



SCANNER NOTE:

This file was received with pages that may have the following conditions: Areas that appear to have information cut off, extremely light text or handwriting, broken text, thin onion skins, torn, lines, skewed, or dark bands of ink.

WHEREAS, not all Municipalities may become Participants; and

WHEREAS, an amendment to the Original J. Aron Contract relating to the Prepayment will enable AMP-Ohio to offer long-term power and energy to Participants at a discount price, excluding taxes, transmission costs, replacement power and AMP-Ohio service fees (the "Discount Price"), from the Contract Price that would otherwise be charged by AMP-Ohio to service its obligations under the Original J. Aron Contract; and

WHEREAS, AMP-Ohio intends to issue bonds to finance the Prepayment and Municipality requests it to do so; and

WHEREAS, Municipality desires to obtain the benefit of the Discount Price and consents to the issuance of bonds by AMP-Ohio on its behalf to effect the Prepayment; and

WHEREAS, AMP-Ohio has offered to enter into the New Power Schedule, supplementary to its Master Services Agreement with Municipality, that will amend and restate the Original Power Schedule to provide that AMP-Ohio will agree to obtain and sell to Municipality, and Municipality will agree to take and pay for, a share of the power and energy acquired by AMP-Ohio pursuant to an amendment to the Original J. Aron Contract (the Original J. Aron Contract, as so amended, the "Prepayment Agreement"); and

WHEREAS, it is understood by Municipality that the ability of AMP-Ohio to offer power and energy to Municipality at the Discount Price will be governed by the terms of the Prepayment Agreement, and that, under certain conditions, such Prepayment Agreement may be terminated prior to December 31, 2012; and

WHEREAS, it is further understood by Municipality that, in the event the Prepayment Agreement shall be terminated by J. Aron or AMP-Ohio for any reason, the New Power Schedule will require AMP-Ohio to continue to sell, and Municipality to purchase, power and energy at the Contract Price, rather than the Discount Price, effective on the date of such termination; and

WHEREAS, it is understood by Municipality that all payments made by Municipality pursuant to such New Power Schedule will continue to constitute an operation and maintenance obligation of Municipality's electric utility system, payable from the revenues thereof in accordance with the New Power Schedule, and Municipality agrees, as specified in the New Power Schedule, to fix, charge and collect rates sufficient to pay its obligations thereunder along with all other legally required obligations of Municipality's electric utility system.

NOW, THEREFORE, BE IT ORDAINED BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, a majority of all members elected thereto concurring:

SECTION 1. That the New Power Schedule between Municipality and AMP-Ohio, substantially in the form attached hereto as Exhibit 1, including Appendices thereto, is approved, and the Authorized Representative of Municipality is hereby authorized to execute and deliver such New Power Schedule, with such changes as the Authorized Representative may approve as neither inconsistent with this Ordinance nor materially adverse to

Municipality, his or her execution of such Schedule to be conclusive evidence of such approval.

SECTION 2. The Authorized Representative may execute and deliver the New Power Schedule, conditioned upon AMP-Ohio's agreement to hold the same in escrow pending a written determination by AMP-Ohio's independent financial advisor being provided to the Authorized Representative, stating that the anticipated present value savings to Municipality from its participation in the Prepayment will equal or exceed two percent (2%). The Authorized Representative may conclusively rely upon the written estimate of AMP-Ohio's independent financial advisor as to the measure of such savings. In making such determination, AMP-Ohio's independent financial advisor may assume that the Prepayment Agreement shall run for a term coextensive with the term of the New Power Schedule.

SECTION 3. That the "Effective Date" of the New Power Schedule shall be the same date as the effective date of the Prepayment Agreement provided that such date shall be not later than December 31, 2007.

SECTION 4. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 5. That this Ordinance shall take effect at the earliest date allowed by law.

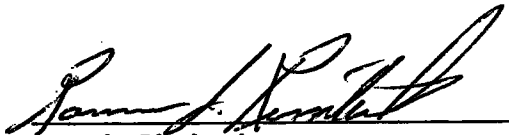
PASSED: 1st Reading – June 4, 2007
2nd Reading – June 18, 2007(E)

"In order for AMP- Ohio, to complete prepayment arrangement in a timely manner and achieve savings on power supply contract"

3rd Reading-

ATTEST:


Belinda Anderson
CLERK OF COUNCIL


Ronnie Rimbart
VICE-PRESIDENT OF COUNCIL

POSTED: 06/19/2007

EFFECTIVE DATE: 6/19/2007

s:/ORD07-53.PowerPurchase.AMPOhio.OMLPS

ORDINANCE NO. 07-53 AC CMS

AN ORDINANCE AUTHORIZING THE EXECUTION OF A POWER SCHEDULE WITH AMERICAN MUNICIPAL POWER-OHIO, INC.

AUTHORIZING the City Manager ("Authorized Representative") of the City of Oberlin, Ohio ("Municipality") to execute a Power Schedule (the "New Power Schedule"), amending and restating the Power Schedule, dated as of January 1, 2006 (the "Original Power Schedule"), each between American Municipal Power-Ohio, Inc. ("AMP-Ohio") and Municipality, and relating to the purchase by Municipality from AMP-Ohio of power and associated energy available to AMP-Ohio pursuant to a long term purchase by AMP-Ohio from J. Aron & Company ("J. Aron").

WHEREAS, Municipality owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, Municipality has heretofore purchased economical and reliable power and energy from AMP-Ohio, of which Municipality is a Member, or has heretofore purchased power arranged by AMP-Ohio; and

WHEREAS, Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly through AMP-Ohio, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, Municipality has executed a Master Services Agreement with AMP-Ohio which sets forth the general terms and conditions for the provision of power supply and other services by AMP-Ohio to Municipality; and

WHEREAS, AMP-Ohio has acquired by contract with J. Aron (the "Original J. Aron Contract") economical long-term power and energy which has been made available for resale to certain AMP-Ohio Members, including Municipality ("Municipalities"), on a long-term basis; and

WHEREAS, Municipality previously determined that it could beneficially utilize a portion of such energy and executed the Original Power Schedule with AMP-Ohio for a share of the power and energy from the Original J. Aron Contract at the stated contract price to Municipality of \$0.04455 per kWh, excluding taxes, transmission costs, replacement power and AMP-Ohio service fees (the "Contract Price"); and

WHEREAS, AMP-Ohio is renegotiating the terms of the Original J. Aron Contract for purposes of prepaying all or a portion of AMP-Ohio's obligations under the Original J. Aron Contract, in a discounted lump sum (the "Prepayment"), in exchange for a reduction in the Contract Price; and

WHEREAS, the amount of the Prepayment will correspond to the shares of power and energy of Municipality and Municipalities authorizing power schedules substantially identical to the New Power Schedule ("Participants"); and

WHEREAS, not all Municipalities may become Participants; and

WHEREAS, an amendment to the Original J. Aron Contract relating to the Prepayment will enable AMP-Ohio to offer long-term power and energy to Participants at a discount price, excluding taxes, transmission costs, replacement power and AMP-Ohio service fees (the "Discount Price"), from the Contract Price that would otherwise be charged by AMP-Ohio to service its obligations under the Original J. Aron Contract; and

WHEREAS, AMP-Ohio intends to issue bonds to finance the Prepayment and Municipality requests it to do so; and

WHEREAS, Municipality desires to obtain the benefit of the Discount Price and consents to the issuance of bonds by AMP-Ohio on its behalf to effect the Prepayment; and

WHEREAS, AMP-Ohio has offered to enter into the New Power Schedule, supplementary to its Master Services Agreement with Municipality, that will amend and restate the Original Power Schedule to provide that AMP-Ohio will agree to obtain and sell to Municipality, and Municipality will agree to take and pay for, a share of the power and energy acquired by AMP-Ohio pursuant to an amendment to the Original J. Aron Contract (the Original J. Aron Contract, as so amended, the "Prepayment Agreement"); and

WHEREAS, it is understood by Municipality that the ability of AMP-Ohio to offer power and energy to Municipality at the Discount Price will be governed by the terms of the Prepayment Agreement, and that, under certain conditions, such Prepayment Agreement may be terminated prior to December 31, 2012; and

WHEREAS, it is further understood by Municipality that, in the event the Prepayment Agreement shall be terminated by J. Aron or AMP-Ohio for any reason, the New Power Schedule will require AMP-Ohio to continue to sell, and Municipality to purchase, power and energy at the Contract Price, rather than the Discount Price, effective on the date of such termination; and

WHEREAS, it is understood by Municipality that all payments made by Municipality pursuant to such New Power Schedule will continue to constitute an operation and maintenance obligation of Municipality's electric utility system, payable from the revenues thereof in accordance with the New Power Schedule, and Municipality agrees, as specified in the New Power Schedule, to fix, charge and collect rates sufficient to pay its obligations thereunder along with all other legally required obligations of Municipality's electric utility system.

NOW, THEREFORE, BE IT ORDAINED BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, a majority of all members elected thereto concurring:

SECTION 1. That the New Power Schedule between Municipality and AMP-Ohio, substantially in the form attached hereto as Exhibit 1, including Appendices thereto, is approved, and the Authorized Representative of Municipality is hereby authorized to execute and deliver such New Power Schedule, with such changes as the Authorized Representative may approve as neither inconsistent with this Ordinance nor materially adverse to

Municipality, his or her execution of such Schedule to be conclusive evidence of such approval.

SECTION 2. The Authorized Representative may execute and deliver the New Power Schedule, conditioned upon AMP-Ohio's agreement to hold the same in escrow pending a written determination by AMP-Ohio's independent financial advisor being provided to the Authorized Representative, stating that the anticipated present value savings to Municipality from its participation in the Prepayment will equal or exceed two percent (2%). The Authorized Representative may conclusively rely upon the written estimate of AMP-Ohio's independent financial advisor as to the measure of such savings. In making such determination, AMP-Ohio's independent financial advisor may assume that the Prepayment Agreement shall run for a term coextensive with the term of the New Power Schedule.

SECTION 3. That the "Effective Date" of the New Power Schedule shall be the same date as the effective date of the Prepayment Agreement provided that such date shall be not later than December 31, 2007.

SECTION 4. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 5. That this Ordinance shall take effect at the earliest date allowed by law.

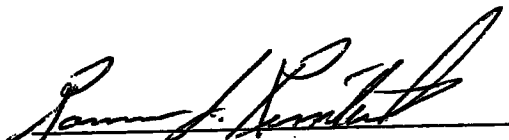
PASSED: 1st Reading – June 4, 2007
2nd Reading – June 18, 2007(E)

"in order for AMP- Ohio, to complete prepayment arrangement in a timely manner and achieve savings on power supply contract"

3rd Reading-

ATTEST:


Belinda Anderson
CLERK OF COUNCIL


Ronnie Rimbert
VICE-PRESIDENT OF COUNCIL

POSTED: 06/19/2007

EFFECTIVE DATE: 6/19/2007

s:/ORD07-53.PowerPurchase.AMPOhio.OMLPS

CLERK OF COUNCIL OFFICE

Oberlin, Ohio

From: Steve D

Please provide to this office, after signatures, an original copy for the Clerk's files of the following checked item(s):

1. **AGREEMENT** ☒
2. **CONTRACT** ☐
3. **CHANGE ORDER** ☐
4. **DEED** ☐
5. **GRANT** ☐
6. **BACK-UP MATERIALS** ☐
7. **OTHER** ☐

<u>ORD.NO.</u>	<u>DESCRIPTION</u>	<u>DEPARTMENT</u>	<u>SENT/RCVD</u> <u>Date</u> <u>Date</u>
07-53	Power Schedule Agreement	OMLPS	07/11/11

THE CITY OF OBERLIN, OHIO
AMENDED AND RESTATED POWER SCHEDULE
(2006-A LONG TERM POWER PURCHASE)
(AMP-OHIO CONTRACT NO. C-11-2005-4487,
AMENDING AND RESTATING AS OF JANUARY 1, 2006)
TO
AMERICAN MUNICIPAL POWER - OHIO, INC.
AND
THE CITY OF OBERLIN, OHIO
MASTER SERVICES AGREEMENT
(AMP-OHIO NO. C-11-2005-4444)

DATED AS OF JULY 1, 2007

THE CITY OF OBERLIN, OHIO
AMENDED AND RESTATED POWER SCHEDULE
(2006-A LONG TERM POWER PURCHASE)
(AMP-OHIO CONTRACT NO. C-11-2005-4487,
AMENDING AND RESTATING AS OF JANUARY 1, 2006)

TO

AMERICAN MUNICIPAL POWER - OHIO, INC.
AND
THE CITY OF OBERLIN, OHIO
MASTER SERVICES AGREEMENT
(AMP-OHIO NO. C-11-2005-4444)

WHEREAS, American Municipal Power-Ohio, Inc. ("AMP-Ohio") and the above-named member of AMP-Ohio ("Municipality") have entered into the contract, referred to above (the "Original Power Schedule"), that supplements the Master Services Agreement, described above, pursuant to which AMP-Ohio sells and Municipality purchases a share of the firm energy derived by AMP-Ohio from a contract with J. Aron & Company ("J. Aron"), dated as of December 9, 2004, as amended as of October 31, 2005 (the "Original J. Aron Contract"); and

WHEREAS, AMP-Ohio and J. Aron have negotiated certain modifications to the Original J. Aron Contract (the Original J. Aron Contract as so modified, the "Prepayment Agreement") that contemplate that AMP-Ohio will prepay, in a discounted lump sum (the "Prepayment"), all or a portion of AMP-Ohio's remaining fixed price payment obligations under the Original J. Aron Contract for energy delivered at the AD Hub at \$44.55/MWh ("Contract Price"); and

WHEREAS, AMP-Ohio intends to issue bonds ("Bonds") to finance the Prepayment; and

WHEREAS, AMP-Ohio anticipates that the Prepayment will allow AMP-Ohio to offer shares of the firm energy derived from the Original J. Aron Contract at a reduced price (the "Discount Price") to Participants (as defined herein); and

WHEREAS, the sum of the share (in kW) of Municipality and the shares (in kW) of all the other members of AMP-Ohio executing power schedules substantially identical to this Power Schedule (collectively, "Participants") will correspond to the amount of power (in kW) for which the Prepayment is being made by AMP-Ohio to J. Aron; and

WHEREAS, AMP-Ohio has offered to enter into this Power Schedule that will amend and restate the Original Power Schedule to provide that AMP-Ohio will agree to obtain and sell to Municipality, and Municipality will agree to take and pay for, a share of the Power Contract Resources acquired by AMP-Ohio pursuant to the Prepayment Agreement and any other Purchased Power Agreement (as defined herein);

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between Municipality and AMP-Ohio as follows:

SECTION 1. DEFINITIONS AND EXPLANATIONS OF TERMS

Terms used but not defined herein shall have the meanings ascribed to them in Exhibit 1 to this Schedule or, if not defined herein or in Exhibit 1 to this Schedule, then in Appendix A of the Master Services Agreement.

SECTION 2. REPRESENTATIONS

Municipality represents to AMP-Ohio that, as of the Effective Date hereof:

- (i) Municipality is a municipal corporation, duly created and validly existing pursuant to the Constitution and statutes of the State of Ohio;
- (ii) Municipality has full legal right and authority to enter into the Master Services Agreement and this Power Schedule, to carry out its obligations hereunder and to furnish electric power and energy to its customers;
- (iii) this Power Schedule and the Master Services Agreement and their execution and delivery on behalf of Municipality were duly authorized by legislative action duly and lawfully adopted at a meeting or meetings duly called and held pursuant to necessary public notice at which quorums were present and acting throughout, any other required actions (such as publication) with regard thereto have been accomplished, and such legislative action became effective prior to Municipality's execution of the Master Services Agreement and this Power Schedule;
- (iv) the Master Services Agreement and this Power Schedule have been duly executed and delivered by the appropriate officer or officers of Municipality pursuant to legislative action authorizing or directing the same; and the Master Services Agreement and Power Schedule constitute legal, valid, and binding obligations of Municipality enforceable in accordance with their respective terms, except to the extent enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other

similar laws affecting creditors' rights generally, the availability of the remedy of specific enforcement, injunctive relief or any other equitable principle;

(v) the execution and delivery of the Master Services Agreement and this Power Schedule by Municipality and the performance by Municipality of its obligations thereunder and hereunder do not and will not contravene in any material respect any law in existence on the date of execution and delivery of either, or any order, injunction, judgment, decree, rule or regulation, in existence on the date of execution and delivery of either, of any court or administrative agency having jurisdiction over Municipality or its property or, in any material respect, result in a breach or violation of any of the terms and provisions of, or constitute a default under, any bond ordinance, trust agreement, indenture, mortgage, deed of trust or other agreement (y) in existence on the date of execution and delivery of either the Master Services Agreement or this Power Schedule and (z) to which Municipality is a party or by which it or its property is bound;

(vi) Municipality has power and authority to fix, charge, collect and revise the rates charged to its Electric System customers and, except with respect to those laws and regulations identified in Appendix K, such rates are not subject to regulation by any regulatory authority of any State or the United States of America;

(vii) the payment obligations of Municipality to AMP-Ohio pursuant to this Power Schedule are payable from the revenues of Municipality's Electric System as O&M Expenses and, except for such bonds, notes or other evidences of indebtedness, if any, disclosed in writing to AMP-Ohio prior to the execution and delivery of this Power Schedule by Municipality as set forth in Appendix K, neither such Municipality nor its Electric System has outstanding any bonds, notes or other evidences of indebtedness payable from any revenues of its Electric System prior to or on a parity with such payments under this Power Schedule;

(viii) except for pending or threatened litigation, if any, disclosed in writing to AMP-Ohio prior to the execution and delivery of this Power Schedule by Municipality by inclusion in Appendix K, there is no litigation or other proceeding pending or, to the best knowledge of Municipality, threatened against Municipality in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of Municipality, its Electric System or its title to or right to operate the properties material to its electric utility system or the validity, legality or enforceability of the Master Services Agreement or this Power Schedule;

(ix) prior to the execution and delivery of this Power Schedule by Municipality, its duly authorized representatives have been provided the opportunity to ask such questions, review such data and reports, conduct such inspections and otherwise perform such investigation with respect to the Prepayment, including the advisability and benefits thereof, and the terms and conditions of this Power Schedule and the Appendices, as Municipality deems necessary or appropriate; and

(x) Municipality acknowledges that neither early termination of the Prepayment Agreement or any substitute Purchased Power Agreement nor the redemption or defeasance of the Bonds issued to finance the Prepayment will result in an early termination of this Power Schedule;

(xi) Municipality further acknowledges that it will only recognize the benefit of the Discount Price during the term of the Prepayment Agreement and, that upon any termination of the Prepayment Agreement, Municipality will be required to pay the Contract Price for its Share of Power Contract Resources for the remaining term of this Power Schedule;

(xii) Municipality recognizes that the continued existence of this Power Schedule and the reversion to the Contract Price for its Share of Power Contract Resources following any termination of the Prepayment Agreement is essential to AMP-Ohio's ability to settle its mark-to-market obligations to J. Aron or another Purchased Power Contractor so as to enable AMP-Ohio to deliver Replacement Power at the Contract Price; and

(xiii) after consideration of the potential risks and benefits, Municipality has determined that it is reasonable and in its best interest to contract for a Share of Power Contract Resources and to become obligated to pay the costs associated with the same in accordance with this Power Schedule.

SECTION 3. TERM

A. This Power Schedule shall become effective on the later of (a) the date upon which this Power Schedule and the Related Power Schedules shall have been executed and delivered by all the Participants and (b) the effective date of the Prepayment Agreement ("Effective Date") in either case such effectiveness shall be contingent upon a written determination by AMP-Ohio's independent financial advisor stating that the anticipated present value savings to Municipality from its participation will equal or exceed two percent (2%). Municipality's entitlement to its Share of Power Contract Resources shall be governed by the Original Power Schedule until the Effective Date. After the Effective Date,

Municipality's entitlement to its Share of Power Contract Resources shall be governed by this Power Schedule.

B. This Power Schedule shall remain in effect until January 1, 2013 and thereafter for so long as required by the Trust Indenture; *provided, however*, that Municipality shall remain obligated to pay to AMP-Ohio its Share of the Demand Charges and Operating Expenses that shall have accrued and are unpaid as of such expiration date.

SECTION 4. SELLER

AMP-Ohio.

SECTION 5. PURCHASER

Municipality.

SECTION 6. TYPE OF TRANSACTION

A. AMP-Ohio as Seller agrees for the term of this Power Schedule to sell to Municipality as Purchaser its Share of Power Contract Resources and Municipality agrees to take and pay for its Share of Power Contract Resources for the term of this Power Schedule. AMP-Ohio's obligations to provide power and energy hereunder are contingent upon, and subject to, the delivery to AMP-Ohio of Purchased Power in accordance with a Purchased Power Agreement or AMP-Ohio's ability to secure Replacement Power in the event of a failure to deliver or default, or declaration of *Force Majeure*, by a Purchased Power Contractor, and AMP-Ohio shall not be liable to Municipality for any failure AMP-Ohio to deliver to Municipality its Share of Power Contract Resources on account of *Force Majeure* or if an Uncontrollable Force shall have prevented AMP-Ohio from making such delivery.

B. Municipality specifically agrees that, although power and energy from Prepayment Agreement is intended to be the exclusive source of its Share of Power Contract Resources, AMP-Ohio shall, in the event of a failure to deliver or default, or declaration of *Force Majeure*, by J. Aron or another Purchased Power Contractor and whether or not such failure or default leads to termination of a Purchased Power Agreement, use its best efforts to substitute for actual delivery Replacement Power but only in accordance with the provisions of subsection B. of Section 9.

C. Neither Municipality nor AMP-Ohio shall net or set off against amounts due under this Power Schedule any amounts due under any other schedule or the Master Services Agreement.

D. Municipality agrees, in consideration of the Prepayment of AMP-Ohio's obligations under the Original J. Aron Contract and its ability to offer (i) firm energy at the Discount Price during the term of Prepayment Agreement and (ii) firm energy at the Contract Price for the remaining term of this Power Schedule following any termination of the Prepayment Agreement, that this Power Schedule may not be terminated by Municipality. Municipality acknowledges that it is its agreement that this Power Schedule cannot be terminated by Municipality that enables AMP-Ohio to settle its mark-to-market obligations to J. Aron or another Purchased Power Contractor without passing the entire cost of such mark-to-market obligations to the Participants.

E. The amounts, if any, received by AMP-Ohio from a Purchased Power Contractor or owing by AMP-Ohio to a Purchased Power Contractor and resulting from a failure to deliver or default, or declaration of *Force Majeure*, by the Purchased Power Contractor shall be retained by AMP-Ohio or paid solely from funds received or generated by the assignment or pledge of amounts receivable by AMP-Ohio under this Power Schedule and the Related Power Schedules, respectively.

SECTION 7. DELIVERY POINT

Municipality's Delivery Points, pursuant to this Power Schedule, shall be at the interconnection points as specified in Appendix C. Municipality is responsible for arranging for, and the costs of, transmission service from the Delivery Points to Municipality's system or other points for the benefit of Municipality. At Municipality's request, AMP-Ohio shall, utilizing Prudent Utility Practice, make all reasonable efforts to make such transmission arrangements on Municipality's behalf.

SECTION 8. SCHEDULING OF ENERGY

If Municipality desires anything other than delivery at Municipality's Delivery Points at a 100% load factor as set forth in Section 9, Municipality shall provide to AMP-Ohio an energy schedule, at such time and in such form as is acceptable to AMP-Ohio. Changes to this energy schedule may be made with advance notice, at a time and in a form acceptable by AMP-Ohio; provided, however, that such schedule changes must also be accepted by any relevant transmission providers. The energy scheduling protocols shall be set forth in Appendix I which shall be updated from time to time to reflect changes to the same. The obligations in this Section 8 shall be carried out by the Parties in a manner consistent with Prudent Utility Practice.

SECTION 9. FIRM ENERGY

A. Municipality agrees to take and AMP-Ohio agrees to use its best efforts to deliver to Municipality's Delivery Point(s), in accordance with Section 6, firm power and energy on a 100% load factor basis for the entire term, and in accordance with the provisions, of this Power Schedule. Municipality's Share of Power Contract Resources in each Year during which this Power Schedule is in effect is set forth in Appendix A. Such Share is based upon Municipality's Share for that Year in kW as a percentage of the total of all Participants' Shares of Power Contract Resources for that Year in kW.

B. If at any time AMP-Ohio fails to receive power and energy pursuant to the Amended J. Aron Contract or any substitute Purchased Power Agreement or if there occurs a loss of Replacement Power or interruption or diminution in the availability of transmission service or other Uncontrollable Force that causes Municipality's Share of Power Contract Resources available for delivery to Municipality to be less than that scheduled, AMP-Ohio shall exert its best efforts to purchase Replacement Power if required to meet Municipality's energy schedule, but AMP-Ohio shall incur no liability to Municipality in the event that an Uncontrollable Force prevents delivery of such Replacement Power.

Should circumstances preclude changing energy schedules through the relevant transmission providers or if AMP-Ohio is not able to communicate with Municipality after having made reasonable efforts to do so, AMP-Ohio shall attempt to take whatever reasonable actions are available on Municipality's behalf.

C. AMP-Ohio shall administer the Purchase in accordance with Prudent Utility Practice.

SECTION 10. RATES, CHARGES, AND BILLING

A. AMP-Ohio shall establish and maintain rates or charges, or any combination thereof, for Municipality's Share of Power Contract Resources made available to Municipality under this Power Schedule. Such rates or charges, or any combination thereof, shall be set forth in the Charge Appendix, Appendix B hereto, and shall provide revenues which, taken together with the revenues received by AMP-Ohio under the Related Power Schedules, are sufficient, but only sufficient, to meet the Revenue Requirements.

B. Municipality's percentage share of Revenue Requirements in respect of any Month during which AMP-Ohio has made available to Municipality any Purchased Energy under this Power Schedule

(whether or not Municipality actually accepts delivery thereof) shall be the same as the percentage of Municipality's Share of Power Contract Resources computed as provided in Section 9. A and shall be paid by Municipality through rates or charges, or the combination thereof, as set forth in the Charge Appendix.

C. The rates and charges, and any combination thereof, under this Power Schedule and under the Related Power Schedules shall be uniform.

D. The initial Charge Appendix, set forth on Appendix B, reflects AMP-Ohio's estimates of the initial Demand Charges, including the Fixed Demand Charge (which shall be based on (i) the debt service resulting from the issuance of Bonds by AMP-Ohio to effect the Prepayment during the term of the Prepayment Agreement and (ii) the Contract Price following any termination of the Prepayment Agreement), and the initial Operating Expense to meet Municipality's Share of Revenue Requirements. At such intervals as it shall determine appropriate, AMP-Ohio shall review and, if necessary, shall revise prospectively the Charge Appendix (including the Fixed Demand Charge in the event of termination of the Prepayment Agreement) to ensure that the rates or charges, or any combination thereof, as set forth therein and the like appendices in the Related Power Schedules, in the aggregate, continue to cover AMP-Ohio's estimate of all of the Revenue Requirements and recognize other factors, such as changes in service conditions as determined appropriate by AMP-Ohio. AMP-Ohio shall notify Municipality of each revision to the Charge Appendix and set forth the effective date thereof, prior to such effective date.

E. The obligation of Municipality to make payments under this Section 10 shall constitute an obligation of Municipality payable as an O&M expense of its Electric System, and such payments shall be made in respect of any Month under this Power Schedule, whether or not such Municipality actually accepts delivery of its Share of Power Contract Resources; unless, and then only to the extent, such Month was within a period in which its Share of Power Contract Resources was Unavailable to Municipality. Municipality shall not be required to make payments under this Power Schedule except from the revenues of its Electric System and from other funds of such System legally available therefor. In no event shall any Municipality be required to make payments under this Power Schedule from tax revenues, but nothing herein shall be construed to preclude the same. The obligations of Municipality to make payments under this Section 10 in respect to any Month shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and, so long as any Purchased Energy is made available by AMP-Ohio hereunder during such Month (whether or not such Municipality actually accepts delivery

thereof), such payment obligations of such Municipality shall not be conditioned upon the performance by any of the other Participants of their respective obligations under any Related Power Schedule, or by AMP-Ohio or any of the other Participants under any other agreement; *provided, however*, that nothing contained herein shall be construed to prevent or restrict such Municipality from asserting any rights which it may have against AMP-Ohio under this Power Schedule or any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

F. Any proceeds from the sale of Bonds to finance the Prepayment in excess of the amount required for the purposes for which such Bonds were issued and investment income earned on any investments held under the Trust Indenture shall be applied by AMP-Ohio, at its sole discretion (i) to the purchase or redemption of Bonds prior to their stated maturity, (ii) to the payment of costs related to the Purchase, or (iii) as a credit against Revenue Requirements. Notwithstanding anything contained in the foregoing provisions of this subsection F., if any Trust Indenture or any instrument of a similar nature relating to borrowings by AMP-Ohio to finance the Prepayment shall require the application of any amount referred to in the foregoing provisions of this subsection F. to any specific purpose, AMP-Ohio shall apply such amount to such purpose as so required.

G. Except as provided in H. below of this Section 10, amounts received by AMP-Ohio from or for the account of any Purchased Power Contractor shall be applied by AMP-Ohio, together with other Available Funds, *first*, to purchase Replacement Power for redelivery to the Participants and, *second*, as a credit against the Revenue Requirements.

H. Amounts received directly or constructively by AMP-Ohio from or for the account of any Purchased Power Contractor upon any default by such Purchased Power Contractor leading to the termination of a Purchased Power Agreement shall be applied by AMP-Ohio, together with other Available Funds, *first*, to the redemption of the Bonds outstanding in accordance with the applicable provisions of the Trust Indenture securing such Bonds and, *second*, to secure a substitute Purchased Power Agreement that will provide Replacement Power to AMP-Ohio for redelivery to the Participants. Any amounts received by AMP-Ohio from the substitute Purchased Power Contractor upon execution of the substitute Purchased Power Agreement shall be applied by AMP-Ohio, *first*, to the payment of any amounts owing to the former Purchased Power Contractor under the terminated Purchased Power Agreement and, *second*, as a credit against the Revenue Requirements.

SECTION 11. OWNERSHIP OF PURCHASE

Prior to delivery to Municipality at the Delivery Point, AMP-Ohio shall have full title to the Purchase and to Purchased Power and Replacement Power, and, during the term of this Power Schedule, Municipality shall not own or claim title to the Purchase or to Purchased Power or to Replacement Power, and Municipality's payment obligations do not constitute a purchase of or create an ownership interest or rights in the Purchase or Purchased Power or Replacement Power, such title, ownership and rights residing with AMP-Ohio.

SECTION 12. PRIORITY OF TERMS

All provisions of the Master Service Agreement entered into between AMP-Ohio and Municipality shall be applicable to this Power Schedule. If there is a conflict between any term or condition of the Master Service Agreement and this Power Schedule, the term or condition of this Power Schedule shall control.

SECTION 13. ADDITIONAL COVENANTS OF MUNICIPALITY

A. Municipality covenants and agrees that it shall not sell, lease or otherwise dispose of all or substantially all of its Electric System except on no less than one hundred-eighty (180) days' prior written notice to AMP-Ohio and, in any event, shall not so sell, lease or otherwise dispose of the same unless AMP-Ohio shall reasonably determine that all of the following conditions are met: (i) such Municipality shall assign its interest in this Power Schedule and its rights hereunder in writing to the purchaser or lessee of the Electric System and such purchaser or lessee, as assignee of rights and obligations of such Municipality under this Power Schedule, shall assume in writing all obligations (except to the extent theretofore discharged or otherwise provided for in a manner acceptable to AMP-Ohio) of Municipality under this Power Schedule; (ii) if and to the extent necessary to reflect such assignment and assumption, AMP-Ohio and such assignee shall enter into an agreement supplemental to this Power Schedule to clarify the terms on which such assignee shall exercise its rights and obligations hereunder; (iii) such assignment will not materially adversely affect the security afforded by the provisions of this Power Schedule for payments to AMP-Ohio hereunder; and (iv) AMP-Ohio shall have received an opinion or opinions of counsel of recognized standing selected by AMP-Ohio stating that such assignment: (a) is lawful; (b) will not adversely affect the tax or regulatory status of the Bonds or of AMP-Ohio; and (c) will not adversely affect the legality of this Power Schedule. The provisions of this subsection A. of Section

13 shall not apply to limit the rights and remedies of bondholders or the trustee under Municipality's indentures, if any, securing indebtedness payable from the revenues of Municipality's Electric System.

B. Municipality covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay AMP-Ohio from the timely fulfillment of its obligations under this Power Schedule or Master Services Agreement; *provided, however*, that nothing contained herein shall be construed to prevent or restrict Municipality from asserting any rights which it may have against AMP-Ohio.

C. Municipality covenants and agrees that it shall, in accordance with Prudent Utility Practice, operate the properties of its Electric System and the business in connection therewith in an efficient manner, and maintain its municipal electric utility distribution system in good repair, working order and condition; *provided, however*, that this covenant shall not be construed as requiring such Municipality to expend any funds which are derived from sources other than the revenues of its Electric System, although nothing herein shall be construed as preventing such Municipality from doing so.

D. Municipality covenants and agrees that AMP-Ohio is specifically authorized to issue Bonds, in one or more series, in accordance with any Trust Indenture, with a final maturity not later than February 1, 2013, to finance the Prepayment and all related or associated costs of the Prepayment, in an aggregate amount not to exceed three hundred fifty million dollars (\$350,000,000). AMP-Ohio may issue additional bonds associated with other power purchase arrangements similar to the Purchase and the Prepayment but any such arrangements shall be provided for in separate schedules to the Master Services Agreement or other agreements between the parties.

E. Municipality covenants and agrees that it shall not issue bonds, notes or other evidences of indebtedness or incur lease or contractual obligations which are payable from the revenues derived from its Electric System (collectively, "electric system revenue obligations") superior to the payment of the O&M Expenses of its Electric System; *provided, however*, that nothing herein shall limit such Municipality's present or future right to incur lease or contractual obligations which are payable on a parity with O&M Expenses, or issue bonds, notes or other evidences of indebtedness payable from revenues subject to only to the prior payment or provision for the payment of O&M Expenses of its Electric System.

F. Municipality covenants and agrees to use all reasonable efforts to take all lawful actions necessary or convenient to fulfill all of its obligations under this Power Schedule and the Master Services Agreement.

G. Municipality covenants and agrees that it shall not mortgage or take, or fail to take, any other action which would create or result in any lien on or other security interest in this Power Schedule.

H. Municipality covenants that it shall fix, charge and collect rates, fees and charges, and from time to time and as often as shall be necessary revise such rates, fees and charges, for electric power and energy and other services, facilities and commodities sold, furnished, supplied or otherwise provided by its Electric System at least sufficient to provide revenues to meet or, with other available funds, to provide in each Year the sum of (i) its O&M Expenses, including Municipality's Share of Revenue Requirements under this Schedule and related amounts owing under the Master Services Agreement, (ii) debt service on outstanding electric system revenue obligations of Municipality, and (iii) all other amounts payable from such revenues including, without limitation, debt service on general obligation or other tax supported debt incurred for purposes of Municipality's Electric System;

I. Municipality covenants and agrees that, upon written request of AMP-Ohio, it shall cause its chief financial officer to issue a certificate stating that, for the last Fiscal Year of such Municipality for which data is available, it is not in default of any obligation or covenant under this Power Schedule or any other agreements with AMP-Ohio, or joint ventures of AMP-Ohio members.

J. For purposes of this Section 13 the term "electric system revenue obligations," shall be construed not to include the following:

(1) the entire principal amount due at maturity of any electric system revenue obligations that shall be bond anticipation notes or other indebtedness the principal of which is intended to be paid from the proceeds of long-term indebtedness (in either case, "BANs") payable from the revenues of Municipality's Electric System, provided that Municipality shall have received an opinion of recognized bond counsel to the effect that Municipality has full power and authority under applicable law to issue the bonds or incur the long-term indebtedness in anticipation of which the BANs are issued and to apply the proceeds thereof or cause the proceeds thereof to be applied to the payment or satisfaction of the BANs; however, electric system revenue obligations shall include the following portions of principal or BANS: (A) from the date of original issue of a BAN through the end of the fifth Year following the date of original issue, zero; (B) from the beginning of the sixth Year following the date of original issue until

the debt evidenced by the BAN is fully retired or refinanced with long-term indebtedness, that amount of principal which is the product of the original principal amount of the BAN, multiplied by a fraction, the numerator of which is 1 and the denominator of which is the maximum term of the long-term indebtedness which the BANs anticipate (such maximum term to be determined by the term of the loan agreement or other instrument by which the indebtedness is incurred, and if no term is contained in such loan agreement or other instrument, then by the maximum maturity or thirty years, or such lesser maturity as set forth by law for the asset class being financed by the BAN); or

(2) any portion of the principal amount of any BANs payable from the revenues of Municipality's Electric System and paid at maturity or prepaid from sources other than a debt service reserve fund.

For purposes of this Power Schedule, including in particular subsections (I) and (J) of this Section 13, the term "revenues" with reference to Municipality's Electric System shall be construed to include amounts paid by AMP-Ohio or a joint venture to Municipality as a refund of payments made in a prior period.

K. Upon the issuance of Bonds to effect the Prepayment and so long as such Bonds are Outstanding, if Municipality has a Share of Power Contract Resources equal to or in excess of ten percent (10%), Municipality agrees to furnish to AMP-Ohio annually, no later than October 1 of each Year and to the extent required for AMP-Ohio pursuant to any Financing Agreement to comply with any continuing disclosure obligations undertaken to assist any purchaser of the Bonds to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, (i) information updating the financial and operating data respecting Municipality and its Electric System, which data was included in the offering documents of AMP-Ohio prepared in connection with the offering of its Bonds; (ii) Municipality's financial statements relating to its Electric System, when they become publicly available, and prepared in accordance with generally accepted accounting principles or otherwise as required by law; and (iii) notice of certain material events specified by such Rule. The form of such undertaking shall be provided by AMP-Ohio to Municipality, and executed by Municipality, prior to the date of issuance of any Bonds.

L. (i) Municipality acknowledges that it is the intention of AMP-Ohio to issue, to the maximum extent possible, Bonds the interest on which is excluded from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") to finance the Prepayment ("Tax-exempt Obligations").

(ii) Municipality acknowledges that on the date that AMP-Ohio issues the Bonds as Tax-exempt Obligations, the Municipality must expect to maintain its rights to its Share of the Power Contract Resources and not expect to sell or otherwise dispose of such rights prior to the final maturity date of the Bonds unless it first provides to AMP-Ohio an opinion of nationally recognized bond counsel, acceptable to AMP-Ohio, stating that such action will not have an adverse effect on the exclusion from gross income for Federal income tax purposes of interest on the Bonds. Municipality represents, warrants and covenants that its Share of the Power Contract Resources will be used for the governmental purposes of such Municipality.

(iii) Municipality acknowledges that output contracts with nongovernmental persons for the purchase of electricity may result in private business use and that only a limited amount of private business use is permitted under the Federal income tax laws addressing Tax-exempt Obligations.

(iv) Municipality hereby represents, warrants and covenants that it will take cooperate with AMP-Ohio and furnish such information and make such certifications as AMP-Ohio reasonably requires to issue the Bonds as Tax-exempt Obligations.

(v) Municipality further represents, warrants and covenants that at least ninety percent (90%) of its Share of Purchased Energy will be furnished to retail customers of Municipality located in the service area of Municipality. "[S]ervice area" for this purpose means (1) any areas throughout which the Municipality provided, at all times during the 5-year period ending on the issue date of the Bonds, electricity distribution service and (2) any area recognized as the service area of the Municipality under Ohio or Federal law.

(vi) Municipality represents, warrants and covenants that it will establish reasonable procedures to ensure that no action is taken that would cause the Bonds to meet the private business use test or the private loan test of Section 141 of the Code and ensure continued qualification of the Bonds as Tax-exempt Obligations.

SECTION 14. DEFAULT

A. In the event any payment due from Municipality under this Power Schedule remains unpaid for the lesser of (y) five (5) days subsequent to the due date thereof and (z) one Business Day after Municipality receives notice of such late payment, such event shall constitute a default hereunder and AMP-Ohio may, upon fifteen (15) days' written notice to and at the cost and expense of Municipality, (i)

withhold any payments otherwise due Municipality and suspend deliveries or availability of Purchased Energy to or on behalf of Municipality under this Power Schedule, (ii) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation against Municipality, or (iii) take any other action permitted by law to enforce this Power Schedule. Upon suspension of the rights of Municipality as provided in the immediately preceding sentence, AMP-Ohio shall have the right to and may sell or make available, from time to time, to any other person or persons all of the Purchased Energy associated with the defaulting Municipality's Share of Power Contract Resources, and any such sale or sales may be on such terms and for such period deemed necessary or convenient in AMP-Ohio's judgment, which shall not be exercised unreasonably, to accomplish such sales under then existing market conditions; *provided, however*, that no such sale shall be made for a period exceeding sixty (60) days. Any such sale of such Purchased Energy contracted for by AMP-Ohio under this Section 14 A. shall not relieve Municipality from any liability under this Power Schedule, except that the net proceeds of such sale shall be applied in reduction of the liability (but not below zero) of Municipality under this Power Schedule. When any default giving rise to the suspension of delivery of Purchased Energy has been cured in less than sixty (60) days subsequent to the payment date associated with such default and payment has been made in full by Municipality to AMP-Ohio of all costs and expenses incurred as a result of such default, Municipality shall be entitled to a resumption of delivery of Purchased Energy under this Power Schedule, subject to any sales of Purchased Energy to others entered into by AMP-Ohio pursuant to this subsection A.

B. If Municipality shall be in default under this Power Schedule, whether under the terms of Section 14 A. or otherwise, and such default continues for sixty (60) days after the payment date associated with such default or more without reasonable and effective efforts by Municipality to cure such default, AMP-Ohio may, in addition to any other remedy available at law or equity, terminate the provisions of this Power Schedule with respect to the right of the defaulting Municipality to its Share of Power Contract Resources; however, the obligations of the defaulting Municipality under this Power Schedule shall continue in full force and effect. AMP-Ohio shall forthwith notify such defaulting Municipality of such termination.

C. Municipality acknowledges that AMP-Ohio intends to obtain from a monoline insurance company (the "Insurer") a municipal bond insurance policy, surety bond or other form of credit enhancement ("Payment Insurance Policy") to insure the payment obligations of the Participants for the term of this Power Schedule and thereby reduce the Fixed Demand Charges that otherwise would be

payable by Municipality under this Power Schedule. Therefore, in addition to other amounts payable by Municipality under this Section 14 in the event of a default, if such default results in a payment by the Insurer on the Payment Insurance Policy, Municipality shall pay any additional amounts AMP-Ohio is required to reimburse and compensate the Insurer for such payment on the Payment Insurance Policy under the terms any reimbursement agreement that AMP-Ohio shall execute in order to obtain such Payment Insurance Policy for the benefit of the Participants, including Municipality. Municipality further acknowledges that, in the event of default by Municipality that is not cured by Municipality or by AMP-Ohio within 60 days the Insurer may succeed to AMP-Ohio's rights to enforce the terms of this Power Schedule against Municipality.

D. The net proceeds of any sales described in subsection A. of this Section 14 and all other amounts realized by AMP-Ohio in enforcing the provisions of this Power Schedule shall be applied first to the payment or reimbursement of all costs and expenses of AMP-Ohio in such enforcement, and, second to the payment of any amounts due to AMP-Ohio in respect of its charges hereunder and to the provider of the Payment Insurance, as provided in the Trust Indenture.

SECTION 15. RELATIONSHIP TO AND COMPLIANCE WITH OTHER INSTRUMENTS

It is recognized by Municipality that AMP-Ohio, in undertaking or causing to be undertaken the financing and administration of the Purchase, must comply with the requirements of the Related Power Schedules, any Financing Agreement, any Trust Indenture, and any applicable licenses, permits and regulatory approvals necessary for the same, and it is therefore agreed that this Power Schedule should be construed in a manner consistent with compliance with the provisions of all such agreements, licenses, permits, and regulatory approvals.

SECTION 16. MODIFICATION OR AMENDMENT OF THIS POWER SCHEDULE

Except to the extent otherwise provided herein with respect to supplements, amendments and modifications in the Appendices, this Power Schedule shall not be amended, modified or otherwise changed except by written instrument executed and delivered by each Party; provided, however, that this Power Schedule shall not in any event be amended, modified or otherwise changed in any manner that will materially adversely affect the security afforded by the provisions of any Trust Indenture.

SECTION 17. OPINIONS

Municipality, upon execution and delivery of this Power Schedule, shall furnish to AMP-Ohio an opinion, substantially in the form of Appendix H, of counsel retained or employed by Municipality and licensed to practice law in Municipality's domicile State. Upon request by AMP-Ohio, on the Closing Date, Municipality shall furnish AMP-Ohio with a letter from the attorney or firm of attorneys which rendered the foregoing opinion confirming, as of the date specified in such request, the foregoing opinion delivered upon execution and delivery of this Power Schedule.

SECTION 18. APPLICABLE LAW; CONSTRUCTION

This Power Schedule is made under and shall be governed by the law of the State of Ohio; provided, however, that if Municipality is not domiciled in Ohio, the power and authority of Municipality to enter into this Power Schedule and the application of the provisions of this Power Schedule to this Municipality shall be construed in accordance with the laws of Municipality's domicile State. Headings herein are for convenience only and shall not influence the construction hereof. In the event of any conflict between the provisions contained in Sections 1 through 26, inclusive, of this Power Schedule and any of the Appendices (excepting Appendices G and M), the appropriate provisions of Sections 1 through 26 shall govern. In the event of any conflict between the provisions of the Master Services Agreement and the provisions of this Power Schedule, the provisions of this Power Schedule shall govern. In the event of any conflict between the provisions of this Power Schedule and the provisions of any Trust Indenture entered into by AMP-Ohio under the authority of this Power Schedule, the provisions of the Trust Indenture shall govern.

SECTION 19. SEVERABILITY

If any Section, Subsection, Paragraph, Clause or provision or any part thereof of this Power Schedule shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Schedule shall be unaffected by such adjudication and all the remaining provisions of this Power Schedule shall remain in full force and effect as though such Section, Subsection, Paragraph, Clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein and the Power Schedule then interpreted to reflect the intention of the parties to the greatest extent permitted by law.

SECTION 20. ASSIGNMENT OF POWER SCHEDULE

A. This Power Schedule shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Power Schedule; provided, however, that (i) except as provided in Section 14.C and for an assignment by AMP-Ohio to a Bond Trustee pursuant to a Trust Indenture as security for Bonds, neither this Power Schedule nor any interest herein or, except as otherwise permitted herein, in the Purchase, shall be transferred or assigned by AMP-Ohio except with the consent in writing of Municipality, which consent shall not be unreasonably withheld, and (ii) except for an assignment by Municipality with the consent of AMP-Ohio in accordance with subsection B. of this Section 20 or an assignment in connection with the sale, lease or other disposition of all or substantially all of a Municipality's municipal electric utility distribution system as provided in Section 13 A. hereof, neither this Power Schedule nor any interest herein or the Purchase shall be transferred or assigned by Municipality.

B. Municipality may assign to any entity this Power Schedule and its rights hereunder if all of the following conditions are met: (i) AMP-Ohio consents in writing to such assignment, which consent shall not be unreasonably withheld; (ii) the assignment shall be evidenced by a written instrument pursuant to which the assignee shall assume all obligations except to the extent theretofore discharged or otherwise provided for in a manner acceptable to AMP-Ohio; (iii) if and to the extent necessary to reflect such assignment and assumption, AMP-Ohio and such assignee shall enter into an agreement supplemental to this Power Schedule to clarify the terms on which power and energy from such ownership share are to be delivered hereunder by AMP-Ohio to such assignee; (iv) such assignment (a) does not require any modification to any licenses or permits by any governmental entities with jurisdiction thereof or (b) any such modifications are duly approved; and (v) AMP-Ohio shall have received an opinion or opinions of counsel of recognized standing selected by AMP-Ohio stating that such assignment: (a) is lawful; (b) will not adversely affect the tax or regulatory status of the Bonds or of AMP-Ohio; (c) will not adversely affect the rights of the other Participants rights under the Related Power Schedules; (d) will not adversely affect the legality of this Power Schedule or the activities contemplated hereunder; and (e) either will not require approval by any regulatory body or all such approvals have been duly obtained. AMP-Ohio shall not consent to the assignment of this Power Schedule pursuant to the immediately preceding sentence unless AMP-Ohio reasonably determines that such assignment is not expected to result in any increase in the charges to any of the remaining Participants under this Power Schedule. Nothing contained in this subsection B. shall be construed to prevent or restrict Municipality

from issuing or leaving outstanding revenue bonds and mortgage revenue bonds, subject to the provisions of Section 13(F), secured by the revenues, or the revenues and a mortgage of the property, of such Municipality's electric utility system, including a franchise, as long as Municipality does not mortgage or otherwise subject its interest in this Power Schedule to any liens created thereby.

SECTION 21. BENEFICIARIES

This Power Schedule shall constitute a binding agreement of Municipality and AMP-Ohio. Consequently, no other person other than the trustee under any Trust Indenture shall have any interest in, be a beneficiary of or be entitled to enforce the provisions of this Power Schedule.

SECTION 22. SURVIVORSHIP OF OBLIGATIONS

The termination of this Power Schedule shall not discharge any Party hereto from any obligation that it owes to any other Party under this Power Schedule by reason of any transaction, loss, cost, damage, expense, or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Power Schedule or whether the circumstances, events, or basis of the same shall be known or unknown at the termination of this Power Schedule) shall survive the termination of this Power Schedule.

SECTION 23. ARBITRATION; VENUE

A. Municipality and AMP-Ohio agree to negotiate in good faith to settle any and all disputes arising hereunder.

B. Good faith mediation shall be a condition precedent to the filing of any litigation in law or equity by either Party relating to this Power Schedule except injunctive litigation necessary to solely restrain or cure an imminent threat to public or employee safety. Before the remedies provided for in this Section 23 may be exercised by either Party, such Party shall give written notice to the other Party that such Party believes that an event of default or impasse under this Power Schedule may have occurred, specifying the circumstances constituting the event of default or impasse in sufficient detail that the other Party will be fully advised of the nature of the event of default or impasse. The responding Party shall prepare and serve a written response thereto within ten (10) business days of receipt of such notice.

C. The Parties shall attempt to resolve the controversy by engaging a single mediator, experienced in the subject matter, to mediate the dispute. The mediator shall be mutually selected by the

Parties to the controversy and conduct mediation at a location to be agreed upon by the Parties or absent agreement, by the mediator. Within two business days of selection, the mediator shall be furnished copies of the notice, this Power Schedule, the response referred to in subsection B. above and any other documents exchanged by the Parties. If the Parties and the mediator are unable to settle the same within thirty (30) days from selection of the mediator, or such other time as the Parties agree, the mediator shall make a written recommendation as to the resolution of the dispute. Each Party, in its sole discretion, shall accept or reject such recommendation in writing within ten (10) days. Should the Parties be unable to agree upon a single mediator within five (5) business days of the written response of the responding Party, any Party or the Parties jointly shall petition the Presiding Judge of a Court of general jurisdiction with jurisdiction over the parties and the matters at issue and in which venue is proper, to appoint a mediator, experienced and knowledgeable in the matters which are the subject of the dispute. The costs of the mediator and the mediation shall be shared equally by the Parties to the dispute. Should the parties be unable to agree upon a mediator and no court of appropriate jurisdiction has appointed the same within a reasonable time, the obligation to mediate shall be deemed fulfilled and mediation shall be deemed waived.

D. In any litigation, any Party that fails to accept a mediator's recommendation regarding resolution of the dispute or disputes at issue shall be liable for the other Party's reasonable attorneys' fees and expenses incurred litigating such issue unless the result of such litigation materially improves such Party's position from such recommendation. For purposes of this subsection, "materially improve" shall mean, with regard to compensation or liability, twenty-five percent (25%) or greater improvement. All determinations under this paragraph shall be under the sole discretion of the presiding judge, and the record of the mediation and the mediator's recommendation shall be admissible for such purposes and for such purposes only, unless the Parties otherwise agree.

E. The Parties may mutually agree to waive mediation or subsequent to mediation waive their right to litigate in Court and, in either case, submit any dispute hereunder to binding arbitration before a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association or such other arbitration procedures to which they may agree. Such agreement shall be in writing and may otherwise modify the procedures set forth in this Section 23 for resolving any particular dispute.

F. Nothing in this Section 23 shall be construed to affect jurisdiction or venue over any dispute that is otherwise appropriate under law.

SECTION 24. LIABILITY AND ALLOCATION OF RISK

A. AMP-Ohio shall not be responsible for the receiving, transmission, control, use, application, or distribution of Purchased Energy or Replacement Power beyond any Point of Delivery and shall not, in any event, be liable for damage or injury to any person or property whatsoever arising, accruing, or resulting from, in any manner, the receiving, transmission, control, use, application, or distribution of said electric power and energy beyond any Point of Delivery or otherwise on the system of Municipality. Nothing in this subsection A. should be construed to prevent AMP-Ohio or Municipality from compromising or settling, on reasonable terms, any pending or threatened litigation or claim.

B. To the fullest extent permitted by applicable law, no recourse shall be had against any individual officer or employee of Municipality or against any officer or employee of AMP-Ohio, past, present or future, either directly or indirectly, whether by virtue of any penalty or otherwise, for any claim based upon or arising out of this Power Schedule, any opinion given in connection therewith, or the obligations of the Parties hereunder, all such liability, if any, being by the execution and delivery of this Power Schedule specifically waived and released.

C. Nothing in this Power Schedule shall be construed to waive any immunities which Municipality may have now or in the future.

D. No covenant, representation, obligation or agreement herein contained shall be deemed to be a covenant, representation, obligation or agreement of any officer or employee of Municipality or AMP-Ohio or any agent, officer or employee of any Municipality or AMP-Ohio in his or her individual capacity, and neither such officers or employees of any Municipality nor any official executing this Power Schedule shall incur any personal liability therefor arising in any way from the approval or execution this Power Schedule or the activities contemplated hereunder.

E. Any failure by AMP-Ohio to deliver Municipality's Share of Power Contract Resources shall be excused to the extent and for the duration of the following circumstances:

i. Failure to perform by a Purchased Power Contractor (other than J. Aron) under the Purchased Power Agreement, coupled with a failure by such Contractor to pay amounts, a failure of a guarantor or surety to pay such amounts and a failure by AMP-Ohio to realize sufficient funds from the enforcement of its security interest in the collateral, if any, posted to provide performance and payment assurance and to provide such amounts, in each case, if any, owing to AMP-Ohio on account of such

failure, whether or not such failure is excused by *Force Majeure* and whether or not such failure leads to termination of the related Purchased Power Agreement.

- ii. The occurrence of any Uncontrollable Circumstance.

SECTION 25. NO PARTNERSHIP

The Parties expressly agree that no partnership is created by the provisions of this Power Schedule and neither Party may act as agent for or bind the other Party except to the extent contemplated by this Power Schedule.

SECTION 26. COUNTERPARTS

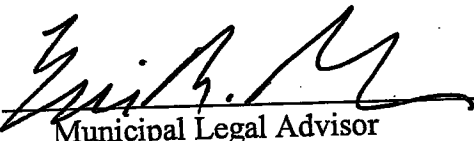
This Power Schedule may be executed and delivered in counterparts, each of which shall for all purposes be treated as the original hereof and all of which shall constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Power Schedule to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals, if any, to be hereto affixed.

CITY OF OBERLIN, OHIO

APPROVED AS TO FORM:

By: 

By: 
Municipal Legal Advisor

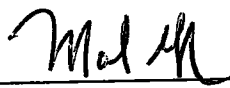
Title: INTERIM CITY MANAGER

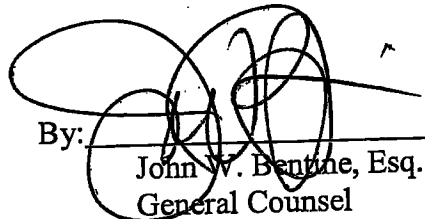
Date: 6-19-07

Date: JUNE 19, 2007

AMERICAN MUNICIPAL POWER-OHIO, INC.

APPROVED AS TO FORM:

By: 
Marc S. Gerken, P.E.
President

By: 
John W. Bentine, Esq.
General Counsel

Date: 6/21/07

Date: 6-21-07

EXHIBIT 1

**TO AMP-OHIO/MUNICIPALITY POWER SCHEDULE
(LONG TERM PREPAID POWER PURCHASE)**

**REGARDING
DEFINITIONS**

DEFINITIONS

In addition to the words or terms defined in the preamble to the Power Schedule, the following words and terms, when used in the Power Schedule, shall have the following meanings:

Acquisition Fund shall have the meaning set forth in the Trust Indenture.

AMP-Ohio shall mean American Municipal Power-Ohio, Inc., the nonprofit, Ohio corporation that is the Seller hereunder and whose membership consists of Ohio, Michigan, Pennsylvania, Virginia and West Virginia municipalities, including the Participants, that own and operate Electric Systems.

Appendix shall mean any of the appendices attached to the Power Schedule.

Appendix of Participants shall mean the list, attached as Appendix A to the Power Schedule, of Participants that have entered into the Power Schedule and Related Power Schedules. Appendix A also sets forth Participants' respective Shares of Purchased Power.

Available Funds shall mean those funds available to AMP-Ohio under the provisions of this Power Schedule and any Purchased Power Agreement for application as provided in this Power Schedule. Available Funds does not include any other resources or moneys of AMP-Ohio or moneys held under any Trust Indenture.

Bond or Bonds shall mean revenue bonds, notes, bank loans, commercial paper, certificates of participation or other evidences of indebtedness issued or incurred in accordance with the Trust Indenture by AMP-Ohio, on behalf of Municipality to finance or refinance any cost, expense or liability paid or incurred or to be paid or incurred by AMP-Ohio related to the Prepayment.

Charge Appendix shall mean the listing of charges, and the components thereof, designed to recover the Demand Charges and Operating Expenses associated with the Purchased Power and Replacement Power. The Charge Appendix is attached hereto as Appendix B and may be revised from time to time in accordance with the provisions of Section 10 of the Power Schedule.

Closing Date shall mean the date, set forth in any Financing Agreement, that the Bonds are delivered and their proceeds shall be paid to the Trustee for deposit to the Acquisition Fund and otherwise as provided in the Trust Indenture.

Costs of Issuance shall mean and include the costs and expenses incurred by AMP-Ohio in issuing Bonds. Such costs and expenses may be paid from the proceeds of Bonds. Such costs and expenses shall include, without limitation, accounting, legal, financial advisory, printing, trustee's acceptance fees and expenses, underwriting discount or commissions, Payment Insurance and any other reserve surety bond fees or premiums, Blue Sky and other filing fees and expenses.

Demand Charge in respect of the Purchase and AMP-Ohio shall mean the sum of the following amounts, without duplication, equal to:

- (i) any fixed expenses incurred in connection with the Purchased Power or Replacement Power;
- (ii) payments to the credit of any reserve and contingency fund required by any Trust Indenture;
- (iii) payment to the credit of any fund or sub-fund or other payments not otherwise included in the Demand Charge other than Operating Expenses, to the extent required by the terms of any Trust Indenture;
- (iv) amounts equal to the Fixed Demand Charge set forth in Part 1 of Appendix B, such amounts having been derived from the amounts required for payment by AMP-Ohio of the scheduled principal of and interest on the Bonds and being payable whether or not the Bonds are outstanding;
- (v) amounts required to be paid by AMP-Ohio to procure, or to perform obligations under, any liquidity or credit support facility, interest rate swap or hedging instrument (including, in each case, any amounts due in connection with the termination thereof) associated with any Bonds or amounts payable with respect thereto;
- (vi) additional amounts, if any, which must be paid by AMP-Ohio in order to meet the requirements of any covenant with respect to coverage of debt service on Bonds under the terms of any Trust Indenture, and such additional amounts as may be deemed by AMP-Ohio prudent to facilitate marketing Bonds on favorable terms;
- (vii) trustee and financial advisory fees;
- (viii) payments which are required to be paid into any fund or account to establish or maintain a reserve exclusively for the payment of such principal, premium or interest under the terms of any Trust Indenture; and

(ix) any interest expense, banking fees and any other related fees or charges related thereto, chargeable to AMP-Ohio upