the sale of the Nuclear Fuel by the Vendor to the Purchaser hereunder, the Nuclear Fuel will be in the possession of the Utility, or in the possession of a Manufacturer performing services (including, without limitation, storage and processing) on the Nuclear Fuel for the account of the Utility, pursuant to a Fuel Lease dated as of November 12, 2019, including all amendments or supplements thereto, between the Purchaser, as lessor, and the Utility, as lessee. On the date hereof, the Purchaser is authorized by a general license to receive title to and own, but not to possess, the Nuclear Fuel, and under no circumstances shall a transfer of possession of the Nuclear Fuel to the Purchaser be necessary for the transfer of ownership effected and intended to be effected by this Bill of Sale.

IN WITNESS WHEREOF, the Vendor has caused this Bill of Sale to be executed in its corporate name, by one of its duly authorized Vice Presidents, and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary, and to be dated as of _____, 20__.

[CORPORATE SEAL]

[Name of Vendor]

ATTEST:

By: _____
Vice President

Secretary/Assistant Secretary

ACCEPTANCE

THIS BILL OF SALE is accepted by the undersigned as of the date last above written.

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

SCHEDULE D
TO
FUEL LEASE

FUEL SCHEDULE NO.

FUEL SCHEDULE NO. _____, dated as of _____, 20____, between DCC FUEL TRUST XIV, an Ohio grantor trust ("**Lessor**"), whose post office address is c/o The Huntington National Bank, as Owner Trustee, 7 Easton Oval – EA5W43, Columbus, Ohio 43219, and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation ("**Lessee**"), whose post office address is 1 Riverside Plaza, Columbus, Ohio 43215.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into a Fuel Lease, dated as of November 12, 2019 (the "**Fuel Lease**"), the defined terms therein being used herein with the same meanings as provided in the Fuel Lease; and

WHEREAS, the Fuel Lease provides for Fuel Schedules to be executed and delivered from time to time.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration and in compliance with the requirements of the Fuel Lease, Lessor and Lessee agree as follows:

1. (a) Lessee certifies that Annex II hereto is true and correct in all respects and that the amounts set forth therein have been computed in accordance with the provisions of the Fuel Lease. All necessary or advisable recordings, filings and registrations have been duly made in order to protect the validity and effectiveness of the Fuel Lease and the security interest created by the Collateral Agreements with respect to the Nuclear Fuel (except as permitted by subsection 7(e) of the Fuel Lease), with respect to the Fuel Lease and payments thereunder and with respect to any Nuclear Fuel Contract, and all fees, taxes and charges payable in connection with such recordings, filings and registrations have been paid in full by Lessee.

(b) Lessee hereby represents and warrants that (i) no Terminating Event or Lease Event of Default or event which with the giving of notice or the lapse of time or both would constitute a Terminating Event or a Lease Event of Default has occurred and is continuing and (ii) the matters set forth in the form of Exhibit B to the Loan Agreement are true and correct on the date hereof except for those matters which expressly relate to an earlier date.

2. Lessee requests Lessor to make direct payment to the Manufacturers or other persons named in Annex I hereto of the amounts specified in Annex I and/or to reimburse Lessee in an amount equal to _____ Dollars (\$ _____) for Fuel Costs previously incurred by Lessee or paid by Lessee directly to one or more Manufacturers. All of the amounts for which payment or reimbursement is hereby requested are properly included in Fuel Cost as defined in the Fuel Lease and none of said amounts has been previously paid or reimbursed by Lessor.

*3. (a) There are hereby added to the Fuel Lease those batches or assemblies of Nuclear Fuel or the component parts thereof or the rights thereto described in Annex II hereto or Exhibits thereto as being added to the Fuel Lease (the “**Additional Nuclear Fuel**”). The Additional Nuclear Fuel complies with all requirements of the Fuel Lease and of law including, without limitation, all Insurance Requirements and all Legal Requirements, and all necessary or advisable recordings and filings (including financing statements and continuation statements under any applicable Uniform Commercial Code) have been duly made in the public offices in which such recordings and filings must be made in order to subject, and publish notice of the subjection of, such Additional Nuclear Fuel to the Fuel Lease and to protect the validity and effectiveness of the security interest created by the Collateral Agreements with respect to such Additional Nuclear Fuel, and all fees, taxes and charges payable in connection with such recordings and filings have been paid in full by Lessee. Attached hereto as an exhibit is evidence of compliance with the provisions of Section 14 of the Fuel Lease with respect to such Additional Nuclear Fuel.

(b) Lessee hereby covenants and agrees with Lessor to warrant and defend the true ownership by Lessor of the Additional Nuclear Fuel against the claims and demands of every person. Lessee further warrants that such property is, and is intended to be and remain, personal property and is free and clear of all Liens, except Permitted Liens. Lessee further acknowledges that it has investigated the state of title to and rights of ownership in and possession of the Additional Nuclear Fuel and has made or caused to be made any physical inspection of the Additional Nuclear Fuel that Lessee deems necessary and that it is satisfied with and has approved the same for all purposes of the Fuel Lease.

*4. Pursuant to subsection 5(a) of the Fuel Lease, the SLV of the items of Nuclear Fuel previously described in Fuel Schedule No. _____, a copy of which is attached hereto, is charged to the amounts set forth in Annex II attached hereto.

*5. Pursuant to subsection 7(c) of the Fuel Lease, there are hereby removed from the Fuel Lease those items of Nuclear Fuel described in Annex II hereto as being removed from the Fuel Lease.

*6. Pursuant to [subsection 7(d)] [subsection 7(e)] of the Fuel Lease, the items of Nuclear Fuel previously described in Fuel Schedule No. _____, a copy of which is attached hereto, are to be described as set forth in Annex II hereto. Attached hereto as an exhibit is evidence of compliance with the provisions of Section 14 of the Fuel Lease with respect to such Nuclear Fuel.

*7. Pursuant to subsection 5(b) of the Fuel Lease, the SLV of the items of Nuclear Fuel previously described in Fuel Schedule No. _____, a copy of which is attached hereto, is reduced to the amounts set forth in Annex II hereto.

* Depending upon the purpose for which the Fuel Schedule is employed, the relevant paragraphs shall be included and renumbered as appropriate. In completing Annex II hereto, Lessee shall specify which items of Nuclear Fuel, if any, are to be added to or removed from the Fuel Lease.

8. Except as hereinbefore expressly modified and amended, the Fuel Lease is ratified and confirmed in all respects, including, without limitation, the obligations of Lessee to pay all Basic Rent, Special Payments and other amounts to be paid by Lessee under the Fuel Lease.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Fuel Schedule to be duly executed as of the date first above written.

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

ANNEX I
TO
SCHEDULE D

FUEL SCHEDULE NO. _____

FUEL COSTS PAYABLE

Date: _____

Material or
Service Supplied

Manufacturer

Allocated
Fuel Cost
Payable

U308 Supply

Conversion

Enrichment

Fabrication

Other (Identify)

Total

\$ _____

INDIANA MICHIGAN POWER COMPANY

By: _____

Its: _____

PART I
TO ANNEX II
TO SCHEDULE D

FUEL SCHEDULE NO. _____

CONTRACT RIGHTS OF LESSEE TO NUCLEAR FUEL

Date: _____

[The following are hereby [added to] [removed from] the Fuel Lease in accordance with the provisions thereof.] [The following changes in SLV are made pursuant to and in accordance with the Fuel Lease.]

1. Date of Nuclear Fuel Contract:
2. Nuclear Fuel Contract Obligor(s):
3. Nature of Nuclear Fuel Contract:
4. Description of Nuclear Fuel State:
5. Physical Location of Nuclear Fuel:
6. Existing SLV:
7. Changes in SLV:
8. Adjusted SLV:

[A true and complete copy of the above referenced Nuclear Fuel Contract, together with the original Assignment Agreement relating thereto, is attached hereto.] [A true and complete copy of the above referenced Nuclear Fuel Contract has previously been provided as part of Fuel Schedule No. _____ and the Utility hereby represents and warrants that the previously provided Nuclear Fuel Contract remains true and complete and has not been modified or amended in any way.]

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

PART II
TO ANNEX II
TO SCHEDULE D

FUEL SCHEDULE NO. _____

DESCRIPTION OF NUCLEAR FUEL

Date: _____

[The following are hereby [added to] [removed from] the Fuel Lease in accordance with the provisions thereof.] [The following changes in SLV are made pursuant to and in accordance with the Fuel Lease.]

1. Most Recent Batch and/or Assembly No.:
2. Description of Nuclear Fuel State*:
3. Physical Location of Nuclear Fuel:
4. Weight or Volume:
5. Person in Possession:
6. Contract for Possession:
7. Existing SLV:
8. Changes in SLV:
9. Adjusted SLV:
10. Ownership Percentage in Nuclear Fuel

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

SCHEDULE E
TO
FUEL LEASE

LESSOR'S BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, DCC FUEL TRUST XIV, an Ohio grantor trust (the "**Fuel Company**"), whose post office address is _____, and for and in consideration of the sum of \$1.00 paid to the Fuel Company upon or before the execution and delivery of this Bill of Sale by INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "**Utility**"), whose post office address is _____, hereby conveys, transfers, sells and sets over to the Utility, its successors and assigns, all right, title, interest and claim of the Fuel Company in and to the personal property consisting of the assemblies of nuclear fuel or components thereof or other nuclear material described in Annex II to Fuel Schedule No. _____, a copy of which is attached hereto and made a part hereof (the "**Nuclear Fuel**"), and by this Bill of Sale does hereby grant, bargain, sell, transfer and deliver the Nuclear Fuel unto the Utility, to have and to hold the Nuclear Fuel unto the Utility, and its successors and assigns, forever. The Nuclear Fuel shall be delivered to the Utility, as a necessary incident of this Bill of Sale, at any of the Generating Facilities of the Utility in the State of _____, or at the facilities of a Manufacturer (designated by the Utility), in either case by the Fuel Company, its agents or a common carrier consigned to the Utility. The Fuel Company hereby represents and warrants that it has not permitted any lien, exception or restriction to attach to the Nuclear Fuel except as follows:

[Insert any liens, exceptions or restrictions permitted by Section 18(a) of the Fuel Lease at time of transfer.]

IN WITNESS WHEREOF, the Fuel Company has caused this Bill of Sale to be executed, and to be dated as of _____, 20__.

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:

Its:

[Lender] does hereby release the property described in Annex II to Fuel Schedule No. _____ from the lien, pledge and security interest of Lender. No warranty, either express or implied, as to title, merchantability, fitness, safety or any other matter whatsoever, is made by, or shall be deemed to be made by, and no recourse may be had for any reason against, the undersigned or any of such secured parties.

[Lender]

By: _____

Its: _____

SCHEDULE F-1
TO
FUEL LEASE

ASSIGNMENT AGREEMENT

(DESCRIPTION OF NUCLEAR FUEL CONTRACT)

ASSIGNMENT AGREEMENT dated as of _____, 20__ between DCC FUEL TRUST XIV, an Ohio grantor trust (the “**Fuel Company**”), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the “**Utility**”).

WHEREAS, the Utility and [name of Manufacturer], a corporation (the “**Manufacturer**”), are parties to the following described contract (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the “**Nuclear Fuel Contract**”) which provides for _____ services to be provided thereunder:

That certain _____ contract dated as of _____, 20__, between Indiana Michigan Power Company and _____;

WHEREAS, the Fuel Company and the Utility have entered into a Fuel Lease, dated as of November 12, 2019 (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the “**Fuel Lease**”);

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Fuel Company and the Utility agree as follows:

1. The Utility hereby assigns, transfers and sets over to the Fuel Company (a) all rights of the Utility under the Nuclear Fuel Contract to receive [legal title to product and/or services to be provided under or in connection with the Nuclear Fuel Contract and, in the case of services, (b) all products received or receivable by the Utility under the Nuclear Fuel Contract and (c)] [and (b)] all products and proceeds of any or all of the foregoing.* The Utility hereby assigns, transfers and sets over to the Fuel Company (a) the following rights of the Utility under the Nuclear Fuel Contract to receive (legal title to product and/or services to be provided under or in connection with the Nuclear Fuel Contract and, in the case of services, (b) the product received or receivable by the Utility under the Nuclear Fuel Contract and (c)] [and (b)] the products and proceeds of any or all of the foregoing, but only to the extent described below:

[Identification of that portion of
Nuclear Fuel Contract being assigned]

2. Neither this Assignment Agreement nor any action or inaction hereunder shall (a) release the Utility from any of its obligations and agreements under the Nuclear Fuel Contract, (b) constitute an assumption of any such obligations or agreements on the part of the Fuel Company or (c) impose any obligation or liability whatsoever on the Fuel Company. [The

* To be used if Assignment Agreement relates to a Partially Assigned Agreement.

Utility shall retain control of all aspects of the administration of the Nuclear Fuel Contract.] By execution hereof the Fuel Company agrees that it shall not disclose to any person or entity any confidential or proprietary commercial or design information under or in connection with the Nuclear Fuel Contract unless required to do so by court order or applicable law.

3. No delay or failure by the Fuel Company in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Fuel Company of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. This Assignment Agreement may not be changed, modified or discharged in whole or in part and no right or remedy of the Fuel Company hereunder may be waived orally, but only by a written agreement signed by the Fuel Company, and no course of dealing between the Utility and the Fuel Company shall be effective to change or modify or to discharge in whole or in part this Assignment Agreement or the interest granted hereby. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Fuel Company, whether at law, in equity or otherwise.

4. Notices hereunder shall be governed by Section 28 of the Fuel Lease.

5. Any provision of this Assignment Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6. At the request of the Utility and in order to obtain financing, the Fuel Company may grant a security interest in its rights under this Assignment Agreement to one or more institutions. Each such institution, together with any other person or entity acquiring an interest in the Fuel Company's rights under this Assignment Agreement through any such institution, is herein called a "Transferee." Neither the grant of any such security interest by the Fuel Company, nor any other action or inaction on the part of any Transferee shall (a) release the Fuel Company from its obligations and agreements, if any, under this Assignment Agreement, (b) constitute an assumption of any such obligations or agreements on the part of any such Transferee or (c) impose any obligation or liability whatsoever on such Transferee.

7. The Fuel Company shall have no greater rights against the Manufacturer by virtue of this Assignment Agreement than the Utility would have had if this Assignment Agreement had not been made.

8. This Assignment Agreement shall be binding upon the Utility, its successors and assigns, and shall inure to the benefit of the Fuel Company, its successors and assigns and any Transferee.

9. This Assignment Agreement may be executed in two or more counterparts, each of which shall constitute but one instrument. This Assignment Agreement shall be effective when a fully executed counterpart hereof, together with a fully executed Consent hereto, is delivered to the Fuel Company at its address provided for in Section 4 hereof accompanied (unless this Assignment Agreement is accompanied by a Vendor's Bill of Sale to all of the product to be provided under the Nuclear Fuel Contract assigned hereby, or, if a service is to be

provided under such Nuclear Fuel Contract, the service has been performed prior to the date hereof and all product to be received thereunder has been received prior to the date hereof) by an opinion of counsel to the Utility relating to the perfection and priority of the security interest granted by the Fuel Company in its rights under the Nuclear Fuel Contract assigned hereby and this Assignment Agreement, such opinion to contain such assumptions, qualifications and exceptions and to otherwise be in form and substance satisfactory to counsel for the Fuel Company.

10. This Assignment Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York applicable to contracts made and performed in the State of New York.

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

INDIANA MICHIGAN POWER COMPANY

By:
Its:

CONSENT

The undersigned Manufacturer hereby consents to the above ASSIGNMENT AGREEMENT and has caused this CONSENT to be executed and delivered by a duly authorized officer. *[The Manufacturer acknowledges that the above-referred to Nuclear Fuel Contract is not assigned in whole to the Fuel Company and agrees that neither the Fuel Company, its successor or assigns, nor any Transferee shall be subject to any defense related to the fact that the assignment to the Fuel Company was a partial assignment.]

EXECUTED and CONSENTED to this _____ day of _____, 20____.

[NAME OF MANUFACTURER]

By: _____

Its: _____

SCHEDULE F-2
TO
FUEL LEASE

ASSIGNMENT AGREEMENT

(DESCRIPTION OF NUCLEAR FUEL CONTRACT)

ASSIGNMENT AGREEMENT dated as of _____, 20__, between DCC FUEL TRUST XIV, an Ohio grantor trust (the “**Fuel Company**”), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the “**Utility**”).

WHEREAS, the Utility and the United States of America (the “**Manufacturer**”), are parties to the following described contract (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the “**Nuclear Fuel Contract**”) which provides for _____ services to be provided thereunder:

That certain _____ contract dated as of _____, 20__ between Indiana Michigan Power Company and _____;

WHEREAS, the Fuel Company and the Utility have entered into a Fuel Lease, dated as of November 12, 2019 (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the “**Fuel Lease**”);

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Fuel Company and the Utility agree as follows:

1. The Utility hereby assigns, transfers and sets over to the Fuel Company (a) the following rights of the Utility under the Nuclear Fuel Contract to receive legal title to product and/or services to be provided under or in connection with the Nuclear Fuel Contract and, in the case of services, (b) the product received or receivable by the Utility under the Nuclear Fuel Contract and (c) the products and proceeds of any or all of the foregoing[, but only to the extent described below:]

2. The Utility shall retain control of all aspects of the administration of the Nuclear Fuel Contract. By execution hereof, the Fuel Company agrees that it shall not disclose to any person or entity any confidential or proprietary commercial or design information under or in connection with the Nuclear Fuel Contract unless required to do so by court order or applicable law.

3. In consideration of the Manufacturer’s consent to this Agreement of Partial Assignment, the Utility agrees to indemnify and hold the Manufacturer and persons acting on behalf of the Manufacturer harmless against any and all claims, demands and liabilities of whatsoever nature arising out of this Agreement of Partial Assignment and Consent or arising out of any security interest in the Nuclear Fuel Contract or the Nuclear Fuel. In further consideration of said consent, the Fuel Company agrees with respect to the Manufacturer and persons acting on behalf of the Manufacturer to be bound by all actions taken by the Utility with

respect to the Utility's performance of all terms, conditions and obligations under the Nuclear Fuel Contract including, but not limited to, all actions taken by the Utility with respect to feed materials to be delivered to the Manufacturer in accordance with the provisions of said Nuclear Fuel Contract; provided, however, that nothing in this Section 3 shall be deemed to modify the respective rights and obligations of the Utility and the Fuel Company under the Fuel Lease.

4. It is expressly agreed that, anything contained herein to the contrary notwithstanding, (a) the Utility shall at all times remain liable to the Manufacturer to observe and perform all of its duties and obligations under the Nuclear Fuel Contract to the same extent as if this Agreement of Partial Assignment and Consent and the Fuel Lease had not been executed, including without limitation the obligation to make payments under the Nuclear Fuel Contract to the extent not made by the Fuel Company under the Fuel Lease, (b) the exercise by the Fuel Company of any of the rights assigned hereunder or under the Fuel Lease, as the case may be, shall not release the Utility from any of its duties or obligations to the Manufacturer under the Nuclear Fuel Contract and (c) the Fuel Company shall not have any obligation or liability under the Nuclear Fuel Contract by reason of or arising out of this Agreement of Partial Assignment and Consent, or be obligated to perform or fulfill any of the duties or obligations of the Utility under the Nuclear Fuel Contract, or to make any payment thereunder, or to make any inquiry as to the nature or sufficiency of any Nuclear Fuel received by it thereunder, or to present or file any claim, or to take any action to collect or enforce the payment of any amounts or the delivery of any Nuclear Fuel which may have been assigned to it or to which it may be entitled to at any time or times; provided, however, that the Fuel Company agrees, solely for the benefit of the Utility, and subject to the terms and conditions of the Fuel Lease, (i) to purchase the Nuclear Fuel from the Utility or Manufacturer pursuant to the Nuclear Fuel Contract and (ii) to pay to the Manufacturer and/or to the Utility or their order the respective amounts specified in the Fuel Lease with respect to such Nuclear Fuel.

5. The Utility hereby warrants that the Nuclear Fuel Contract is in full force and effect, and it had all right, title and interest in and to the Nuclear Fuel Contract immediately prior to the assignment thereof, that it is duly authorized to assign the same, and that no other person has any pending or impending claim, liens, or encumbrances of any kind whatsoever against the Utility with respect to the Nuclear Fuel Contract to the extent that it relates to the Nuclear Fuel (other than the amounts, if any, owing under the Nuclear Fuel Contract and other claims, if any, of the Utility and the Manufacturer which may exist as between themselves), and the Utility further warrants that the Nuclear Fuel Contract, to the extent that it relates to the Nuclear Fuel, is not subject to, and is free from, any security interest or other lien or encumbrance except as above specified, and that the Utility will warrant and defend such title forever against all claims and demands whatsoever. For breach of this warranty the Utility hereby agrees to indemnify and hold the Manufacturer and persons acting on behalf of the Manufacturer, harmless against any and all claims, demands and liabilities of whatever nature against them arising from such breach.

6. The Utility hereby represents and warrants that, except as set forth herein, it has not entered into or consented to or permitted any cancellation, termination, amendment, supplement or modification or of waiver with respect to the Nuclear Fuel Contract.

7. The Utility hereby agrees that, except as permitted by Section 32(c) of the Fuel Lease, it will not enter into or consent to or permit any cancellation, termination, amendment, supplement or modification of or waiver with respect to the Nuclear Fuel Contract, nor will the

Utility sell, assign, grant any security interest in or otherwise transfer its rights or other interest in the Nuclear Fuel or the Nuclear Fuel Contract or any part of any thereof. It is understood that the Manufacturer shall have no obligation to ascertain whether any modification of the Nuclear Fuel Contract complies with the Fuel Lease.

8. Any such modification shall be binding between the Utility and the Fuel Company and the Manufacturer, provided that the Fuel Company shall retain its rights against the Utility as provided in the Fuel Lease if such modification does not comply with said Lease.

9. No delay or failure by the Fuel Company in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Fuel Company of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. This Assignment Agreement may not be changed, modified or discharged in whole or in part and no right or remedy of the Fuel Company hereunder may be waived orally, but only by a written agreement signed by the Fuel Company, and no course of dealing between the Utility and the Fuel Company shall be effective to change or modify or to discharge in whole or in part this Assignment Agreement or the interest granted hereby. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Fuel Company, whether at law, in equity or otherwise.

10. Notices hereunder shall be governed by Section 28 of the Fuel Lease.

11. Any provision of this Assignment Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. At the request of the Utility and in order to obtain financing, the Fuel Company may grant a security interest in its rights under this Assignment Agreement to one or more institutions. Each such institution acquiring an interest in the Fuel Company's rights under this Assignment Agreement, together with any other institution acquiring an interest in the Fuel Company's rights under this Assignment Agreement, is herein called a "Transferee". Neither the grant of any such security interest by the Fuel Company, nor any other action or inaction on the part of any Transferee shall (a) release the Fuel Company from its obligations or agreements, (b) constitute an assumption of any such obligations or agreements on the part of any such Transferee or (c) impose any obligation or liability whatsoever on such Transferee.

13. The Fuel Company shall have no greater rights against the Manufacturer by virtue of this Assignment Agreement than the Utility would have had if this Assignment Agreement had not been made; and neither this Assignment nor the Manufacturer's Consent hereto will in any way add to the obligations of the Manufacturer under the Nuclear Fuel Contract.

14. This Assignment Agreement shall be binding upon the Utility, its successors and assigns, and shall inure to the benefit of the Fuel Company, its successors and assigns and any Transferee.

15. This Assignment Agreement may be executed in two or more counterparts, each of which shall constitute but one instrument. This Assignment Agreement shall be effective when a fully executed counterpart hereof, together with a fully executed Consent hereto, is delivered to the Fuel Company at its address provided for in Section 10 hereof accompanied (unless this Assignment Agreement is accompanied by a Vendor's Bill of Sale to all of the product to be provided under the Nuclear Fuel Contract assigned hereby, or, if a service is to be provided under such Nuclear Fuel Contract, the service has been performed prior to the date hereof and all product to be received thereunder has been received prior to the date hereof) by an opinion of counsel to the Utility relating to the perfection and priority of the security interest granted by the Fuel Company in its rights under the Nuclear Fuel Contract assigned hereby and this Assignment Agreement, such opinion to contain such assumptions, qualifications and exceptions and to otherwise be in form and substance satisfactory to counsel for the Fuel Company.

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

CONSENT

The undersigned Manufacturer hereby consents to the above ASSIGNMENT AGREEMENT and has caused this CONSENT to be executed and delivered by a duly authorized officer. The Manufacturer acknowledges that the Utility has agreed with the Fuel Company that neither the Fuel Company, its successors or assigns, nor any Transferee shall be subject to any defense related to the fact that the assignment to the Fuel Company was a partial assignment.

EXECUTED and CONSENTED to this ____ day of _____, 20__.

By: _____
Its: _____

SCHEDULE G
TO
FUEL LEASE

CERTIFICATE

Indiana Michigan Power Company
1 Riverside Plaza
29th Floor – Legal
Columbus, Ohio 43215

Ladies and Gentlemen:

Reference is made to the Fuel Lease, dated as of November 12, 2019, between DCC FUEL TRUST XIV, as Lessor, and Indiana Michigan Power Company, as Lessee (the “**Fuel Lease**”). The terms defined in the Fuel Lease which are not defined in this certificate shall, when used in this certificate, have the respective meanings defined in the Fuel Lease.

1. The Fuel Company [is] [will be] obligated to pay at least the amount of \$ _____, which amount is [overdue] [due on [date]].

2. You are hereby requested to pay the amount of \$ _____, [immediately, which amount is overdue and] [on the due date thereof which date is [date] and for which demand is hereby made.

3. This certificate is being delivered pursuant to Section 3(b) of the Fuel Lease. To the best knowledge of the undersigned, the Fuel Company will have available funds in the amount of \$ _____ on the date referred to in paragraph 2 hereof, which funds are insufficient to pay the amount referred to in paragraph 1 hereof because _____.

Dated: _____

DCC FUEL TRUST XIV,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

FUEL LEASE

Dated as of May 7, 2019

Between

DCC FUEL TRUST XIII,

as Lessor

and

INDIANA MICHIGAN POWER COMPANY,

as Lessee

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Section 1. Defined Terms.	1
Section 2. Lease of Nuclear Fuel; Term.	1
Section 3. Payments by Lessee; Net Lease; Independent Obligations of Lessee.	1
Section 4. Payment of Fuel Costs by Lessor.....	4
Section 5. Allocation of Fuel Costs.	5
Section 6. Title to Remain in Lessor; Fuel Management; Nuclear Fuel to be Personal Property and Used Only for Generation; Location; Contract Assignment.	5
Section 7. Removals; Release to Lessee; Commingling; Substitution; Permanent Storage.	6
Section 8. Payment of Impositions; Further Assurances.	8
Section 9. Compliance with Legal and Insurance Requirements and with Instruments and Basic Documents.....	8
Section 10. No Representation as to Nuclear Fuel; Possession and Use of Fuel.....	9
Section 11. Maintenance of the Nuclear Fuel.	10
Section 12. Liens.....	11
Section 13. Permitted Contests.	11
Section 14. Insurance.	11
Section 15. Damage, Destruction or Malfunction.	13
Section 16. Condemnation or Eminent Domain.	15
Section 17. Terminating Events.....	16
Section 18. Conditions of Conveyance.....	20
Section 19. Lease Events of Default and Remedies.	21
Section 20. Indemnification by Lessee.	24
Section 21. Surrender; Acceptance of Surrender.....	25
Section 22. Estoppel Certificates; Information; Financial Information; Financial Covenant.	25
Section 23. Inspection; Right to Enter Generating Facilities.....	27

Section 24.	Right to Perform Lessee’s Covenants.....	27
Section 25.	Representations, Warranties and Covenants of Lessee.....	27
Section 26.	Assignments.....	29
Section 27.	No Merger.....	29
Section 28.	Notices.....	29
Section 29.	Amendments.....	31
Section 30.	Severability; Waiver.....	31
Section 31.	Special Considerations.....	31
Section 32.	Assignment of Rights Under Nuclear Fuel Contracts and Assigned Agreements.....	31
Section 33.	General.....	33

Schedules

Schedule A – Fixed Basic Rent Schedule

Schedule B – Payment Account Information

Schedule C – Form of Vendor’s Bill of Sale

Schedule D – Form of Fuel Schedule

Annex I -- Fuel Costs Payable

Part I to Annex II -- Contract Rights of Lessee to Nuclear Fuel

Part II to Annex II -- Description of Nuclear Fuel

Schedule E – Form of Lessor’s Bill of Sale

Schedule F-1 – Form of Assignment Agreement

Schedule F-2 – Form of U.S. Government Assignment Agreement

Schedule G – Form of Demand for Special Payment Under Section 3(b)

FUEL LEASE

FUEL LEASE, dated as of May 7, 2019, between DCC FUEL TRUST XIII, an Ohio grantor trust ("**Lessor**"), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation ("**Lessee**").

W I T N E S S E T H:

Recital

Lessor and Lessee hereby agree as follows:

Section 1. Defined Terms.

Terms used in the Note Purchase Agreement, dated as of May 7, 2019 (the "**Note Purchase Agreement**"), between Lessor and the Purchasers party thereto ("**Purchasers**") and in Exhibit A to the Trust Agreement, dated as of May 7, 2019, among the Lessee, as trustor, the Owner Trustee, and the Lessee, as trust beneficiary, shall, when used in this Fuel Lease and not otherwise defined herein (including the Schedules hereto), have the respective meanings attributed to them pursuant to the Note Purchase Agreement or the Trust Agreement, as the case may be.

Section 2. Lease of Nuclear Fuel; Term.

(a) Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Nuclear Fuel for the term provided in this Fuel Lease and subject to the terms and provisions hereof.

(b) The term of this Fuel Lease shall commence at 12:01 A.M. New York City time on the date hereof and, unless sooner terminated pursuant to the provisions hereof, shall end at 12:00 midnight, New York City time, on November 7, 2023. On any Basic Rent Payment Date from and including May 7, 2021, Lessee may terminate this Fuel Lease by paying to the Lessor the entire remaining outstanding principal amount of the Notes, together with all interest accrued thereon through the date of such payment and all other amounts owing to the holders of the Notes and the Lessor hereunder or under any other Basic Document. Lessee shall provide each of the holders of the Notes and Lessor not less than thirty (30) days prior to the proposed prepayment date with written notice of Lessee's intention to early terminate this Fuel Lease in accordance with this Section 2(b).

Section 3. Payments by Lessee; Net Lease; Independent Obligations of Lessee.

(a) Lessee covenants to pay to Lessor or to such Persons as Lessor may direct, on each Basic Rent Payment Date, the Basic Rent due for the preceding Basic Rent Period and to pay such Basic Rent to Lessor at such place as Lessor or such Persons may direct, prior to 12:00 P.M. (noon), New York City time, on such date. Lessor hereby directs Lessee, which direction is irrevocable, to make all payments of Basic Rent to the account set forth in Schedule B hereto or to such other account as the Required Holders (or the Collateral Agent acting on their behalf) may from time to time designate in writing. All Schedules, Annexes and Exhibits delivered by

Lessee pursuant to the provisions of this Fuel Lease shall constitute representations of Lessee as to the accuracy of the matters contained therein. Insofar as such matters include estimates or projections by Lessee, Lessee shall make such estimates or projections in good faith and with a diligent application of engineering and accounting expertise. Lessee shall and may revise such estimates and projections from time to time in accordance with the standards of the preceding sentence.

(b) During the term of this Fuel Lease (or thereafter prior to any Settlement Date provided for in subsection 17(d) hereof), whether or not a Lease Event of Default or a Terminating Event shall have occurred, Lessor shall have the right, from time to time, to demand special payments (“**Special Payments**”) from Lessee in amounts sufficient to enable Lessor to pay, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), its obligations under the Basic Documents (including without limitation, all Secured Obligations) and any other obligations and liabilities of Lessor (including without limitation (i) legal, printing, reproduction and closing fees and expenses, auditors’, accountants’, appraisers’ and attorneys’ fees and expenses, rating agency fees, filing fees, UCC search fees, fees and expenses of the Collateral Agent, (ii) franchise taxes and income taxes of the Lessor, any other fees, expenses or obligations incurred by Lessor under or in respect of the Basic Documents, (iii) all administrative fees and expenses incurred by the Lessor, (iv) any other amounts which the Borrower is required to apply or cause to be applied towards prepayment of the Notes) (the foregoing items (i) through (iv) inclusive, collectively, the “**Other Obligations**”) if Lessor does not have, or cannot reasonably expect to have, from the issuance of the Notes, and from rentals or other payments made by Lessee, funds on hand sufficient to meet the Other Obligations. Such demand shall be made by delivery of a certificate substantially in the form of Schedule G to this Fuel Lease. Lessee agrees, upon receipt of each such certificate, to unconditionally comply with all such demands therein in the amount and at the time (both amount and time being of the essence) and otherwise as set forth in that certificate; provided, however, that, to the extent reasonably requested by the Lessee, the Lessor shall deliver to the Lessee reasonable detail supporting the information contained in the certificate; and provided, further, that except as provided in the Note Purchase Agreement in relation to prepayments of Net Proceeds, nothing contained therein shall require the payment by Lessee of any amounts in advance of the due date (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) of the Secured Obligations or the other obligations or liabilities with respect to which such demand is made.

(c) In the event of any failure by Lessee to make any Special Payment as requested by Lessor, then Lessor shall have all the rights, powers and remedies as in the case of failure to pay Basic Rent. Lessee’s obligation to make a Special Payment shall not be contingent upon there being SLV, of Nuclear Fuel equal to or in excess of such Special Payment. For purposes of this Agreement and each other Basic Document, “**SLV**” shall mean, as at any date of determination, the aggregate of (i) the amount indicated as SLV in Annex II of the then current Fuel Schedule (minus any amounts previously paid in respect of Fixed Basic Rent hereunder), plus (ii) all accrued and unpaid amounts of Variable Basic Rent payable hereunder, plus (iii) any unpaid Special Payments or Other Obligations payable hereunder.

(d) This Fuel Lease is a completely net lease; all costs and expenses, liabilities, obligations and responsibilities of every kind and nature relating to any and all of the

Nuclear Fuel shall be paid and performed by Lessee, except as otherwise expressly provided in this Fuel Lease. Basic Rent, Special Payments and all other amounts payable by Lessee hereunder (including, without limitation, following a Terminating Event or a Lease Event of Default) shall be paid without counterclaim, setoff, recoupment, deduction or defense and without abatement, suspension, deferment, diminution or reduction, it being the intention of the parties hereto that the obligations of Lessee hereunder shall be separate and independent covenants and agreements that the Basic Rent, Special Payments and all other amounts payable by Lessee hereunder shall be payable unconditionally in all events, and that the obligations of Lessee hereunder shall continue unaffected by any event or circumstance whatsoever, including without limitation any default in title, compliance with specifications, condition, design, operation or fitness for use of, or any damage to or loss or distribution of, any Nuclear Fuel or any interruption or cessation of the use in possession of Nuclear Fuel by Lessee for any reason whatsoever. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise (i) to quit, terminate, modify or surrender this Fuel Lease or Nuclear Fuel or any portion thereof or (ii) to any abatement, suspension, deferment, diminution or reduction of Basic Rent payable by Lessee hereunder. Lessee hereby waives, to the full extent permitted by law, any right it may now or hereafter have to require the sale, in mitigation of damages, of any Nuclear Fuel or any interest in any Assigned Agreement or any Partially Assigned Agreement.

(e) Subject to the provisions of Section 13 hereof, Lessee agrees that it will promptly pay all Impositions, taxes, assessments, and other governmental charges and fees levied or assessed upon the interest of Lessee in the Nuclear Fuel and against Lessor on account of its acquisition, ownership or leasing of the Nuclear Fuel or any part thereof, including any net income, excess profits or franchise taxes against Lessor on or measured by any moneys payable hereunder or the net income therefrom (including any payments made pursuant to this sentence) and including any personal property taxes on the Nuclear Fuel and all other costs and expenses assessed against Lessor on account of its acquisition, ownership or leasing of the Nuclear Fuel, provided that this subsection 3(e) shall not be deemed to obligate Lessee to pay (A) any taxes, assessments and other governmental charges and fees paid or payable by or on behalf of Lessor as part of the Fuel Cost of any Nuclear Fuel or (B) any income taxes on fees payable to the Owner Trustee. Lessee further agrees to do, at its own expense, all things required to be done by Lessor in connection with the levy, assessment, billing or payment of any such taxes and is hereby authorized by Lessor to act for and on behalf of Lessor in any and all such respects, and to file, when permitted by law, on behalf of Lessor, all required tax returns and reports (other than returns and reports in respect of income, excess profits or franchise taxes) concerning the Nuclear Fuel, the Assigned Agreements and the Partially Assigned Agreements.

(f) If any lien, encumbrance or charge of any kind or any judgment, decree or order of any court or other governmental authority (including, without limitation, any tax lien affecting the income of Lessor), whether or not valid, shall be asserted or entered which interferes with the due and timely payment of any sum payable hereunder, Lessee shall, on receipt of notice to that effect from Lessor, promptly take such legally permissible action as may be necessary to prevent or terminate such interference. Lessee shall indemnify and hold harmless Lessor, the Owner Trustee, each Person to which any part of Lessor's rights or interest under the Fuel Lease shall at the time be assigned, conditionally or otherwise, by Lessor, as

contemplated by Section 26 hereof (each, an “Assignee”) and the Secured Parties from and against any and all losses and damages caused by any such interference.

(g) Unless otherwise provided herein or in the Basic Documents, including, without limitation, pursuant to Section 5.2 of the Trust Agreement, all amounts payable hereunder to Lessor, any Assignee or to the Collateral Agent (for any one or more Secured Parties) shall be made to such Person at the address designated for notices in Section 28 hereof, or otherwise designated by notice given by such Person, and such amounts shall be payable in Federal funds or in other U.S. Dollar funds immediately available at such address. All past due amounts payable under this Fuel Lease shall bear interest at a rate per annum equal to the Default Rate during the period from and including the due date until the date of repayment.

Section 4. Payment of Fuel Costs by Lessor.

(a) Whenever Lessee desires Lessor to pay any Fuel Costs, to acquire Nuclear Fuel from any Person, to pay a Manufacturer for any Fuel Cost, or to reimburse Lessee for any Fuel Cost, Lessee shall deliver to Lessor (i) three (3) fully executed copies of a Fuel Schedule in the form of Schedule D to this Fuel Lease or such other form as may be acceptable to the Required Holders (or the Collateral Agent acting on their behalf), setting forth in Annex I to such Fuel Schedule the Fuel Cost for which payment or reimbursement is desired and describing in Annex II to such Fuel Schedule the Nuclear Fuel to which such Fuel Cost is allocable and (ii) if Lessee or any other Person then has title to any of such Nuclear Fuel, a Vendor’s Bill of Sale with respect to such Nuclear Fuel executed by Lessee or the other Person, as appropriate. At such time as a Nuclear Fuel Contract provides for transfer of title to any Nuclear Fuel to Lessor or Lessee, as the case may be, for which a Fuel Schedule has been or is being submitted to Lessor, Lessee shall deliver or cause to be delivered to Lessor, and Lessor shall accept, a duly executed Vendor’s Bill of Sale with respect thereto or an invoice of sale or other instrument applicable to such Nuclear Fuel evidencing passage of title to Lessor, which Vendor’s Bill of Sale, invoice of sale or other instrument shall be in form and substance satisfactory to Lessor. Lessor and Lessee agree that any invoice of sale for services shall be in form and substance satisfactory to each of them, provided that such invoice relates to a Nuclear Fuel Contract which, in substance, provides that title to the Nuclear Fuel covered thereby passes no later than at delivery.

(b) Not later than ten (10) Business Days after Lessor shall have received a Fuel Schedule hereunder (unless otherwise advised in such Fuel Schedule), Lessor shall cause the payment specified therein to be made and shall redeliver to Lessee a copy of a Fuel Schedule executed by Lessor as advice of such payment and the date thereof; provided, however, that Lessor shall not be required to cause such payment to be made pursuant to this Section 4: (i) if a Terminating Event or a Lease Event of Default has occurred and is continuing or if an event which with the giving of notice or lapse of time or both would constitute a Terminating Event or a Lease Event of Default, or (ii) to the extent that such proposed payment exceeds the amount of funds available to Lessor from the issuance of Notes or from rentals or other amounts paid by Lessee hereunder at the time of such proposed payment, or (iii) if such proposed payment relates to a Nuclear Fuel Contract between Lessee and a Manufacturer which has not theretofore been duly assigned (in form and substance satisfactory to Lessor) by Lessee to Lessor as an Assigned Agreement or a Partially Assigned Agreement and as to which assignment such Manufacturer has not theretofore consented (in form and substance satisfactory to Lessor).

Section 5. Allocation of Fuel Costs.

(a) Whenever any portion of any Fuel Cost cannot be allocated by Lessee as being applicable to specifically identifiable items of the Nuclear Fuel, such portion shall be prorated to all of the Nuclear Fuel on the basis of Lessee's prudent business judgment consistent with generally accepted accounting principles. Any such proration of a portion of the Fuel Cost shall be shown on a Fuel Schedule to be delivered to Lessor. Whenever any portion of any Fuel Cost can be allocated by Lessee as being applicable to specifically identifiable items of the Nuclear Fuel, such portion shall be added to the Fuel Cost of such Nuclear Fuel and shown on a Fuel Schedule to be delivered to Lessor. Any factor used in any computation required to be made under this Fuel Lease shall be stated to an accuracy of ten decimal places.

(b) Lessee shall maintain on a current basis for each item of Nuclear Fuel records which shall contain (i) the current SLV of each item of Nuclear Fuel, (ii) a statement of all adjustments or modifications to the SLV of each item of Nuclear Fuel and the reasons therefor, (iii) with respect to Nuclear Fuel not in Heat Production, its stage in the Nuclear Fuel Cycle, the Manufacturer or other Person in possession of such Nuclear Fuel and the location of such Nuclear Fuel, and (iv) copies of all Nuclear Fuel Contracts and copies of all consents to the assignment thereof to Lessor. Any change or modification to the SLV of each item of Nuclear Fuel (other than changes resulting only from periodic variations in the applicable LIBOR, base rate or cost of funds used in the calculation of the Variable Basic Rent) shall be shown on a Fuel Schedule to be delivered to Lessor.

Section 6. Title to Remain in Lessor; Fuel Management; Nuclear Fuel to be Personal Property and Used Only for Generation; Location; Contract Assignment.

(a) Title to the Nuclear Fuel shall, as between Lessor and Lessee, be in the name of Lessor and shall at no time, except as provided in Section 7(g) and Section 31(a) hereof, become vested in Lessee.

(b) Except as otherwise expressly limited by this Fuel Lease, Lessee shall have the exclusive right and lawful authority and shall be obligated to engage in Fuel Management (as hereinafter defined) and neither Lessor nor the Owner Trustee, any Assignee or any Secured Party shall have any obligation or responsibility in respect thereof. "Fuel Management" means the design of, contracting for, establishing the price and terms of acquisition of, management, movement, removal, disengagement, storage and other activities in connection with the acquisition, utilization, storage and disposal of the Nuclear Fuel. Until such time as a Lease Event of Default has occurred hereunder and Lessor has notified Lessee of the revocation of such power and authority, Lessee is hereby designated the lawful representative of Lessor in all dealings with Manufacturers and any regulatory agency having jurisdiction over the ownership, possession or utilization of the Nuclear Fuel. With respect to any Nuclear Fuel located at a Manufacturer's facility, Lessee shall cause delivery thereof to be made to any other Manufacturer or to Lessor at any of the Generating Facilities, and Lessor (in the case of a delivery to Lessor), in turn, shall deliver the same to Lessee at such location.

(c) The Nuclear Fuel is personal property and Lessee shall, at its sole cost and expense, take all such action as may be required to cause the Nuclear Fuel to retain its character as personal property. The Nuclear Fuel shall not become part of any real property on which it or

any portion thereof may from time to time be situated, notwithstanding the means by which it is installed or attached thereto and notwithstanding any law or custom or the provisions of any lease, mortgage or other instrument applicable to any such real property and shall not become an accession to any personalty not leased hereunder. Lessee agrees to indemnify and hold harmless each of Lessor, the Owner Trustee, each Assignee, the Secured Parties and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, employees, agents and servants from any and all losses, costs and expenses arising out of, resulting from or in connection with any of the Nuclear Fuel becoming part of real property or becoming such an accession.

(d) Lessee represents and warrants to Lessor, the Owner Trustee and the Secured Parties that neither the Nuclear Fuel nor any part thereof shall constitute a facility for the transmission or sale of electric energy. Lessee agrees that all Nuclear Fuel will be utilized during its Heat Production stage exclusively in the Generating Facilities and with due care to prevent injury thereto or to persons or property.

(e) Lessee represents and warrants to Lessor that, as of the date hereof, the Nuclear Fuel will be located only in the State of Michigan. Lessee agrees that it will not permit any Nuclear Fuel to be located outside the continental United States. Lessee further agrees that (other than in transit) it will not permit any Nuclear Fuel to be taken into or remain in any State of the continental United States without first having taken all steps so that Lessor's right, title and interest therein shall be duly perfected.

(f) Except to the extent otherwise agreed to by Lessor, prior to obtaining pursuant to Section 4 hereof any payment by Lessor to a Manufacturer pursuant to a Nuclear Fuel Contract, Lessee shall deliver to Lessor an executed Assignment Agreement with respect to such Contract (hereafter an "Assigned Agreement" or a "Partially Assigned Agreement"), together with a Consent applicable thereto executed by the Manufacturer which is a party to said Contract.

Section 7. Removals; Release to Lessee; Commingling; Substitution; Permanent Storage.

(a) If no Lease Event of Default shall have occurred and be continuing, Lessee may during any stage of the Nuclear Fuel Cycle prior to the Heat Production stage move Nuclear Fuel to any Manufacturer's facility for the purpose of having services performed thereon by executing and delivering to Lessor a Fuel Schedule; provided that no such action shall materially reduce the then fair market value of such Nuclear Fuel except as may be incidental to the Nuclear Fuel Cycle; and provided further that (i) such Nuclear Fuel shall be and remain the property of Lessor, except as contemplated by Section 31(a) hereof, subject to this Fuel Lease (except as permitted by subsection 7(d) hereof), and (ii) all requirements of federal, state and local law, regulation or order in respect of the Nuclear Fuel and the handling, possession and use thereof ("Legal Requirements") and insurance requirements set forth in Section 14 hereof ("Insurance Requirements") with respect to such move shall have been met and all necessary or advisable recordings, filings and registrations shall have been duly made in order to protect the validity and effectiveness of this Fuel Lease and the security interest created therein and in the Nuclear Fuel and the Nuclear Fuel Contracts under the Basic Documents. Lessee will continue to be obligated in respect of such Nuclear Fuel as provided in this Fuel Lease, will pay

or cause to be paid all taxes and reasonable costs and expenses incurred by Lessor, Lessee, the Owner Trustee, any Assignee or any Secured Party by reason of such removal, and the indemnities contained in this Fuel Lease (including, without limitation, in Section 20 hereof) shall continue in full force and effect with respect to such Nuclear Fuel. The provisions of this subsection 7(a) shall be applicable to each subsequent removal of any such Nuclear Fuel from each place of relocation.

(b) At any time and from time to time, Lessee shall have the right to disengage any portion of the Nuclear Fuel from a reactor core or to remove it from Heat Production; provided, however, that before any portion of the Nuclear Fuel which had been engaged in a reactor core is permanently removed from any core and removed from Heat Production, Lessee shall cause such portion of the Nuclear Fuel to be released from this Fuel Lease in accordance with the provisions of subsection 7(c) hereof and provided further that any portion of the Nuclear Fuel which has been engaged in a reactor core and is permanently removed from Heat Production shall be released within twelve (12) months after it has been so removed.

(c) Lessee may from time to time obtain the release from this Fuel Lease of a portion (but not all) of the Nuclear Fuel by executing and delivering to Lessor two (2) copies of a Fuel Schedule and Annex II thereto and paying or causing to be paid to Lessor or any other Person entitled to receive such payment an amount equal to the SLV for such portion of the Nuclear Fuel, as shown on such Annex II thereto. Thereupon Lessor shall deliver to Lessee or any other Person designated by Lessee a Lessor's Bill of Sale (including therein the release of any security interest under the Collateral Agreements in such portion of the Nuclear Fuel as is shown on Annex II thereto), and such portion of the Nuclear Fuel shall cease to be Nuclear Fuel and shall cease to be subject to any provision of this Fuel Lease, the Collateral Agreements and the other Basic Documents (other than any indemnities contained therein).

(d) Notwithstanding any provision of this Fuel Lease to the contrary, Nuclear Fuel may become subject to an Assigned Agreement or a Partially Assigned Agreement with a Manufacturer for services on such Nuclear Fuel which requires that title thereto be transferred to such Manufacturer and that such Nuclear Fuel be commingled with similar materials, with an obligation on such Manufacturer, upon completion of the services, to reconvey clear and unencumbered title to Nuclear Fuel of the amount and type customarily resulting from such services. Such Nuclear Fuel shall be deemed to be and remain leased hereunder while title thereto is in such Manufacturer, and any Nuclear Fuel delivered by such Manufacturer upon completion of its services shall be automatically leased hereunder in substitution for the Nuclear Fuel originally delivered to such Manufacturer. Upon such delivery to such Manufacturer and redelivery from such Manufacturer, Lessee shall deliver to Lessor each of the following (i) a Fuel Schedule and Annex II or Exhibits thereto and (ii) either (x) a receipt executed by such Manufacturer for such Nuclear Fuel or (y) a delivery invoice of such Manufacturer acknowledged by Lessee for such Nuclear Fuel, as the case may be.

(e) Whenever Nuclear Fuel is moved from one physical location to another physical location, and whenever Nuclear Fuel is moved from one stage of the Nuclear Fuel Cycle to another stage of the Nuclear Fuel Cycle, Lessee shall notify Lessor, each holder of a Note and the Collateral Agent as to such movement and shall, upon Lessor's request, execute and deliver to Lessor a Fuel Schedule and appropriate Annexes and Exhibits thereto reflecting such

movement. At least forty-five (45) days prior to moving Nuclear Fuel into any state not listed in Section 6(e), Lessee shall notify Lessor as to such proposed movement.

(f) Any other provisions of this Fuel Lease to the contrary notwithstanding, provided that Lessor has not exercised its rights to sell such Nuclear Fuel after a Lease Event of Default and provided that Lessee has not surrendered such Nuclear Fuel pursuant to Section 19(b) hereof upon termination of this Fuel Lease, Lessee shall be obligated, at its expense, either to store, dispose of or reprocess Nuclear Fuel which has completed Heat Production. Lessee shall be entitled to choose whether to store, dispose of or reprocess the Nuclear Fuel at its discretion. If required by Lessee in connection with permanent storage, disposal or reprocessing of such Nuclear Fuel, Lessor will transfer title to such Nuclear Fuel to Lessee at Lessee's request, pursuant to a Lessor's Bill of Sale in the form of Schedule E hereto, and Lessor and Lessee shall execute a Fuel Schedule reflecting such transfer.

(g) When any assembly of Nuclear Fuel is no longer useful for Heat Production, Lessor shall be entitled to transfer title to such assembly of Nuclear Fuel to Lessee, pursuant to a Lessor's Bill of Sale in the form of Schedule E hereto. A Fuel Schedule reflecting such transfer shall be executed and delivered by Lessor and Lessee.

Section 8. Payment of Impositions; Further Assurances.

(a) Subject to the provisions of Section 13 hereof, Lessee will pay all Impositions before any fine, penalty, interest, cost or expense may be added for nonpayment, and will furnish to Lessor, upon request, copies of official receipts or other satisfactory proof evidencing such payment.

(b) Lessee, at its expense, shall execute, acknowledge, obtain and deliver from time to time such further counterparts of this Fuel Lease or such affidavits, certificates, Bills of Sale, financing and continuation statements, consents and other instruments as may be reasonably requested by Lessor in order to evidence the respective interests of Lessor, Lessee and any Assignee in this Fuel Lease, any Nuclear Fuel, any Assigned Agreement and any Partially Assigned Agreement and in order to establish the character of the Nuclear Fuel as personal property and the security interest therein intended to be created by the Collateral Agreements, and shall, at its expense, cause such documents, if necessary or so requested by Lessor, to be recorded, filed or registered and to be refiled or reregistered in such manner and at such times and in such places as may be required by any present or future law applicable to this Fuel Lease, any Assigned Agreement or Partially Assigned Agreement or the Nuclear Fuel in order to perfect and preserve the validity of such interests or as may be reasonably requested by Lessor.

Section 9. Compliance with Legal and Insurance Requirements and with Instruments and Basic Documents.

(a) Subject to the provisions of Section 13 hereof, Lessee, at its expense, will promptly comply with (i) all Legal Requirements and Insurance Requirements necessary to maintain insurance with adequate limits, terms and conditions as required by this Fuel Lease, and (ii) any instruments, contracts or agreements affecting title to or ownership of the Nuclear Fuel; provided; however that the foregoing shall not be construed to prevent Lessee from contesting

such requirements so long as Lessor's or any Assignee's rights in the Nuclear Fuel or this Fuel Lease shall not be jeopardized.

(b) In addition, Lessee at its expense from time to time shall provide the Lessor with such administrative and recordkeeping assistance as the Lessor shall request to enable the Lessor to comply in a full and timely fashion with all requirements of the Basic Documents, including, without limitation, those relating to the maintenance of records and the furnishing of reports, certificates and information by the Lessor.

Section 10. No Representation as to Nuclear Fuel; Possession and Use of Fuel.

(a) Any and all Nuclear Fuel to be leased hereunder is leased (i) as-is, where-is, and subject to the rights of any Person in possession thereof, the state of the title thereto and the rights of ownership therein, in each case, as in existence when the same first become subject to this Fuel Lease, (ii) subject to all applicable Legal Requirements then or thereafter existing, and (iii) without representations and warranties, express or implied, of any kind by Lessor (except for the warranties of Lessor to be made pursuant to subsection 18(a) hereof), the Owner Trustee, any Assignee, any Secured Party or any Person acting on behalf of any of them.

LESSEE ACKNOWLEDGES AND AGREES THAT THE TYPE AND DESIGN OF THE NUCLEAR FUEL HAS NOT BEEN SELECTED BY LESSOR, THE OWNER TRUSTEE, ANY ASSIGNEE OR THE SECURED PARTIES, THAT NEITHER LESSOR, NOR THE OWNER TRUSTEE, NOR ANY ASSIGNEE NOR ANY SECURED PARTY HAS SUPPLIED ANY SPECIFICATIONS WITH RESPECT TO THE MANUFACTURE OF ANY PORTION THEREOF AND THAT NEITHER LESSOR, NOR THE OWNER TRUSTEE, NOR ANY ASSIGNEE NOR ANY SECURED PARTY NOR ANY PERSON ACTING ON BEHALF OF ANY THEREOF (i) IS A MANUFACTURER OF, OR DEALER IN, SPECIAL NUCLEAR MATERIAL OR SOURCE MATERIAL OF ANY KIND OR HAS ANY LICENSE TO USE OR POSSESS SUCH MATERIAL, (ii) HAS MADE ANY RECOMMENDATION, GIVEN ANY ADVICE OR TAKEN ANY OTHER ACTION WITH RESPECT TO (y) THE CHOICE OF ANY MANUFACTURER, VENDOR, PROCESSOR, DESIGNER, FABRICATOR, SUPPLIER OR TRANSPORTER OF, OR ANY OTHER CONTRACTOR WITH RESPECT TO, ANY NUCLEAR FUEL OR (z) ANY ACTION TAKEN OR TO BE TAKEN WITH RESPECT TO ANY NUCLEAR FUEL AT ANY STAGE OF THE NUCLEAR FUEL CYCLE, (iii) HAS AT ANY TIME HAD PHYSICAL POSSESSION OF ANY NUCLEAR FUEL OR MADE ANY INSPECTION THEREOF, OR (iv) HAS MADE OR, PURSUANT TO ANY PROVISION OF THIS FUEL LEASE OR OTHERWISE, IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER (EXCEPT FOR THE WARRANTIES OF LESSOR TO BE MADE PURSUANT TO SUBSECTION 18(a) HEREOF), EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION THAT ANY NUCLEAR FUEL (x) WILL NOT RESULT IN INJURY OR DAMAGE TO PERSONS OR PROPERTY, (y) HAS BEEN PROPERLY DESIGNED OR FABRICATED OR WILL ACCOMPLISH THE RESULTS WHICH LESSEE INTENDS THEREFOR, OR (z) IS SAFE IN ANY MANNER OR RESPECT.

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED HAS BEEN OR IS MADE PURSUANT TO ANY PROVISION OF THIS FUEL LEASE OR OTHERWISE OR UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER PRESENT OR FUTURE

LAW BY LESSOR (EXCEPT FOR THE WARRANTIES OF LESSOR TO BE MADE PURSUANT TO SUBSECTION 18(a) HEREOF), THE OWNER TRUSTEE, ANY ASSIGNEE OR ANY SECURED PARTY OR ANY PERSON ACTING ON BEHALF OF ANY OF THEM-RELATING TO ANY NUCLEAR FUEL (INCLUDING WITHOUT LIMITATION, WITH RESPECT TO THE MERCHANTABILITY THEREOF OR THE FITNESS FOR A PARTICULAR PURPOSE THEREOF).

(b) So long as no Lease Event of Default has occurred and is continuing, Lessor hereby authorizes Lessee, at Lessee's expense, to assert any and all claims, and to bring suits, actions and proceedings, in its own name or in the name of Lessor, in respect of any Manufacturer's warranties or undertakings, express or implied, relating to any portion of the Nuclear Fuel and, so long as no Lease Event of Default has occurred and is continuing, to retain the proceeds of any such claims, suits, actions and proceedings.

(c) (i) Lessee shall investigate the state of the title to and rights of ownership in and possession of the Nuclear Fuel, and shall make or cause to be made any physical inspection of such Nuclear Fuel that Lessee deems necessary, and (ii) Lessee will not permit any such Nuclear Fuel to become subject to this Fuel Lease unless Lessee is satisfied with and has approved the same in writing for all purposes hereof. No approval by Lessee pursuant to this subsection 10(c) shall affect or impair any of Lessee's rights under subsection 10(b) hereof or otherwise in respect of any Manufacturer's or other Person's warranties or undertakings.

(d) So long as no Lease Event of Default shall have occurred and be continuing, Lessee shall have exclusive possession and use of the Nuclear Fuel. Notwithstanding any other provision of this Fuel Lease, Lessee will not do or permit any act or thing to be done (i) which might impair the value or usefulness of the Nuclear Fuel or any part thereof (other than (y) in the normal usage thereof during Heat Production or (z) as may be incidental to the Nuclear Fuel Cycle) or (ii) which is contrary to any Legal Requirement or Insurance Requirement or (iii) which might impair the security interest of any Assignee in the Nuclear Fuel or in Lessor's interest in this Fuel Lease.

Section 11. Maintenance of the Nuclear Fuel.

Lessee, at its own cost and expense, will keep the Nuclear Fuel in good condition, promptly make or cause to be made in a workmanlike manner all necessary or appropriate repairs, replacements and renewals thereof and arrange for proper Fuel Management. Lessee will be responsible for all actions, costs and expenses necessary or appropriate for the proper acquisition, transportation, utilization, preservation, storage, disposal and safety of the Nuclear Fuel. Neither Lessor, nor the Owner Trustee, nor any Assignee or any Secured Party shall be required to perform any construction, or to alter, repair, rebuild or replace the Nuclear Fuel, or to maintain, service or manage the Nuclear Fuel in any way or to engage in Fuel Management, and Lessee hereby expressly waives the right to perform any construction or to make such alterations or repairs to or effect any such Fuel Management at the expense of Lessor, the Owner Trustee, any Assignee or any Secured Party which may be provided for in any law now in effect or hereafter enacted.

Section 12. Liens.

Lessee will not, directly or indirectly, create or permit to be created or to remain, and will at its expense promptly discharge, any Lien with respect to the Nuclear Fuel, or upon Lessee's leasehold interest therein or under this Fuel Lease, or upon any amount payable by it under this Fuel Lease, other than (i) this Fuel Lease and any assignment hereof permitted by Section 26 hereof, (ii) Liens for Impositions not yet payable or being contested as permitted by Section 13 hereof, (iii) Liens created in favor of any Assignee, including without limitation Liens arising from the Collateral Agreements and other liens, charges or encumbrances resulting from acts of Lessor or any Assignee, or Liens securing obligations of Lessor or any Assignee which Lessee is not obligated to pay or discharge under the terms of this Fuel Lease and (iv) Liens arising by operation of law of mechanics, laborers, materialmen, carriers, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums of money which under the terms of the related contracts are not at the time due or being contested as permitted by Section 13 hereof, provided that such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles and policies shall have been made in respect thereof.

Section 13. Permitted Contests.

After prior notice to Lessor, by appropriate legal proceedings conducted in good faith and with due diligence, Lessee at its expense (a) may contest any Legal Requirement or any Imposition and (b) shall contest any Lien prohibited by Section 12 hereof; provided, however, that all actions of Lessee as authorized by this Section 13 that would have a material effect on this Fuel Lease or the Nuclear Fuel shall be subject to the express prior written consent of Lessor, which consent shall not be unreasonably withheld; and provided further that such actions would not subject Lessee, Lessor, the Owner Trustee, any Assignee or any Secured Party to any criminal liability for failure to pay any such Imposition or to comply with any such Legal Requirement or any such Lien. Lessee will pay, and shall protect and save harmless Lessor, the Owner Trustee, each Assignee, any Secured Party and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, employees, agents and servants from and against all losses, judgments, decrees and costs, including reasonable attorneys' fees and expenses, in connection with any contest conducted pursuant to this Section 13 and will, promptly after the final determination of such contest, pay and discharge the amounts which shall be imposed or determined to be payable therein, together with all penalties, costs and expenses incurred in connection therewith.

Section 14. Insurance.

(a) Lessee shall, at its own expense, procure and maintain or cause to be procured or maintained with financially sound and reputable insurance companies nuclear liability insurance with respect to each of the Generating Facilities (identified in a Fuel Schedule) and the Nuclear Fuel insuring the respective interests of Lessor, Lessee, the Owner Trustee, each Assignee and any Secured Party, and all other covered persons to the greater of (i) the full extent required, from time to time, under the Atomic Energy Act or any other applicable law, rule or regulation and (ii) the extent that such coverage is customarily carried in the nuclear utility industry in the United States. In the event the provisions of the Atomic Energy Act with respect to liability insurance provided thereunder shall change (whether by legislation, judicial action or otherwise), then Lessee shall use its best efforts to obtain comparable insurance from

governmental and/or private sources which are reasonably acceptable to Lessor, the Owner Trustee, any Assignee and any Secured Party, and which make such coverage available.

(b) Lessee shall, at its own expense, procure and maintain physical damage insurance with respect to the Nuclear Fuel insuring Lessor, the Owner Trustee, each Assignee, each Secured Party, and all other covered persons against loss or damage to the Nuclear Fuel in an amount not less than the SLV thereof and in a manner which is consistent at all times with current prudent utility industry practice (for nuclear power plant operators) in the United States; provided, however, that Lessee in any event shall maintain physical damage coverage for the generating facilities, including the Nuclear Fuel, in an amount not less than \$1 billion. Any such insurance may provide for such deductibles not in excess of \$5,000,000 or such higher amounts as shall be customary utility industry practice (for nuclear power plant operations) in the United States (it being understood that all deductibles shall be for the account and at the risk of Lessee), may include the standard coinsurance provision contained in nuclear property insurance and may exclude the types of property and kinds of risks customarily included in and excluded from the standard coverage of such nuclear property insurance. Lessee may insure with respect to such physical damage insurance with financially sound and reputable insurance companies. The insurance to be provided under this paragraph (b) may be furnished by Lessee under its blanket coverage for the Generating Facilities as a whole. Lessee may self-insure with respect to physical damage insurance to the extent customary in the nuclear utility industry.

(c) In addition to the insurance required to be obtained under subsections 14(a) and (b) hereof, Lessee will at all times maintain insurance against third party liability on account of loss or damage to persons and properties (which insurance shall also insure Lessor, the Owner Trustee, each Assignee and each Secured Party on account of loss or damage caused by the Generating Facilities or Nuclear Fuel) in the manner (including, without limitation, by way of self-insurance) usually maintained by companies engaged in comparable activities and which own or operate like properties.

(d) Any portion of the Nuclear Fuel in the possession of or to be delivered to any third party (including a Manufacturer) for transportation, storage, processing or other services, shall be covered by the insurance having the scope required by subsection 14(a) hereof to the extent available and Lessee shall cause to be maintained physical damage insurance in accordance with subsection 14(b) and liability insurance in the maximum amount available from time to time from American Nuclear Insurers and Mutual Atomic Energy Liability Underwriters jointly, or their respective successor organizations.

All insurance required under this subsection 14(d) shall insure the respective interests of Lessee, Lessor, the Owner Trustee, each Assignee, the Secured Parties, and other covered persons. Any other provision of this Fuel Lease to the contrary notwithstanding, if the insurance with respect to such portion of the Nuclear Fuel in the possession of or to be delivered to a third party for transportation, storage, processing or other services are not substantially in the form and amounts provided for in this subsection 14(d), Lessee shall be required to obtain a release of such portion of the Nuclear Fuel from this Fuel Lease in accordance with subsection 7(c) hereof.

(e) Lessee will provide Owner Trustee, Lessor, each Assignee and the Collateral Agent (and if so requested by any other Secured Party, such other Secured Party) with insurance certificates in respect of the insurance procured pursuant to the provisions of

subsections 14(a), (b) and (c) hereof and will provide written advice to Lessor, each Assignee and the Collateral Agent of all expirations of policies, all renewals of policies and all endorsements issued by the insurers thereunder. Copies of such policies will be provided to Owner Trustee, Lessor, any Assignee and any Secured Party upon request. On the commencement of the term of this Fuel Lease and annually thereafter, Lessee will furnish to Lessor a reasonably detailed statement as to the insurance coverage provided pursuant to subsections 14(a), (b) and (c) hereof. Lessee will further give prompt written notice to Owner Trustee, Lessor, any Assignee and the Collateral Agent as to any change in the nature of the insurers, coverages, amounts or terms of such insurance (including any change in the provisions of the Atomic Energy Act or any other applicable law, rule or regulation with respect to liability insurance, or in the application, interpretation or enforcement thereof), which change could reasonably be expected to adversely affect Lessee, Lessor, the Owner Trustee, any Assignee or any Secured Party. Lessor, the Owner Trustee, each Assignee and each Secured Party, and other covered persons shall be an insured (and, if possible, named as such) in all insurance policies maintained by Lessee as required under subsections 14(a), (b) and (c) hereof. All such policies shall provide for at least twenty (20) days' written notice to Lessor, the Owner Trustee, each Assignee and the Collateral Agent prior to any cancellation and, if and to the extent possible, any material alteration of such policies, and shall provide that loss thereunder shall be payable to each Assignee as its interest may appear. Upon receipt of proceeds under any insurance policy, Lessee shall pay over to Lessor, each Assignee, the Secured Parties, the Owner Trustee, and the other covered persons, the amount of their respective interests therein subject to any restrictions imposed by the Nuclear Regulatory Commission or any other governmental authority. Lessee shall deliver to Lessor, promptly upon Lessee's receipt thereof, copies of each recommendation made by its unaffiliated insurance consultants as to the inadequacy of its existing insurance coverage or as to any additional insurance which is available to Lessee and which is required for the protection of the interests of Lessee, Lessor, each Assignee, the Secured Parties, and the Owner Trustee in accordance with subsections 14(a), (b) and (c) hereof.

Section 15. Damage, Destruction or Malfunction.

(a) If an event resulting in any damage to, destruction of or malfunction of any or all of the Nuclear Fuel should occur, which damage or destruction is of such a nature as to prevent Heat Production by any Nuclear Fuel, Lessee will promptly advise Lessor, Owner Trustee, any Assignee and the Collateral Agent in writing as to such event and will, no later than sixty (60) days after such event, give complete written notice thereof to Lessor, Owner Trustee, any Assignee and the Collateral Agent, generally describing such event and such damage, destruction or malfunction and stating whether the replacement thereof can be completed within two (2) years after such event. If such event affects all or substantially all of the Nuclear Fuel and such written notice by Lessee does not state that the replacement can be completed within two (2) years, Lessor shall have the right to terminate this Fuel Lease by giving the notice provided for in subsection 17(a)(vi) hereof. If such event affects some but not all or substantially all of the Nuclear Fuel and Lessee's written notice with respect thereto does not state that the replacement thereof can be completed within such two (2) years, Lessee shall, within sixty (60) days after such event, obtain the release pursuant to subsection 7(c) hereof of the Nuclear Fuel affected by such event. If Lessee shall state in its written notice that the replacement can be completed within two (2) years after such event, it shall as promptly as practicable commence the replacement and shall complete the same no later than two (2) years after such event, such

replacement to be at Lessee's own cost and expense and whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose. Any such written notice that the replacement can be so completed shall be deemed a representation by Lessee to that effect. If, at any time during said two (2) years period such representation could not be reaffirmed, Lessee shall so notify in writing Lessor, any Assignee, each holder of a Note and the Collateral Agent and upon such notification Lessor may terminate this Fuel Lease by giving the notice provided for in subsection 17(a)(vi) hereof with the effect set forth in Section 17.

(b) If an event resulting in any damage to, destruction of or malfunction of operation of any or all of the Generating Facilities should occur, which event is of such a nature as to prevent Heat Production of Nuclear Fuel leased hereunder at such Generating Facility or Facilities, Lessee will promptly advise in writing Lessor, Owner Trustee, any Assignee, each holder of a Note and the Collateral Agent as to such event and will, no later than sixty (60) days after such event, give complete written notice thereof to Lessor, Owner Trustee, any Assignee, each holder of a Note and the Collateral Agent, generally describing such event and stating whether the repair or reconstruction thereof can be completed within two (2) years after such event or, if such repair or reconstruction cannot be completed within two (2) years, whether the Nuclear Fuel which was intended to have been engaged in Heat Production at the Generating Facilities where such event occurred (i.e., the Nuclear Fuel located in, and the Nuclear Fuel intended to be used within two (2) years at, such Generating Facility or Facilities), can be relocated or reassigned within two (2) years after such event to another Generating Facility and engaged in Heat Production within two (2) years after such event. If such event affects all or substantially all of the Generating Facilities and such written notice by Lessee does not state that such repair, or reconstruction or relocation and engagement or reassignment can be completed within such two (2) years, Lessor shall have the right to terminate this Fuel Lease by giving the notice provided for in subsection 17(a)(vi) hereof. If such event affects some but not all or substantially all of the Generating Facilities and Lessee's written notice with respect thereto does not state that such repair or reconstruction or relocation and engagement or reassignment can be completed within such two (2) years, Lessee, if so requested by Lessor, shall within sixty (60) days after such event obtain the release pursuant to subsection 7(c) hereof of the Nuclear Fuel located in, and if no reassignment can be made the Nuclear Fuel intended to be used at, the Generating Facility or Facilities where such event occurred. If Lessee shall state in its notice that repair or reconstruction or relocation and engagement or reassignment can be completed within two (2) years after such event, it shall promptly commence such repair or reconstruction or relocation and engagement or reassignment and shall complete the same no later than two (2) years after such event, such repair or reconstruction or relocation and engagement or reassignment to be at Lessee's own cost and expense and whether or not the insurance proceeds, if any, on account of such damage, destruction or malfunction shall be sufficient for the purpose. Any such written notice that repair or reconstruction can be so completed shall be deemed a representation by Lessee to that effect. If, at any time during said 2-year period, such representation could not be reaffirmed, Lessee shall so notify Lessor, Owner Trustee, any Assignee, each holder of a Note and the Collateral Agent in writing and upon such notification Lessor may terminate this Fuel Lease by giving the notice provided for in subsection 17(a) (vi) hereof with the effect set forth in Section 17.

(c) If no Lease Event of Default, or an event which with the giving of notice or the lapse of time or both would constitute a Lease Event of Default, shall have occurred and be continuing, (i) all insurance proceeds received by Lessor, the Owner Trustee, any Assignee or any Secured Party on account of any damage to, or destruction or malfunction of, the Nuclear Fuel (less the actual costs and expenses incurred in the collection thereof) shall be paid to Lessee and (ii) Lessee shall have the right to bring and control litigation with respect to claims arising out of damage, destruction or malfunction of Nuclear Fuel or out of insurance with respect thereto. Lessee expressly waives the provisions of any present or future law relating to damage, malfunction or destruction and agrees that the provisions of this Fuel Lease shall control the rights of Lessor, the Owner Trustee, each Assignee, each Secured Party and Lessee with respect to the Nuclear Fuel and any insurance proceeds received with respect thereto.

Section 16. Condemnation or Eminent Domain.

(a) In case of the condemnation, eminent domain or other governmental taking (each, a “**Taking**”) or the commencement of any proceedings or negotiations which might result in a Taking, Lessee will promptly give notice thereof to Lessor, generally describing the nature and extent thereof. Lessee hereby assigns to Lessor any award or payment payable to Lessee on account of a Taking of the Nuclear Fuel. Lessor shall have the right to participate fully in any proceedings or negotiations in connection with any Taking of Nuclear Fuel; provided that Lessee shall be entitled to control such proceedings or negotiations so long as no Lease Event of Default shall have occurred and be continuing. Lessee will pay all reasonable costs and expenses incurred by Lessor in connection with any Taking of Nuclear Fuel and seeking and obtaining any award or payment on account thereof.

(b) In the case of any Taking, (i) the provisions of this Fuel Lease shall remain in effect, except as expressly provided below in this Section 16, without any abatement or reduction of any amount payable hereunder, and (ii) unless Lessee shall have exercised, within sixty (60) days after the happening of such Taking, its right to obtain a release of such Nuclear Fuel pursuant to subsection 7(c) hereof, Lessee, whether or not the awards or payments, if any, on account of such Taking shall be sufficient for the purpose, at its cost and expense, will promptly commence and complete the replacement of the Nuclear Fuel affected by such Taking; provided, however, Lessee may request payment by Lessor of such costs and expenses of the replacement pursuant to Section 4 hereof. Upon completion of the replacement, Lessee shall execute and deliver to Lessor a Fuel Schedule, together with any necessary Bills of Sale, to subject such replacement Nuclear Fuel to this Fuel Lease. The replacement shall be promptly commenced and completed no later than two (2) years after a Taking. If the replacement is not completed within two (2) years after a Taking, Lessee must obtain a release of the Nuclear Fuel affected by such Taking pursuant to subsection 7(c) hereof.

(c) If no Lease Event of Default shall have occurred and be continuing and if Lessee exercises its right to obtain a release of any Nuclear Fuel pursuant to Section 7(c) hereof, then all awards and payments received prior to, contemporaneous with or following such release on account of any Taking of such Nuclear Fuel (less the actual costs and expenses incurred in the collection thereof) shall be paid to Lessee.

(d) For purposes of this Fuel Lease, all amounts paid pursuant to any agreement with any condemning authority which has been made in connection with or in anticipation of any Taking shall be deemed to constitute an award on account of such Taking.

Section 17. Terminating Events.

(a) This Fuel Lease shall terminate prior to the scheduled expiration of its term upon the happening of any of the events enumerated in clauses (i) through (ix) below (each herein called a “**Terminating Event**”), in accordance with the further provisions set forth in this Section 17:

(i) If, on or after any Basic Rent Payment Date from and including May 7, 2021, so long as no Lease Event of Default shall have occurred and be continuing and provided that at the time of termination Lessor has the right and available funds to pay in full, the then unamortized balance of the Notes and all other amounts which have accrued but remain unpaid under the Financing Documents, Lessee shall have delivered to Lessor a certificate of Lessee, signed by its President, a Vice President or Treasurer, stating that the Nuclear Fuel leased hereunder is no longer useful, is surplus or is economically obsolete to Lessee’s business, and that Lessee desires to terminate this Fuel Lease on such Basic Rent Payment Date, and at least ninety (90) days shall have elapsed after such notice;

(ii) If Lessor shall have given notice (x) that it is not satisfied with (A) any material adverse change since the date hereof (whether by legislative, act, administrative or judicial determination or otherwise) in the provisions of the Atomic Energy Act or any other applicable law, rule or regulation with respect to liability insurance or indemnification or in the application, interpretation or enforcement thereof, or (B) any material adverse change in the insurers, coverage, amount or terms of any insurance policy or indemnity agreement required to be obtained and maintained by Lessee pursuant to subsections 14(a), (b) and (c) hereof, or (C) an event which has occurred which has the effect of substantially decreasing such insurance coverage, and that Lessor desires that this Fuel Lease be terminated or (y) that Lessor or any Assignee has, or the Required Holders have, determined, in the reasonable exercise of its business judgment, that any change in the provisions of the Price Anderson Act, the Atomic Energy Act, any regulations of the Nuclear Regulatory Commission or any other applicable law, rule or regulation increases the potential liability or franchise or reputation risk associated with the Lessor, any Assignee, or any Secured Party being a party to any Basic Document, and that Lessor or such Assignee desires, or such Required Holders desire, that this Fuel Lease be terminated;

(iii) If (a) Lessor becomes, or is declared by any relevant governmental or regulatory body or authority to be (and such declaration is not stayed upon terms satisfactory to the Owner Trustee, any Assignee and the Secured Parties or the Collateral Agent acting on their behalf), as a consequence of being a party to this Fuel Lease or its acquisition, ownership or leasing of the Nuclear Fuel, an “electric utility company”, a “public utility” or a similarly regulated entity under the Federal Power Act, or any other federal law or regulation, or under the laws of any state, or (b) Lessor or the Owner Trustee, any Assignee or any Secured Party, or their respective officers, directors,

shareholders, direct or indirect controlling Persons or parents, agents, partners or employees shall become subject to regulation under such laws as a result of being a party to the transactions contemplated by this Fuel Lease, or (c) Lessor, with the passage of a specific period of time would become, a public utility (or the equivalent) or subject to regulation under the Acts or laws referred to in subclause (a) of this clause (iii) as a result of the consequences described therein, or Lessor or the Owner Trustee or any Assignee or any Secured Party or their respective officers, directors, shareholders, partners, direct or indirect controlling Persons or parents, agents, partners or employees would after such period become subject to regulation under such laws and said specific period of time less one week shall have elapsed;

(iv) If any law or regulation or interpretation of any law or regulation shall be adopted after the date hereof or enforced by any governmental or regulatory body or authority (including the New York Stock Exchange) (which adoption or enforcement shall not be stayed upon terms satisfactory to the Owner Trustee, any Assignee and the Secured Parties or the Collateral Agent acting on their behalf) and as a result of such adoption or enforcement approval of the transactions contemplated by the Basic Documents shall be required and shall not have been obtained within any grace period after such adoption or enforcement (if there is no grace period or a grace period of less than ten (10) days, within ten (10) days after such adoption or enforcement), or as a result of which adoption or enforcement, this Fuel Lease or any transaction contemplated hereby or the Basic Documents, including, without limitation, any payments to be made by Lessee or Lessor or the acquisition, ownership or leasing of the Nuclear Fuel by Lessor, shall be or become unlawful or the performance of this Fuel Lease shall be rendered impracticable in any material way;

(v) If a nuclear incident (as that term is defined in the Atomic Energy Act) involving or connected in any way with any of the Nuclear Fuel or any of the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production shall have occurred, and such nuclear incident may reasonably be expected to give rise to liability or to damage, destruction or personal injury, in an aggregate amount in excess of \$100,000,000 (whether or not covered by insurance or indemnification agreements) and Lessor, the Owner Trustee, any Assignee, the Required Holders (or the Collateral Agent acting on their behalf) shall have given notice to Lessee stating that Lessor, the Owner Trustee or such Assignee desires, or such Required Holders desire, that this Fuel Lease be terminated;

(vi) If an event described in Section 15(a) or (b) hereof and affecting all or substantially all of the Nuclear Fuel or all or substantially all of the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production shall have occurred and Lessee shall not have stated in its notice required under Section 15(a) or (b) with respect thereto that repair or reconstruction or relocation and engagement or reassignment or the replacement as provided therein can be completed within two (2) years after such event, and Lessor, the Owner Trustee, any Assignee or the Required Holders (or the Collateral Agent acting on their behalf) shall have given notice to Lessee stating that Lessor, the Owner Trustee or such Assignee desires, or the Required Holders

desire, that this Fuel Lease be terminated and five (5) days shall have elapsed after such notice;

(vii) If an event described in Section 15(a) or (b) hereof and affecting all or substantially all of the Nuclear Fuel or all or substantially all of the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production shall have occurred and Lessee shall have stated in its notice required under Section 15(a) or (b) with respect thereto that repair or reconstruction, relocation and engagement or reassignment or the replacement can be completed within two (2) years after such event, but Lessee shall have failed within such two (2) years to complete the same and Lessor, the Owner Trustee, any Assignee or the Required Holders (or the Collateral Agent acting on their behalf) shall have given notice to Lessee stating that Lessor, the Owner Trustee or such Assignee desires, or the Required Holders desire, that this Fuel Lease be terminated and five (5) days shall have elapsed after such notice;

(viii) If any government license, approval, or consent granted to Lessee with respect to the Generating Facilities in which Nuclear Fuel leased hereunder is in Heat Production, without which license, approval or consent Lessee cannot continue to operate such Generating Facilities shall have been revoked or modified in a materially adverse manner and (A) Lessee does not, in good faith, within sixty (60) days of such revocation or modification, represent in writing to Lessor that Lessee has made a good faith determination that the Generating Facilities will return to operation within two (2) years of such revocation, (B) at any time during such 2-year period, such representation could not be reaffirmed after Lessee shall have delivered such representation, or (C) within such 2-year period, the Generating Facilities are not, in fact, returned to operation; or

(ix) If the Generating Facilities shall cease to be in Heat Production for a period of two (2) years after Heat Production is commenced and Lessor, the Owner Trustee, any Assignee or the Required Holders (or the Collateral Agent acting on their behalf) shall have given notice to Lessee stating that Lessor, the Owner Trustee or such Assignee desires, or the Required Holders desire, that this Fuel Lease be terminated and twenty (20) days shall have elapsed after such notice.

(b) Upon the happening of any Terminating Event, or upon the scheduled expiration of the term of this Fuel Lease as to all of the Nuclear Fuel, this Fuel Lease shall cease and terminate, except (i) with respect to obligations and liabilities of Lessee, actual or contingent, which arose under this Fuel Lease on or prior to the date of termination, (ii) for the provisions of Sections 3, 6(c), 7 (except to the extent modified by this Section 17), 8, 9, 10, 11, 12, 13, 14, 16 and 25(d) hereof and in this Section 17, and all obligations of Lessee thereunder shall continue independently of the termination of this Fuel Lease until the delivery of documentation by Lessor and the payment by Lessee provided for below in this Section 17, and (iii) that Lessee's obligations under Section 20 hereof shall survive any termination of this Fuel Lease.

(c) Upon such termination, the entire interest of Lessor in the Nuclear Fuel shall (except as provided in the last sentence of this subsection 17(c)) automatically transfer to and be vested in Lessee, without the necessity of any further action by either Lessor or Lessee,

but subject to the rights of any Assignee under the Financing Documents, and to the liens and security interests created thereby; provided, however, that if Lessee shall have assigned its interest therein to any Person lawfully entitled to receive the same as in accordance with Section 18(b) hereof and Lessor shall not have in writing disapproved such assignment for reasonable cause within twenty (20) days after notice thereof, the entire interest of Lessor in the Nuclear Fuel shall, upon such termination, automatically transfer to and be vested in such Person designated by Lessee, subject, however, to compliance with such approved terms of such transfer and subject also to the rights of any Assignee under the Collateral Agreements, and to the liens and security interests created thereby. If this Fuel Lease shall terminate as a result of the occurrence of a Terminating Event described in clauses (ii) through (v) of subsection 17(a) hereof, then, in such event, immediately following the transfer of Lessor's interest in the Nuclear Fuel as provided in this subsection 17(c), at the request of Lessor, Lessee at its own cost and expense shall execute and deliver from time to time such security agreements, financing and continuation statements and such other instruments as may be reasonably requested by Lessor in order to confirm the existence of, or create, a security interest in the Nuclear Fuel, and shall, at its cost and expense, cause such documents to be recorded, filed or registered and to be re-recorded, refiled or re-registered in such manner and at such times and in such places as may be required by any present or future law applicable to the Nuclear Fuel in order to perfect and preserve such interest or as may be reasonably requested by Lessor. If this Fuel Lease shall terminate for any reason other than as a result of the occurrence of a Terminating Event described in clauses (ii) through (v) of subsection 17(a) hereof, then, in such event, at the request of Lessor, Lessee at its own cost and expense shall execute and deliver from time to time such security agreements, financing and continuation statements and such other instruments as may be reasonably requested by Lessor in order to confirm the existence of, or create, a security interest in the Nuclear Fuel, and shall, at its cost and expense, cause such documents to be recorded, filed or registered and to be re-recorded, refiled or re-registered in such manner and at such times and in such places as may be required by any present or future law applicable to the Nuclear Fuel in order to perfect and preserve such interest or as may be reasonably requested by Lessor, and Lessor's interest in the Nuclear Fuel shall not be transferred to Lessee or such other Person until such actions have been duly and properly taken.

(d) Promptly after either party hereto shall learn of the happening of any Terminating Event, such party shall give written notice thereof to the other party hereto (and in the case of such a notice to Lessor, signed also by any other Person in whom title to the Nuclear Fuel shall have vested or is to vest as aforesaid) which notice shall (x) acknowledge that this Fuel Lease has terminated, subject to the continuing obligations of Lessee specified above in this Section 17, and that title to and ownership of the Nuclear Fuel has transferred to and vested in or will transfer to and vest in Lessee or such other Person, and (y) subject to the next sentence of this subsection, specify a settlement date (the "**Settlement Date**") occurring, if the notice is given by Lessor, sixty (60) days after the giving of such notice or, if the notice is given by Lessee, not more than sixty (60) days after the giving of such notice; provided, however, that in case of a Terminating Event described in any of clauses (ii), (iii), (iv), or (v) or, if the Lessee does not make the representation referred to therein, clause (viii) of subsection 17(a), the Settlement Date shall be one hundred and twenty (120) days if the notice is given by Lessor, and not more than one hundred and twenty (120) days if given by Lessee, after the giving of such notice; and provided further that in no event shall the Settlement Date in respect of any Terminating Event be later than November 7, 2023. If any Settlement Date determined in

accordance with this Section 17 would occur after November 7, 2023, the "Settlement Date" shall be deemed for all purposes of this Agreement to be November 7, 2023. In the event the termination shall be by reason of the scheduled expiration of the term of this Fuel Lease as to all of the Nuclear Fuel, each of the parties shall give to the other a notice as of the scheduled expiration date to the effect described in clause (x) of the preceding sentence (and in the case of such a notice to Lessor, signed also by any other Person in whom title to the Nuclear Fuel shall have vested as aforesaid and the Settlement Date shall be such scheduled expiration date. On the Settlement Date (time being of the essence), Lessee shall be obligated to pay or cause to be paid to Lessor as the purchase price for Nuclear Fuel an amount equal to the sum of (i) the then-unamortized principal amount of the Notes as of the Settlement Date plus (ii) any accrued and unpaid interest as of the Settlement Date plus (iii) any other accrued but unpaid amounts owing under the Basic Documents through the Settlement Date, including, but not limited to breakage costs, if any, incurred by the holders of the Notes if the Settlement Date is a date other than a Basic Rent Payment Date.

(e) Upon receipt of such payment in full, Lessor shall be obligated to deliver a Lessor's Bill of Sale acknowledging the above-described transfer and vesting of title and ownership of the Nuclear Fuel in Lessee or in such other Person designated by Lessee (including therein the release of any security interest under the Collateral Agreements). Lessee shall pay all reasonable costs and expenses in connection with such transfer, including all escrow fees, search and recording and filing fees, reasonable attorneys' fees and all Impositions which may be incurred by reason of the transfer and all applicable federal, state and local sales, use and other taxes (except income taxes on any fees payable at such time) which may be incurred or imposed by reason of the transfer then being made by Lessor or by reason of the delivery of said instruments of transfer and release, provided, however, that Lessee's obligation to make payments shall not be conditioned upon receipt of such Bill of Sale and releases.

(f) If Lessee shall have made the payment required pursuant to subsection 17(d), then any payments which have been theretofore or may thereafter be received in respect of the Nuclear Fuel as a result of a Taking under Section 16 or damage or loss under Section 15 and which have not been expended as provided herein shall be paid or payable to Lessee, as the case may be.

Section 18. Conditions of Conveyance.

(a) Upon the release of any Nuclear Fuel from this Fuel Lease or upon the conveyance by Lessor of any Nuclear Fuel pursuant to the provisions of this Fuel Lease, (i) Lessor need not transfer any better title thereto or better ownership interest therein than it obtained pursuant to this Fuel Lease, (ii) all such transfers shall be without any representation or warranty of any kind, express or implied, except that Lessor shall warrant that it has not permitted any Lien, exception or restriction to attach to such Nuclear Fuel other than as contemplated by this Fuel Lease and the Basic Documents or as caused by Lessee and except that Lessor shall obtain and deliver a release of all security interests under the Collateral Agreements as to the affected Nuclear Fuel, and (iii) Lessee (or any other Person to whom title is transferred as provided herein) shall accept the same subject to all Liens, exceptions and restrictions attaching thereto, whether before or after such Nuclear Fuel became subject to this Fuel Lease (except as provided in clause (ii) above or for any resulting from any acts of Lessor, the Owner Trustee, or any Assignee or the Secured Parties, other than such acts taken pursuant to

and in accordance with this Fuel Lease and the Basic Documents), and subject to all applicable laws, regulations and ordinances.

(b) Whenever Lessee has the right or obligation to obtain the release of any Nuclear Fuel from this Fuel Lease pursuant to any provision hereof or whenever any Nuclear Fuel is to be conveyed to Lessee pursuant to the provisions hereof, Lessee may cause such Nuclear Fuel to be released to any other Person lawfully entitled to receive the same specified by Lessee in a notice to Lessor given at least fifteen (15) days prior to the date of such release; provided, however, that nothing specified in this subsection 18(b) shall in any way impair or affect the obligations of Lessee under this Fuel Lease; and provided further that at the time of any such release Lessee shall deliver to Lessor, the Owner Trustee, each Assignee and each Secured Party the undertaking of Lessee, satisfactory in form and substance to each of them, indemnifying and holding harmless each of Lessor, the Owner Trustee, each Assignee and each Secured Party and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, employees, agents and servants from and against any and all loss, liability, cost and expense incurred by any of them by reason of such release.

(c) Upon any release of any Nuclear Fuel pursuant to any right or obligation of Lessee to obtain the release of Nuclear Fuel from this Fuel Lease under any provision hereof or upon the conveyance by Lessor of any Nuclear Fuel pursuant to the provisions of this Fuel Lease, Lessee shall pay all costs and expenses in connection with such release, including all escrow fees, search and recording and filing fees, reasonable attorneys' fees and all Impositions and all applicable federal, state and local sales, use and other similar taxes which may be incurred or imposed by reason of the release then being made by Lessor or by reason of the delivery of any instruments of release or conveyance.

Section 19. Lease Events of Default and Remedies.

(a) Any of the following events shall constitute a "**Lease Event of Default**" (and any event or circumstance which, with the giving of notice or lapse of time, would constitute a Lease Event of Default, is referred to herein as a "**Lease Default**"):

(i) failure to pay when due any amount payable pursuant to Section 24 hereof and the continuance of such default for ten (10) days after notice to Lessee; or failure to pay when due any portion of any Basic Rent or Special Payment and the continuance of such default for five (5) days thereafter; or

(ii) failure to perform or observe any of the obligations or covenants of Lessee under subsections 14(a), 14(b) or 14(c) hereof; or failure to obtain the release of any Nuclear Fuel under subsection 7(c) hereof when required by subsections 15(a) or 15(b) hereof; or

(iii) failure to perform or observe any of the other obligations or covenants of Lessee hereunder and the continuance of such failure for thirty (30) days after notice to Lessee by Lessor or any Assignee or any holder of a Note or the Collateral Agent; or

(iv) any representation or warranty made by Lessee in connection with this Fuel Lease shall be false in any material respect on the date as of which made; or

(v) any event shall occur or condition shall exist under any agreement or instrument relating to Debt of the Lessee or any Significant Subsidiary outstanding in a principal or notional amount of at least \$50,000,000 in the aggregate if the effect of such event or condition is to accelerate or require early termination of the maturity or tenor of such Debt, or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), terminated, purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity or the original tenor thereof; or

(vi) any judgment or order for the payment of money in excess of \$50,000,000 in the case of the Lessee or any Significant Subsidiary to the extent not paid or insured shall be rendered against the Lessee or any Significant Subsidiary and either (a) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (b) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(vii) the Lessee or any Significant Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Lessee or any Significant Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of sixty (60) days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Lessee or any Significant Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (vii); or

(viii) (a) the termination of or withdrawal from the United Mine Workers' of America 1974 Pension Trust by the Lessee or any of its ERISA Affiliates shall have occurred and the liability of the Lessee and its ERISA Affiliates related to such termination or withdrawal exceeds \$75,000,000 in the aggregate; or (b) any other ERISA Event shall have occurred and the liability of the Lessee and its ERISA Affiliates related to such ERISA Event exceeds \$50,000,000.

(b) Upon the occurrence of any Lease Event of Default, Lessor may (subject to the rights assigned to the Secured Parties) in its discretion do any one or more of the following:

(i) treat the Lease Event of Default as a Terminating Event effected by Lessee under Section 17(a) hereof, entitling Lessor to the consequent benefits of Sections 17(b), (c) and (d) hereof and in general proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by Lessee of the applicable provisions of this Fuel Lease; or

(ii) by notice to Lessee terminate this Fuel Lease, whereupon Lessee's interest and all right of Lessee and Persons claiming through or under Lessee to the use of Nuclear Fuel shall forthwith terminate but Lessee shall remain liable with respect to obligations and liabilities, actual or contingent, which arose under this Fuel Lease on or prior to the date of such termination and Lessee's obligations set forth in Section 20 and this Section 19(b)(ii) and, until the earlier of (1) Lessee's taking possession of the Nuclear Fuel or (2) final and uncontested payment of the amounts referred to in (A) and (B) below, Sections 8, 9, 11 and 14 hereof; and upon such termination Lessor shall have the immediate right of possession of the Nuclear Fuel (to the extent not prohibited by law) and the right, at Lessor's election but only in accordance with applicable law, either to enter the Generating Facility or any other premises where the Nuclear Fuel or any portion thereof is located and remove the Nuclear Fuel or such portion thereof there located (to the extent not prohibited by and in compliance with law) or cause the same to be done by any Person entitled by law so to do, in which case Lessor shall not be responsible for any damage to the Generating Facility or such premises, except for damage resulting from Lessor's bad faith, willful misconduct or gross negligence (Lessee hereby agreeing to indemnify and hold Lessor harmless from all losses and liabilities in respect of any such damage to the Generating Facility, such premises or the Nuclear Fuel or injury to Lessor's, Lessee's or such other Person's employees sustained in the course of such removal, except any such damage resulting from Lessor's bad faith, willful misconduct or gross negligence, provided that Lessee hereby further agrees that the misconduct or negligence of an Assignee shall not be imputed to Lessor), or to require Lessee, at Lessee's expense, to deliver the Nuclear Fuel or any portion thereof, properly containerized and insulated for shipping, at the Generating Facility and consigned to a Person specified by Lessor and licensed to receive such Nuclear Fuel, in which case the risk of loss shall be upon Lessee until such delivery is made; and Lessor may thenceforth hold, possess and enjoy the Nuclear Fuel (to the extent not prohibited by law) and may sell Lessor's interest in the Nuclear Fuel or any portion thereof upon any terms deemed satisfactory to Lessor, free from any rights of the Lessee and any Person claiming through or under Lessee; but Lessor shall, nevertheless, have the right to recover forthwith from Lessee (A) any and all Basic Rent, Special Payments and all other amounts payable by Lessee hereunder which may be due and unpaid immediately prior to such termination or which may then be accrued and unpaid; and (B) as liquidated damages for loss of the bargain and not as a penalty, an amount equal to the excess of (x) the sum of (i) the SLV of the Nuclear Fuel as of the date of such termination of this Fuel Lease plus (ii) the Termination Rent, if any, over (y) the amount, if any, realized by Lessor in a sale of the Nuclear Fuel (at which Lessor may be a purchaser), without set-off, defense or reduction other than a deduction from the sale price of all the costs of such sale, including Lessor's expenses and attorneys' fees in connection with asserting its rights hereunder and consummating such sale, and other commissions, sales taxes and other customary charges; it being understood that Lessor shall have no obligation to

conduct any such sale, and that Lessor may, in lieu of conducting such sale, transfer and convey title to, and its entire ownership interest in, the Nuclear Fuel to Lessee or any trustee or liquidator therefor upon the terms and conditions set forth in Section 18, but that, if Lessor conducts such sale, the Nuclear Fuel may be sold free and clear of all rights of Lessee.

Lessee hereby waives, to the full extent not prohibited by law, any right it may now or hereafter have to require the sale, in mitigation of damages, of the Nuclear Fuel or any portion thereof consequent to a Lease Event of Default.

(c) Pending Lessor's exercise of any available remedy to take or deliver to a third party possession of any Nuclear Fuel, Lessee shall be responsible for the storage of the Nuclear Fuel.

(d) The remedies herein provided in favor of Lessor in case of a Lease Event of Default as hereinabove set forth shall not be deemed to be exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law, in equity or in bankruptcy.

Section 20. Indemnification by Lessee.

Without limitation of any other provision of this Fuel Lease, Lessee shall pay, and shall protect, indemnify and save harmless Lessor, the Owner Trustee, each Assignee and each Secured Party and their respective officers, directors, incorporators, shareholders, direct or indirect controlling Persons or parents, partners, direct or indirect membership interest holders, employees, agents and servants (collectively, the "**Indemnitees**") from and against any and all liabilities (other than, as to an Indemnitee, liabilities arising out of the bad faith, gross negligence or willful misconduct of such Indemnitee), taxes (excluding, however, taxes measured solely by the net income of any Person indemnified or intended to be indemnified pursuant to this Section 20, except as otherwise provided in subsection 3(d) hereof), losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) and judgments of any nature relating to, arising out of or in connection with: (i) this Fuel Lease (including schedules hereto), any Assignment Agreement, Assigned Agreement, Nuclear Fuel Contract or Partially Assigned Agreement, (ii) Lessor's ownership of Nuclear Fuel, (iii) Fuel Management, (iv) the creation with Lessee's written consent of a security interest in Nuclear Fuel in favor of any Assignee, (v) the assignment with Lessee's written consent of Lessor's rights hereunder in favor of any Assignee, (vi) any transfer of Nuclear Fuel or rights therein, or (vii) any action or inaction of any Indemnitee in connection with the Basic Documents. If any action, suit or proceeding arising from any of the foregoing is brought against any Indemnitee, Lessee will, at Lessee's cost and expense, resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by Lessee and reasonably acceptable to such Indemnitee, with full power to litigate, compromise or settle the same with the prior consent of such Indemnitee, such consent not to be unreasonably withheld. The foregoing indemnity shall not limit any indemnification to which any Indemnitee may otherwise be entitled. Any payment to any Indemnitee pursuant to this Fuel Lease shall be increased to such amount as will, after taking into account (i) all taxes imposed with respect to the accrual or receipt of such payment by such Indemnitee (as the same may be increased pursuant to this sentence) and (ii) any deductions or credits under any applicable tax law

attributable to the accrual or receipt of such payment or taxes for which payment has been made, equal the amount of the payment. The obligations of Lessee under this Section 20 shall survive any termination of this Fuel Lease, in whole or in part.

Section 21. Surrender; Acceptance of Surrender.

No surrender of this Fuel Lease or of the Nuclear Fuel or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by Lessor or any representative or agent thereof, other than such written agreement and acceptance by Lessor, shall constitute an acceptance of any such surrender. No surrender of this Fuel Lease or of the Nuclear Fuel or of any interest therein and no acceptance of any such surrender shall reduce or release Lessee's obligations to make the rental and other payments provided for herein, all of which are absolute, unconditional and independent covenants.

Section 22. Estoppel Certificates; Information; Financial Information; Financial Covenant.

(a) Lessee will, within ninety-five (95) days after the end of each quarter of each fiscal year, deliver to the Lessor, each holder of a Note and the Collateral Agent a statement, executed by a vice president, assistant vice president, treasurer, assistant treasurer, secretary, assistant secretary, controller or assistant controller of Lessee, certifying that this Fuel Lease is unmodified and in full force and effect (or, if there have been modifications, that this Fuel Lease is in full force and effect as modified, and identifying such modifications), and that no Lease Event of Default or Lease Default has occurred (or specifying the nature and period of existence of any thereof and what action Lessee is taking or proposes to take with respect thereto), it being intended that any such statement may be relied upon by Lessor, the Owner Trustee, and the Secured Parties.

(b) Lessee will deliver to Lessor, each Assignee, each holder of a Note and the Collateral Agent:

(i) as soon as available and in any event within ninety (90) days after the end of each of the first three quarters of each fiscal year of Lessee, a copy of the consolidated balance sheet of Lessee and its Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of Lessee and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of Lessee as having been prepared in accordance with GAAP and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of Lessee as to compliance with the terms of this Fuel Lease and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 22(d); provided that in the event of any change in GAAP used in the preparation of such financial statements, Lessee shall also provide, if necessary for the determination of compliance with Section 22(d), a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) as soon as available and in any event within one hundred twenty (120) days after the end of each fiscal year of Lessee, a copy of the annual audit report

for such year for Lessee and its Subsidiaries, containing a consolidated balance sheet of Lessee and its Subsidiaries as of the end of such fiscal year and consolidated statements and income and cash flows of Lessee and its Subsidiaries for such fiscal year, in each case, accompanied by an opinion by Deloitte & Touche LLP or PricewaterhouseCoopers LLP or other independent registered public accounting firm acceptable to the Required Holders, and consolidating statements of income and cash flows of Lessee and its Subsidiaries for such fiscal year, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of Lessee as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 22(d), provided that in the event of any change in GAAP used in the preparation of such financial statements, Lessee shall also be provided, if necessary for the determination of compliance with Section 22(d), a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) as soon as possible and in any event within five (5) days after the chief financial officer or treasurer of Lessee obtains knowledge of the occurrence of each Lease Event of Default or Lease Default relating to Lessee continuing on the date of such statement, a statement of the chief financial officer or treasurer of Lessee setting forth details of such Lease Event of Default or Lease Default and the action that such Lessee has taken and proposes to take with respect thereto;

(iv) promptly after the sending or filing thereof, copies of all reports on Form 8-K that the Lessee or any Significant Subsidiary of the Lessee files with the Securities and Exchange Commission or any national securities exchange;

(v) promptly after the commencement thereof, notice of all actions and proceedings before any court, governmental agency or arbitrator, including without limitation, any Environmental Action, affecting Lessee or any Significant Subsidiary of Lessee that is reasonably likely to have a Material Adverse Effect;

(vi) prior to the date for the timely recordation of continuation statements and other documents filed or caused to be filed in accordance with Sections 8(b) and 17(c) of this Fuel Lease in order to maintain, protect, preserve and perfect the liens and security interests in the Collateral in effect as legal, valid and enforceable liens and security interests, evidence of the due recordation of such continuation statements and other documents; and

(vii) with all reasonable promptness, such other information and data with respect to Lessee, the Nuclear Fuel (including the SLV thereof) or the Generating Facilities as may reasonably be requested by Lessor, any Assignee or the holders of a majority of the Notes.

The financial reports required to be delivered by Lessee under subsections (i) and (ii) above shall be delivered in the form of Lessee's Quarterly Report on Form 10-Q or Annual Report on Form 10-K, in each case, for the applicable fiscal period, if Lessee is required pursuant to applicable law to file, or does file, such reports with the Securities and Exchange Commission.

The information required to be delivered pursuant to subsections (i), (ii) and (iv) above shall be deemed to have been delivered if such information shall be available on the website of the Securities and Exchange Commission at <http://www.sec.gov> or any successor website.

(c) All financial statements referred to in subsection 22(b) hereof shall fairly present the financial position and results of operations of Lessee as of the dates and for the periods specified therein and shall be prepared in accordance with generally accepted accounting principles and policies consistently applied (except as may otherwise be specified therein and except, with respect to interim, unaudited financial statements, for certain footnote disclosure and other details not normally included in such interim, unaudited financial statements) throughout the periods covered thereby.

(d) Lessee will maintain a ratio of Consolidated Debt to Consolidated Capital, as of the last day of each March, June, September and December, of not greater than 0.675 to 1.00.

Section 23. Inspection; Right to Enter Generating Facilities.

Lessor, any Assignee, the Collateral Agent, and/or any holder of a Note holding in the aggregate more than 10% of the Notes or any authorized representatives of any of them may, but shall not be obligated to, upon not less than five (5) days' notice, (i) enter the Generating Facilities at reasonable times, subject to applicable security regulations governing access thereto, for the purpose of inspecting the Nuclear Fuel and the reactors in which it may be loaded from time to time (subject to their availability for inspection) and (ii) discuss their condition and performance with the responsible officers of Lessee; and Lessee agrees to take such reasonable and customary steps as are appropriate to facilitate such inspection and discussions; provided, however, that, unless an Event of Default has occurred and is continuing, such inspection right shall be limited to one inspection per calendar year. Lessor shall not incur any liability or obligation for not making any such inspection or for not conducting any such discussion.

Section 24. Right to Perform Lessee's Covenants.

If Lessee shall fail to make any payment or perform any act required to be made or performed by it hereunder, Lessor or any Assignee, upon notice to Lessee but without waiving or releasing any obligation or Lease Default, or Lease Event of Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the cost and expense of Lessee. All such payments made by Lessor or any Assignee and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) made or incurred by Lessor or any Assignee in connection with any such payment or performance shall be paid to Lessor, or such Assignee, upon demand therefor, with interest on the amounts so expended or incurred at a rate per annum equal to the Default Rate during the period from and including the date so expended or incurred to the date of repayment.

Section 25. Representations, Warranties and Covenants of Lessee.

(a) Lessee (i) acknowledges receipt of an executed copy of the Basic Documents and agrees that such copies constitute adequate notice of all matters contained

therein and consents to the execution and delivery of same and the performance of all of the transactions provided for therein and (ii) agrees not to take or omit to take any action if such action or omission would result in a Lease Event of Default under the Fuel Lease.

(b) Lessee agrees to furnish to each Assignee, each holder of a Note and to the Collateral Agent a copy of each notice, report, schedule, certificate or other document or instrument furnished to Lessor contemporaneously with the furnishing thereof to Lessor.

(c) Without waiver of or prejudice to any rights or remedies otherwise available under law or in equity, Lessee agrees that its obligations to make all rental and other payments payable by it under this Fuel Lease are absolute and unconditional and are independent of its use or enjoyment of any Nuclear Fuel or the performance by Lessor of any of its obligations under the Basic Documents or the realization by Lessee of the benefits sought by the transactions contemplated by the Basic Documents and that it will make all rental and other payments payable by it under this Fuel Lease and all payments regardless of (i) the validity of the organization of Lessor, the termination of the existence of Lessor or the illegality, invalidity or unenforceability of any of the Basic Documents or the Obligations, (ii) any defense, claim, set-off, recoupment, abatement or other right, existing or future, which Lessee may have against Lessor, (iii) whether a lien on or security interest in the Collateral shall have been perfected or shall continue to be perfected or whether the Collateral shall otherwise be impaired in any manner, (iv) whether Lessor shall have amended, extended, supplemented, accelerated, surrendered, released, waived, terminated or otherwise modified any of the terms or provisions of, or any of its rights, powers or remedies under, any of the Basic Documents or the Obligations, (v) the impossibility of performance by Lessor or any inaccuracy of any representation, warranty or statement made by or on behalf of Lessor or any other Person, (vi) the bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up, arrangement, composition, readjustment of debt or similar event with respect to Lessor, (vii) whether a Taking shall have occurred or whether any damage to, destruction of or malfunction of any or all of the Nuclear Fuel or the Generating Facilities shall have occurred, or (viii) any other circumstance, whether similar or dissimilar, which in any manner would constitute a legal, equitable or other excuse for nonperformance by Lessee.

(d) Lessee agrees to pay all costs and expenses (including, without limitation, reasonable counsel fees and expenses) incurred in connection with enforcing any rights under the Basic Documents.

(e) Lessee shall not provide to any Person, in order to induce such Person to extend credit to Lessor, any collateral other than the Collateral described in the Note Purchase Agreement or any guarantee or other assurance against loss or non-payment, nor shall any Person cause Lessor to provide such additional collateral, guarantee or assurance (or consent to the provision thereof by Lessor) unless, in each case, all outstanding Secured Obligations shall have equally and ratably been accorded the benefit of such additional collateral, guarantee or assurance, whether such benefit is contained in an amendment to this Fuel Lease or otherwise.

(f) Lessee shall not agree to any affirmative or negative covenant with respect to the business, operations or properties or condition, financial or otherwise, of Lessee with any Person in order to induce such Person to extend credit to Lessor unless such covenant is included in this Fuel Lease.

(g) Lessee shall not purchase, directly or indirectly, any of the Secured Obligations.

(h) Lessee shall make all payments of Basic Rent to the account established by the Collateral Agent referenced in Section 3(a) and shall not agree to any modifications of or changes to such Section without the prior written consent of the Required Holders (or the Collateral Agent acting on their behalf).

(i) Lessee is a Subsidiary of American Electric Power Company, Inc.

Section 26. Assignments.

As provided herein, Lessor may grant a security interest in or an assignment of all or part of its right, title and interest in this Fuel Lease to any Assignee or Assignees (including, but not limited to, the Secured Parties) and grant a security interest in the Nuclear Fuel pursuant to the Collateral Agreements. No Assignee shall have any liability hereunder or be obligated to perform any duty, covenant or condition required to be performed by Lessor under any of the terms hereof, and Lessee by its execution hereof acknowledges and agrees that notwithstanding any such grant or assignment each and all such duties, covenants or conditions required to be performed by Lessor shall survive any such assignment and any such grant of a security interest and shall be and remain the sole liability of Lessor. Upon any such assignment by Lessor, such Assignee or Assignees shall succeed to all of the rights, privileges and powers of Lessor provided in this Fuel Lease as to such right, title, or interest so assigned.

Section 27. No Merger.

There shall be no merger of this Fuel Lease or of the leasehold interest created by this Fuel Lease with the absolute ownership interest in the Nuclear Fuel by reason of the fact that the same entity may at any time or from time to time acquire or own or hold, directly or indirectly, (i) this Fuel Lease or the leasehold interest created by this Fuel Lease or any other interest in this Fuel Lease or in any such leasehold interest, and (ii) the absolute ownership or other interest in the Nuclear Fuel, and no such merger shall occur unless and until all entities, including each Assignee, having any interest in (y) this Fuel Lease or the leasehold interest created by this Fuel Lease and (z) the absolute ownership or other interest in the Nuclear Fuel shall join in an instrument effecting such merger and shall duly record the same.

Section 28. Notices.

All notices, demands, instructions and other communications required or permitted to be given to or made upon either of the parties hereto or any other Person shall be in writing and (except for financial statements and regulatory filings and orders pertaining to Lessor or Lessee, which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or by telecopier or e-mail, and shall be deemed to be given for purposes of this Fuel Lease on the day that such writing is delivered or sent to the intended recipient thereof in accordance with the provisions of this Section 28. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Section 28, notices, demands, instructions and other communications

shall be given to or made upon the following parties at their respective addresses (or to their respective telecopier numbers indicated below):

If to Lessor:

DCC Fuel Trust XIII
c/o The Huntington National Bank, as Owner Trustee
7 Easton Oval-EA5W43
Columbus, OH 43219
Telephone No. (614) 331-8698
Telecopier No. (614) 331-5862
E-mail: James.Schultz@huntington.com

If to Lessee: Indiana Michigan Power Company
1 Riverside Plaza
Columbus, OH 43215
Attention: Treasurer
Telephone No. (614) 716-2885
Telecopier No. (614) 716-2807
E-mail: jsloat@aep.com

If to the Collateral Agent:

MetLife Investment Advisors, LLC
Investments, Private Placements
One MetLife Way
Whippany, New Jersey 07981
Attention: Rachel Hudson, Associate Director
Emails: PPUCompliance@metlife.com;
rachel.hudson1@metlife.com; OpsPvtPlacements@metlife.com

with a copy to:

MetLife Investment Advisors, LLC, Investments Law
One MetLife Way
Whippany, New Jersey 07981
Attention: Chief Counsel-Investments Law (PRIV)
Email: sec_invest_law@metlife.com

If to any Assignee or any holder of a Note, to such Assignee or holder of a Note at the notice address most recently provided by such Assignee or holder of a Note to Lessee or Lessor, as applicable.

All notices, demands, instructions and other communications required or permitted to be given to or made upon Lessor by Lessee hereunder, and all certificates, schedules, reports, financial statements and other documents required or permitted to be furnished or delivered to Lessor by Lessee hereunder, shall be concurrently given, made, furnished or delivered (as the

case may be) to each holder of a Note and to the Collateral Agent at its address specified in or pursuant to the Basic Documents.

Section 29. Amendments.

This Fuel Lease may not be amended or modified, nor may any obligation hereunder be waived, orally, and no amendment, modification or waiver of this Fuel Lease shall be effective for any purpose unless it is in writing, signed by both parties hereto and consented to in writing by the Required Holders (or by the Collateral Agent acting on their behalf).

Section 30. Severability; Waiver.

Any provision of this Fuel Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee and Lessor hereby waive any provision of law now or hereafter existing which renders any provision hereof prohibited or unenforceable in any respect.

Section 31. Special Considerations.

(a) Notwithstanding the provisions of Section 6(a), it is recognized that for purposes of Michigan law, this Fuel Lease may be deemed to constitute a financing lease transaction and title to Nuclear Fuel located in the State of Michigan may be deemed to vest in Lessee. For tax purposes, both federal and state (including, without limitation, the State of Michigan), neither Lessor nor Lessee shall file any tax returns or reports or take any similar action which would be inconsistent with that assumption.

(b) To the extent that the Nuclear Fuel is or becomes eligible for the work incentive credit or the investment credit or service credit or other similar credit under the Code as in effect on the date hereof or as thereafter amended from time to time, Lessor at Lessee's request shall elect to treat Lessee as having acquired the Nuclear Fuel and shall provide Lessee with an appropriate credit election. Lessee shall provide Lessor with a report or statement with respect to all Nuclear Fuel as to which such credit election is applicable, and such report or statement shall be in such form as may be required for Internal Revenue Service reporting.

Section 32. Assignment of Rights Under Nuclear Fuel Contracts and Assigned Agreements.

(a) Neither any assignment contemplated by this Fuel Lease, nor any action or inaction on the part of Lessor under this Fuel Lease or otherwise, shall (i) release Lessee from any of its obligations and agreements under any Nuclear Fuel Contract, (ii) constitute an assumption of any such obligations or agreements on the part of Lessor or any Assignee or any Secured Party or (iii) impose any obligation or liability whatsoever on Lessor or any Assignee or any Secured Party. No action or failure to act on the part of Lessee shall adversely affect or limit in any way the rights of Lessor under this Fuel Lease or under any Nuclear Fuel Contract.

(b) Lessee at its cost and expense will perform and comply with all the terms and provisions of each Nuclear Fuel Contract to be performed or complied with by it; will maintain each Nuclear Fuel Contract in full force and effect; and will enforce each of the Nuclear Fuel Contracts in accordance with their respective terms and will take all such action to that end as from time to time may be reasonably requested by Lessor.

(c) Without the prior written consent of Lessor and each Assignee and the Required Holders (which consent shall not be unreasonably withheld), Lessee will not (i) cancel, amend in any material respect or terminate any Nuclear Fuel Contract or consent to or accept any cancellation or termination thereof, (ii) waive any material default under or breach of any Nuclear Fuel Contract, or (iii) take any other action in connection with any Nuclear Fuel Contract which would materially impair the interests or rights (or value thereof) of Lessee thereunder or of Lessor or any Assignee or any Secured Party in connection therewith.

(d) Lessee will promptly deliver to Lessor copies of all notices, requests, agreements and other documents received or delivered by Lessee under or with respect to any Nuclear Fuel Contract which are material to the interests or rights (or value thereof) of Lessee thereunder or of Lessor or any Assignee or any Secured Party in connection therewith. Lessee will from time to time, upon request of Lessor, furnish Lessor such information concerning the Nuclear Fuel, any Nuclear Fuel Contract or the Generating Facilities as Lessor may reasonably request. Lessor shall preserve the confidentiality of any information which, under the terms of the relevant Nuclear Fuel Contract, is required to be kept confidential.

(e) Lessee will not change its principal place of business and chief executive office or remove therefrom its records concerning the Nuclear Fuel Contracts unless it gives Lessor at least 30 days' prior written notice thereof.

(f) Lessee hereby represents and warrants and agrees that: (i) each Nuclear Fuel Contract is in full force and effect and Lessee has delivered to Lessor a true and complete copy of each such Nuclear Fuel Contract as presently in effect; (ii) except as contemplated by the Basic Documents, as of the date hereof, Lessee has not sold, assigned or transferred, or created any security interest in, the Nuclear Fuel, any Nuclear Fuel Contract or any part thereof (except for such portions of Partially Assigned Agreements which are not assigned to Lessor); (iii) Lessee has not agreed to any amendment, modification or supplement which would constitute part of any Nuclear Fuel Contract (other than as disclosed in connection with clause (i) of this subsection 32(f)), or waived performance by any other Person obligated under any Nuclear Fuel Contract of any obligation of such Person thereunder; (iv) neither Lessee nor any other Person is in default in the payment, performance or observance of any term, covenant or agreement on its part to be performed or observed under any Nuclear Fuel Contract; (v) the Nuclear Fuel will be kept at the locations designated by Lessee in Fuel Schedules to be submitted from time to time hereunder; and (vi) no unreleased financing statement (other than (x) any which may have been filed on behalf of an Assignee or Lessor and (y) any which relate to such portions of Partially Assigned Agreements which are not assigned to Lessor, covering all or any part of the Nuclear Fuel or any Nuclear Fuel Contract) is on file in any public office.

Section 33. General.

(a) Lessor agrees that (i) Lessor will not terminate, amend, waive or modify or consent to any termination, amendment, waiver or modification of the Basic Documents without the prior written consent of Lessee and, for so long as the Obligations are not satisfied in full, the Required Holders (or the Collateral Agent acting on their behalf), (ii) Lessor will at all times comply with, observe and perform all of its covenants and agreements under the Basic Documents, (iii) Lessor will exercise its rights to issue the Notes under the Note Purchase Agreement at the times and in the manner directed by Lessee and (iv) Lessor will promptly furnish to Lessee copies of all notices, requests, agreements and other documents received or delivered by Lessor under or with respect to the Basic Documents, to the extent that the same shall not have been delivered to Lessee pursuant thereto.

(b) This Fuel Lease shall be binding upon Lessee and Lessor and their respective successors and assigns, and shall inure to the benefit of Lessee and Lessor and the successors and assigns of Lessor and to the benefit of each Assignee and the Secured Parties. Notwithstanding the foregoing provisions of this subsection 33(b), (i) no Assignee or Secured Party shall have any liability or obligation whatsoever under or in connection with this Fuel Lease and (ii) Lessee may not assign or otherwise transfer this Fuel Lease or any of its rights or interest hereunder without the prior written consent of Lessor. No assignment, transfer or delegation of duties by Lessee shall relieve it as a primary obligor hereunder.

(c) The terms and provisions of this Fuel Lease supersede all prior negotiations and oral understandings, if any, between Lessor and Lessee with respect to the transactions contemplated hereby.

(d) This Fuel Lease is intended to be only an obligation of DCC Fuel Trust XIII, as Lessor, and no recourse with respect to this Fuel Lease shall be had by Lessee against the Owner Trustee or any officer, director, employee, agent or shareholder of the Owner Trustee. This Fuel Lease is intended to be only a corporate obligation of Lessee and no recourse with respect to this Fuel Lease may be had by Lessor against any officer, director, employee, agent or shareholder of Lessee. All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Fuel Lease, or the negotiation, execution, or performance of this Fuel Lease (including any representation or warranty made in, in connection with, or as an inducement to, this Fuel Lease), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Fuel Lease ("**Contracting Parties**"), No Person who is not a Contracting-Party, including without limitation any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of and any financial advisor or lender to, any Contracting Party, or any director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of and any financial advisor or lender to, any of the foregoing ("**Nonparty Affiliates**"), shall have any liability (whether in contract or in tort; in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Fuel Lease or based on, in respect of or by reason of this Fuel Lease or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action,

and obligations against any such Nonparty Affiliates. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with respect to the performance of this Fuel Lease or any representation or warranty made in, in connection with, or as an inducement to this Fuel Lease.

(e) Notwithstanding that no Secured Party has any obligation or liability of any kind or nature under this Fuel Lease, each Secured Party is an intended third party beneficiary of all rights stated to be granted in its favor under this Fuel Lease (including, but not limited to, rights to indemnification on behalf of itself and its related Indemnitees under Section 20) and each Secured Party shall have standing to enforce all such rights directly.

(f) The captions in this Fuel Lease are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

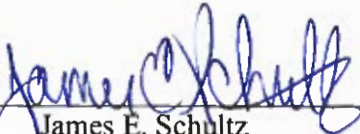
(g) THIS FUEL LEASE SHALL BE GOVERNED BY, AND BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO APPLICABLE TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF OHIO, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

(h) This Fuel Lease is being executed by The Huntington National Bank, not in its individual capacity, but solely as Owner Trustee of DCC Fuel Trust XIII and in no case shall The Huntington National Bank be liable for any loss, claim, tax, liability, expense or penalty hereunder.

Signature pages follow.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective officers thereunto duly authorized as of the date first above written.

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee


By: James E. Schultz
Its: Vice President

Signature page to Fuel Lease

CONFIDENTIAL

INDIANA MICHIGAN POWER COMPANY



By: Renee V. Hawkins
Its: Assistant Treasurer

Signature page to Fuel Lease

IURC CAUSE NO. 45417

Schedule A contains confidential information and has been redacted.

SCHEDULE B
TO
FUEL LEASE

LEASE PAYMENT ACCOUNT INFORMATION

Bank Name: JPMorgan Chase Bank, N.A.
Bank Address:
Bank ABA No.: 021-000-021
Account No.: 002-2-410591
Account Name: Metropolitan Life Insurance Company
Attention:
Reference: PPN# 23364* AA0 - DCC Fuel Trust XIII FRN 07-Nov-2023

SCHEDULE C
TO
FUEL LEASE

VENDOR'S BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, _____, a _____ corporation (the "**Vendor**"), whose post office address is _____ for and in consideration of the sum of \$1.00 paid to the Vendor by DCC FUEL TRUST XIII, an Ohio grantor trust (the "**Purchaser**"), whose post office address is _____, hereby conveys, transfers, sells and sets over to the Purchaser, its successors and assigns, all right, title, interest and claim of the Vendor in and to the personal property consisting of the assemblies of nuclear fuel or components thereof or other nuclear material described in Annex II to Fuel Schedule No. _____, a copy of which is attached hereto and made a part hereof (the "**Nuclear Fuel**"), and by this Bill of Sale does hereby grant, bargain, sell, transfer and deliver the Nuclear Fuel unto the Purchaser, to have and to hold the Nuclear Fuel, for itself and its successors and assigns, forever. The Nuclear Fuel shall be delivered to the Purchaser, as a necessary incident of this Bill of Sale, at any of the Generating Facilities in which INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "**Utility**"), has an interest, or at the facilities of a Manufacturer performing services on the Nuclear Fuel (designated by the Utility), in either case by the Vendor, its agents or a common carrier consigned to the Purchaser.

The Vendor hereby warrants itself to be the true and lawful owner of the Nuclear Fuel, free and clear of liens and encumbrances, and to have full power, good right and lawful authority to dispose of the same in the aforesaid manner; and the Vendor, for itself, its successors and assigns, does hereby covenant and agree with the Purchaser, its successors and assigns, to warrant and defend the true ownership of the Nuclear Fuel by the Purchaser against the claims and demands of all and every person or persons.

The Vendor and the Purchaser hereby acknowledge that, notwithstanding the sale of the Nuclear Fuel by the Vendor to the Purchaser hereunder, the Nuclear Fuel will be in the possession of the Utility, or in the possession of a Manufacturer performing services (including, without limitation, storage and processing) on the Nuclear Fuel for the account of the Utility, pursuant to a Fuel Lease dated as of May 7, 2019, including all amendments or supplements thereto, between the Purchaser, as lessor, and the Utility, as lessee. On the date hereof, the Purchaser is authorized by a general license to receive title to and own, but not to possess, the Nuclear Fuel, and under no circumstances shall a transfer of possession of the Nuclear Fuel to the Purchaser be necessary for the transfer of ownership effected and intended to be effected by this Bill of Sale.

IN WITNESS WHEREOF, the Vendor has caused this Bill of Sale to be executed in its corporate name, by one of its duly authorized Vice Presidents, and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary, and to be dated as of _____, 20__.

[CORPORATE SEAL]

[Name of Vendor]

ATTEST:

By: _____
Vice President

Secretary/Assistant Secretary

ACCEPTANCE

THIS BILL OF SALE is accepted by the undersigned as of the date last above written.

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

SCHEDULE D
TO
FUEL LEASE

FUEL SCHEDULE NO.

FUEL SCHEDULE NO. _____, dated as of _____, 20____, between DCC FUEL TRUST XIII, an Ohio grantor trust (“**Lessor**”), whose post office address is c/o The Huntington National Bank, as Owner Trustee, 7 Easton Oval – EA5W43, Columbus, Ohio 43219, and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (“**Lessee**”), whose post office address is 1 Riverside Plaza, Columbus, Ohio 43215.

W I T N E S S E T H:

WHEREAS, Lessor and Lessee have heretofore entered into a Fuel Lease, dated as of May 7, 2019 (the “**Fuel Lease**”), the defined terms therein being used herein with the same meanings as provided in the Fuel Lease; and

WHEREAS, the Fuel Lease provides for Fuel Schedules to be executed and delivered from time to time.

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration and in compliance with the requirements of the Fuel Lease, Lessor and Lessee agree as follows:

1. (a) Lessee certifies that Annex II hereto is true and correct in all respects and that the amounts set forth therein have been computed in accordance with the provisions of the Fuel Lease. All necessary or advisable recordings, filings and registrations have been duly made in order to protect the validity and effectiveness of the Fuel Lease and the security interest created by the Collateral Agreements with respect to the Nuclear Fuel (except as permitted by subsection 7(e) of the Fuel Lease), with respect to the Fuel Lease and payments thereunder and with respect to any Nuclear Fuel Contract, and all fees, taxes and charges payable in connection with such recordings, filings and registrations have been paid in full by Lessee.

(b) Lessee hereby represents and warrants that (i) no Terminating Event or Lease Event of Default or event which with the giving of notice or the lapse of time or both would constitute a Terminating Event or a Lease Event of Default has occurred and is continuing and (ii) the matters set forth in the form of Schedule 4.12 to the Note Purchase Agreement are true and correct on the date hereof except for those matters which expressly relate to an earlier date.

2. Lessee requests Lessor to make direct payment to the Manufacturers or other persons named in Annex I hereto of the amounts specified in Annex I and/or to reimburse Lessee in an amount equal to _____ Dollars (\$ _____) for Fuel Costs previously incurred by Lessee or paid by Lessee directly to one or more Manufacturers. All of the amounts for which payment or reimbursement is hereby requested are properly included in Fuel Cost as defined in the Fuel Lease and none of said amounts has been previously paid or reimbursed by Lessor.

*3. (a) There are hereby added to the Fuel Lease those batches or assemblies of Nuclear Fuel or the component parts thereof or the rights thereto described in Annex II hereto or Exhibits thereto as being added to the Fuel Lease (the “**Additional Nuclear Fuel**”). The Additional Nuclear Fuel complies with all requirements of the Fuel Lease and of law including, without limitation, all Insurance Requirements and all Legal Requirements, and all necessary or advisable recordings and filings (including financing statements and continuation statements under any applicable Uniform Commercial Code) have been duly made in the public offices in which such recordings and filings must be made in order to subject, and publish notice of the subjection of, such Additional Nuclear Fuel to the Fuel Lease and to protect the validity and effectiveness of the security interest created by the Collateral Agreements with respect to such Additional Nuclear Fuel, and all fees, taxes and charges payable in connection with such recordings and filings have been paid in full by Lessee. Attached hereto as an exhibit is evidence of compliance with the provisions of Section 14 of the Fuel Lease with respect to such Additional Nuclear Fuel.

(b) Lessee hereby covenants and agrees with Lessor to warrant and defend the true ownership by Lessor of the Additional Nuclear Fuel against the claims and demands of every person. Lessee further warrants that such property is, and is intended to be and remain, personal property and is free and clear of all Liens, except Permitted Liens. Lessee further acknowledges that it has investigated the state of title to and rights of ownership in and possession of the Additional Nuclear Fuel and has made or caused to be made any physical inspection of the Additional Nuclear Fuel that Lessee deems necessary and that it is satisfied with and has approved the same for all purposes of the Fuel Lease.

*4. Pursuant to subsection 5(a) of the Fuel Lease, the SLV of the items of Nuclear Fuel previously described in Fuel Schedule No. _____, a copy of which is attached hereto, is charged to the amounts set forth in Annex II attached hereto.

*5. Pursuant to subsection 7(c) of the Fuel Lease, there are hereby removed from the Fuel Lease those items of Nuclear Fuel described in Annex II hereto as being removed from the Fuel Lease.

*6. Pursuant to [subsection 7(d)] [subsection 7(e)] of the Fuel Lease, the items of Nuclear Fuel previously described in Fuel Schedule No. _____, a copy of which is attached hereto, are to be described as set forth in Annex II hereto. Attached hereto as an exhibit is evidence of compliance with the provisions of Section 14 of the Fuel Lease with respect to such Nuclear Fuel.

*7. Pursuant to subsection 5(b) of the Fuel Lease, the SLV of the items of Nuclear Fuel previously described in Fuel Schedule No. _____, a copy of which is attached hereto, is reduced to the amounts set forth in Annex II hereto.

* Depending upon the purpose for which the Fuel Schedule is employed, the relevant paragraphs shall be included and renumbered as appropriate. In completing Annex II hereto, Lessee shall specify which items of Nuclear Fuel, if any, are to be added to or removed from the Fuel Lease.

8. Except as hereinbefore expressly modified and amended, the Fuel Lease is ratified and confirmed in all respects, including, without limitation, the obligations of Lessee to pay all Basic Rent, Special Payments and other amounts to be paid by Lessee under the Fuel Lease.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Fuel Schedule to be duly executed as of the date first above written.

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

ANNEX I
TO
SCHEDULE D

FUEL SCHEDULE NO. _____

FUEL COSTS PAYABLE

Date: _____

Material or
Service Supplied

Manufacturer

Allocated
Fuel Cost
Payable

U308 Supply

Conversion

Enrichment

Fabrication

Other (Identify)

Total

\$ _____

INDIANA MICHIGAN POWER COMPANY

By: _____

Its: _____

PART I
TO ANNEX II
TO SCHEDULE D

FUEL SCHEDULE NO. _____

CONTRACT RIGHTS OF LESSEE TO NUCLEAR FUEL

Date: _____

[The following are hereby [added to] [removed from] the Fuel Lease in accordance with the provisions thereof.] [The following changes in SLV are made pursuant to and in accordance with the Fuel Lease.]

1. Date of Nuclear Fuel Contract:
2. Nuclear Fuel Contract Obligor(s):
3. Nature of Nuclear Fuel Contract:
4. Description of Nuclear Fuel State:
5. Physical Location of Nuclear Fuel:
6. Existing SLV:
7. Changes in SLV:
8. Adjusted SLV:

[A true and complete copy of the above referenced Nuclear Fuel Contract, together with the original Assignment Agreement relating thereto, is attached hereto.] [A true and complete copy of the above referenced Nuclear Fuel Contract has previously been provided as part of Fuel Schedule No. _____ and the Utility hereby represents and warrants that the previously provided Nuclear Fuel Contract remains true and complete and has not been modified or amended in any way.]

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

PART II
TO ANNEX II
TO SCHEDULE D

FUEL SCHEDULE NO. _____

DESCRIPTION OF NUCLEAR FUEL

Date: _____

[The following are hereby [added to] [removed from] the Fuel Lease in accordance with the provisions thereof.] [The following changes in SLV are made pursuant to and in accordance with the Fuel Lease.]

1. Most Recent Batch and/or Assembly No.:
2. Description of Nuclear Fuel State*:
3. Physical Location of Nuclear Fuel:
4. Weight or Volume:
5. Person in Possession:
6. Contract for Possession:
7. Existing SLV:
8. Changes in SLV:
9. Adjusted SLV:
10. Ownership Percentage in Nuclear Fuel

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

SCHEDULE E
TO
FUEL LEASE

LESSOR'S BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, DCC FUEL TRUST XIII, an Ohio grantor trust (the "**Fuel Company**"), whose post office address is _____, and for and in consideration of the sum of \$1.00 paid to the Fuel Company upon or before the execution and delivery of this Bill of Sale by INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "**Utility**"), whose post office address is _____, hereby conveys, transfers, sells and sets over to the Utility, its successors and assigns, all right, title, interest and claim of the Fuel Company in and to the personal property consisting of the assemblies of nuclear fuel or components thereof or other nuclear material described in Annex II to Fuel Schedule No. _____, a copy of which is attached hereto and made a part hereof (the "**Nuclear Fuel**"), and by this Bill of Sale does hereby grant, bargain, sell, transfer and deliver the Nuclear Fuel unto the Utility, to have and to hold the Nuclear Fuel unto the Utility, and its successors and assigns, forever. The Nuclear Fuel shall be delivered to the Utility, as a necessary incident of this Bill of Sale, at any of the Generating Facilities of the Utility in the State of _____, or at the facilities of a Manufacturer (designated by the Utility), in either case by the Fuel Company, its agents or a common carrier consigned to the Utility. The Fuel Company hereby represents and warrants that it has not permitted any lien, exception or restriction to attach to the Nuclear Fuel except as follows:

[Insert any liens, exceptions or restrictions permitted by Section 18(a) of the Fuel Lease at time of transfer.]

IN WITNESS WHEREOF, the Fuel Company has caused this Bill of Sale to be executed, and to be dated as of _____, 20__.

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:

Its:

[Collateral Agent] does hereby release the property described in Annex II to Fuel Schedule No. _____ from the lien, pledge and security interest of [Collateral Agent]. No warranty, either express or implied, as to title, merchantability, fitness, safety or any other matter whatsoever, is made by, or shall be deemed to be made by, and no recourse may be had for any reason against, the undersigned or any of such secured parties.

[Collateral Agent]

By: _____

Its: _____

SCHEDULE F-1
TO
FUEL LEASE

ASSIGNMENT AGREEMENT

(DESCRIPTION OF NUCLEAR FUEL CONTRACT)

ASSIGNMENT AGREEMENT dated as of _____, 20__ between DCC FUEL TRUST XIII, an Ohio grantor trust (the “**Fuel Company**”), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the “**Utility**”).

WHEREAS, the Utility and [name of Manufacturer], a corporation (the “**Manufacturer**”), are parties to the following described contract (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the “**Nuclear Fuel Contract**”) which provides for _____ services to be provided thereunder:

That certain _____ contract dated as of _____, 20____, between Indiana Michigan Power Company and _____;

WHEREAS, the Fuel Company and the Utility have entered into a Fuel Lease, dated as of May 7, 2019 (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the “**Fuel Lease**”);

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Fuel Company and the Utility agree as follows:

1. The Utility hereby assigns, transfers and sets over to the Fuel Company (a) all rights of the Utility under the Nuclear Fuel Contract to receive [legal title to product and/or services to be provided under or in connection with the Nuclear Fuel Contract and, in the case of services, (b) all products received or receivable by the Utility under the Nuclear Fuel Contract and (c)] [and (b)] all products and proceeds of any or all of the foregoing.* The Utility hereby assigns, transfers and sets over to the Fuel Company (a) the following rights of the Utility under the Nuclear Fuel Contract to receive (legal title to product and/or services to be provided under or in connection with the Nuclear Fuel Contract and, in the case of services, (b) the product received or receivable by the Utility under the Nuclear Fuel Contract and (c)] [and (b)] the products and proceeds of any or all of the foregoing, but only to the extent described below:

[Identification of that portion of
Nuclear Fuel Contract being assigned]

2. Neither this Assignment Agreement nor any action or inaction hereunder shall (a) release the Utility from any of its obligations and agreements under the Nuclear Fuel Contract, (b) constitute an assumption of any such obligations or agreements on the part of the Fuel Company or (c) impose any obligation or liability whatsoever on the Fuel Company. [The

* To be used if Assignment Agreement relates to a Partially Assigned Agreement.

Utility shall retain control of all aspects of the administration of the Nuclear Fuel Contract.] By execution hereof the Fuel Company agrees that it shall not disclose to any person or entity any confidential or proprietary commercial or design information under or in connection with the Nuclear Fuel Contract unless required to do so by court order or applicable law.

3. No delay or failure by the Fuel Company in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Fuel Company of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. This Assignment Agreement may not be changed, modified or discharged in whole or in part and no right or remedy of the Fuel Company hereunder may be waived orally, but only by a written agreement signed by the Fuel Company, and no course of dealing between the Utility and the Fuel Company shall be effective to change or modify or to discharge in whole or in part this Assignment Agreement or the interest granted hereby. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Fuel Company, whether at law, in equity or otherwise.

4. Notices hereunder shall be governed by Section 28 of the Fuel Lease.

5. Any provision of this Assignment Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

6. At the request of the Utility and in order to obtain financing, the Fuel Company may grant a security interest in its rights under this Assignment Agreement to one or more institutions. Each such institution, together with any other person or entity acquiring an interest in the Fuel Company's rights under this Assignment Agreement through any such institution, is herein called a "Transferee." Neither the grant of any such security interest by the Fuel Company, nor any other action or inaction on the part of any Transferee shall (a) release the Fuel Company from its obligations and agreements, if any, under this Assignment Agreement, (b) constitute an assumption of any such obligations or agreements on the part of any such Transferee or (c) impose any obligation or liability whatsoever on such Transferee.

7. The Fuel Company shall have no greater rights against the Manufacturer by virtue of this Assignment Agreement than the Utility would have had if this Assignment Agreement had not been made.

8. This Assignment Agreement shall be binding upon the Utility, its successors and assigns, and shall inure to the benefit of the Fuel Company, its successors and assigns and any Transferee.

9. This Assignment Agreement may be executed in two or more counterparts, each of which shall constitute but one instrument. This Assignment Agreement shall be effective when a fully executed counterpart hereof, together with a fully executed Consent hereto, is delivered to the Fuel Company at its address provided for in Section 4 hereof accompanied (unless this Assignment Agreement is accompanied by a Vendor's Bill of Sale to all of the product to be provided under the Nuclear Fuel Contract assigned hereby, or, if a service is to be

provided under such Nuclear Fuel Contract, the service has been performed prior to the date hereof and all product to be received thereunder has been received prior to the date hereof) by an opinion of counsel to the Utility relating to the perfection and priority of the security interest granted by the Fuel Company in its rights under the Nuclear Fuel Contract assigned hereby and this Assignment Agreement, such opinion to contain such assumptions, qualifications and exceptions and to otherwise be in form and substance satisfactory to counsel for the Fuel Company.

10. This Assignment Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York applicable to contracts made and performed in the State of New York.

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

CONSENT

The undersigned Manufacturer hereby consents to the above ASSIGNMENT AGREEMENT and has caused this CONSENT to be executed and delivered by a duly authorized officer. *[The Manufacturer acknowledges that the above-referred to Nuclear Fuel Contract is not assigned in whole to the Fuel Company and agrees that neither the Fuel Company, its successor or assigns, nor any Transferee shall be subject to any defense related to the fact that the assignment to the Fuel Company was a partial assignment.]

EXECUTED and CONSENTED to this _____ day of _____, 20____.

[NAME OF MANUFACTURER]

By: _____

Its: _____

SCHEDULE F-2
TO
FUEL LEASE

ASSIGNMENT AGREEMENT

(DESCRIPTION OF NUCLEAR FUEL CONTRACT)

ASSIGNMENT AGREEMENT dated as of _____, 20____, between DCC FUEL TRUST XIII, an Ohio grantor trust (the "**Fuel Company**"), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "**Utility**").

WHEREAS, the Utility and the United States of America (the "**Manufacturer**"), are parties to the following described contract (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the "Nuclear Fuel Contract") which provides for _____ services to be provided thereunder:

That certain _____ contract dated as of _____,
20____ between Indiana Michigan Power Company and
_____;

WHEREAS, the Fuel Company and the Utility have entered into a Fuel Lease, dated as of May 7, 2019 (hereinafter, together with all amendments and supplements thereto prior to or after the date hereof, referred to as the "**Fuel Lease**");

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the Fuel Company and the Utility agree as follows:

1. The Utility hereby assigns, transfers and sets over to the Fuel Company (a) the following rights of the Utility under the Nuclear Fuel Contract to receive legal title to product and/or services to be provided under or in connection with the Nuclear Fuel Contract and, in the case of services, (b) the product received or receivable by the Utility under the Nuclear Fuel Contract and (c) the products and proceeds of any or all of the foregoing[, but only to the extent described below:]

2. The Utility shall retain control of all aspects of the administration of the Nuclear Fuel Contract. By execution hereof, the Fuel Company agrees that it shall not disclose to any person or entity any confidential or proprietary commercial or design information under or in connection with the Nuclear Fuel Contract unless required to do so by court order or applicable law.

3. In consideration of the Manufacturer's consent to this Agreement of Partial Assignment, the Utility agrees to indemnify and hold the Manufacturer and persons acting on behalf of the Manufacturer harmless against any and all claims, demands and liabilities of whatsoever nature arising out of this Agreement of Partial Assignment and Consent or arising out of any security interest in the Nuclear Fuel Contract or the Nuclear Fuel. In further consideration of said consent, the Fuel Company agrees with respect to the Manufacturer and persons acting on behalf of the Manufacturer to be bound by all actions taken by the Utility with

respect to the Utility's performance of all terms, conditions and obligations under the Nuclear Fuel Contract including, but not limited to, all actions taken by the Utility with respect to feed materials to be delivered to the Manufacturer in accordance with the provisions of said Nuclear Fuel Contract; provided, however, that nothing in this Section 3 shall be deemed to modify the respective rights and obligations of the Utility and the Fuel Company under the Fuel Lease.

4. It is expressly agreed that, anything contained herein to the contrary notwithstanding, (a) the Utility shall at all times remain liable to the Manufacturer to observe and perform all of its duties and obligations under the Nuclear Fuel Contract to the same extent as if this Agreement of Partial Assignment and Consent and the Fuel Lease had not been executed, including without limitation the obligation to make payments under the Nuclear Fuel Contract to the extent not made by the Fuel Company under the Fuel Lease, (b) the exercise by the Fuel Company of any of the rights assigned hereunder or under the Fuel Lease, as the case may be, shall not release the Utility from any of its duties or obligations to the Manufacturer under the Nuclear Fuel Contract and (c) the Fuel Company shall not have any obligation or liability under the Nuclear Fuel Contract by reason of or arising out of this Agreement of Partial Assignment and Consent, or be obligated to perform or fulfill any of the duties or obligations of the Utility under the Nuclear Fuel Contract, or to make any payment thereunder, or to make any inquiry as to the nature or sufficiency of any Nuclear Fuel received by it thereunder, or to present or file any claim, or to take any action to collect or enforce the payment of any amounts or the delivery of any Nuclear Fuel which may have been assigned to it or to which it may be entitled to at any time or times; provided, however, that the Fuel Company agrees, solely for the benefit of the Utility, and subject to the terms and conditions of the Fuel Lease, (i) to purchase the Nuclear Fuel from the Utility or Manufacturer pursuant to the Nuclear Fuel Contract and (ii) to pay to the Manufacturer and/or to the Utility or their order the respective amounts specified in the Fuel Lease with respect to such Nuclear Fuel.

5. The Utility hereby warrants that the Nuclear Fuel Contract is in full force and effect, and it had all right, title and interest in and to the Nuclear Fuel Contract immediately prior to the assignment thereof, that it is duly authorized to assign the same, and that no other person has any pending or impending claim, liens, or encumbrances of any kind whatsoever against the Utility with respect to the Nuclear Fuel Contract to the extent that it relates to the Nuclear Fuel (other than the amounts, if any, owing under the Nuclear Fuel Contract and other claims, if any, of the Utility and the Manufacturer which may exist as between themselves), and the Utility further warrants that the Nuclear Fuel Contract, to the extent that it relates to the Nuclear Fuel, is not subject to, and is free from, any security interest or other lien or encumbrance except as above specified, and that the Utility will warrant and defend such title forever against all claims and demands whatsoever. For breach of this warranty the Utility hereby agrees to indemnify and hold the Manufacturer and persons acting on behalf of the Manufacturer, harmless against any and all claims, demands and liabilities of whatever nature against them arising from such breach.

6. The Utility hereby represents and warrants that, except as set forth herein, it has not entered into or consented to or permitted any cancellation, termination, amendment, supplement or modification or of waiver with respect to the Nuclear Fuel Contract.

7. The Utility hereby agrees that, except as permitted by Section 32(c) of the Fuel Lease, it will not enter into or consent to or permit any cancellation, termination, amendment, supplement or modification of or waiver with respect to the Nuclear Fuel Contract, nor will the

Utility sell, assign, grant any security interest in or otherwise transfer its rights or other interest in the Nuclear Fuel or the Nuclear Fuel Contract or any part of any thereof. It is understood that the Manufacturer shall have no obligation to ascertain whether any modification of the Nuclear Fuel Contract complies with the Fuel Lease.

8. Any such modification shall be binding between the Utility and the Fuel Company and the Manufacturer, provided that the Fuel Company shall retain its rights against the Utility as provided in the Fuel Lease if such modification does not comply with said Lease.

9. No delay or failure by the Fuel Company in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by the Fuel Company of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. This Assignment Agreement may not be changed, modified or discharged in whole or in part and no right or remedy of the Fuel Company hereunder may be waived orally, but only by a written agreement signed by the Fuel Company, and no course of dealing between the Utility and the Fuel Company shall be effective to change or modify or to discharge in whole or in part this Assignment Agreement or the interest granted hereby. All remedies hereunder are cumulative and are not exclusive of any other remedies that may be available to the Fuel Company, whether at law, in equity or otherwise.

10. Notices hereunder shall be governed by Section 28 of the Fuel Lease.

11. Any provision of this Assignment Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. At the request of the Utility and in order to obtain financing, the Fuel Company may grant a security interest in its rights under this Assignment Agreement to one or more institutions. Each such institution acquiring an interest in the Fuel Company's rights under this Assignment Agreement, together with any other institution acquiring an interest in the Fuel Company's rights under this Assignment Agreement, is herein called a "Transferee". Neither the grant of any such security interest by the Fuel Company, nor any other action or inaction on the part of any Transferee shall (a) release the Fuel Company from its obligations or agreements, (b) constitute an assumption of any such obligations or agreements on the part of any such Transferee or (c) impose any obligation or liability whatsoever on such Transferee.

13. The Fuel Company shall have no greater rights against the Manufacturer by virtue of this Assignment Agreement than the Utility would have had if this Assignment Agreement had not been made; and neither this Assignment nor the Manufacturer's Consent hereto will in any way add to the obligations of the Manufacturer under the Nuclear Fuel Contract.

14. This Assignment Agreement shall be binding upon the Utility, its successors and assigns, and shall inure to the benefit of the Fuel Company, its successors and assigns and any Transferee.

15. This Assignment Agreement may be executed in two or more counterparts, each of which shall constitute but one instrument. This Assignment Agreement shall be effective when a fully executed counterpart hereof, together with a fully executed Consent hereto, is delivered to the Fuel Company at its address provided for in Section 10 hereof accompanied (unless this Assignment Agreement is accompanied by a Vendor's Bill of Sale to all of the product to be provided under the Nuclear Fuel Contract assigned hereby, or, if a service is to be provided under such Nuclear Fuel Contract, the service has been performed prior to the date hereof and all product to be received thereunder has been received prior to the date hereof) by an opinion of counsel to the Utility relating to the perfection and priority of the security interest granted by the Fuel Company in its rights under the Nuclear Fuel Contract assigned hereby and this Assignment Agreement, such opinion to contain such assumptions, qualifications and exceptions and to otherwise be in form and substance satisfactory to counsel for the Fuel Company.

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its:

INDIANA MICHIGAN POWER COMPANY

By: _____
Its: _____

CONSENT

The undersigned Manufacturer hereby consents to the above ASSIGNMENT AGREEMENT and has caused this CONSENT to be executed and delivered by a duly authorized officer. The Manufacturer acknowledges that the Utility has agreed with the Fuel Company that neither the Fuel Company, its successors or assigns, nor any Transferee shall be subject to any defense related to the fact that the assignment to the Fuel Company was a partial assignment.

EXECUTED and CONSENTED to this ____ day of _____, 20__.

By: _____
Its: _____

SCHEDULE G
TO
FUEL LEASE

CERTIFICATE

Indiana Michigan Power Company
1 Riverside Plaza
29th Floor – Legal
Columbus, Ohio 43215

Ladies and Gentlemen:

Reference is made to the Fuel Lease, dated as of May 7, 2019, between DCC Fuel Trust XIII (the “**Fuel Company**”), as Lessor, and Indiana Michigan Power Company, as Lessee (the “**Fuel Lease**”). The terms defined in the Fuel Lease which are not defined in this certificate shall, when used in this certificate, have the respective meanings defined in the Fuel Lease.

1. The Fuel Company [is] [will be] obligated to pay at least the amount of \$ _____, which amount is [overdue] [due on [date]].

2. You are hereby requested to pay the amount of \$ _____, [immediately, which amount is overdue and] [on the due date thereof which date is [date] and for which demand is hereby made.

3. This certificate is being delivered pursuant to Section 3(b) of the Fuel Lease. To the best knowledge of the undersigned, the Fuel Company will have available funds in the amount of \$ _____ on the date referred to in paragraph 2 hereof, which funds are insufficient to pay the amount referred to in paragraph 1 hereof because _____.

Dated: _____

DCC FUEL TRUST XIII,
by The Huntington National Bank, not in its
individual capacity, but solely as Owner Trustee

By:
Its: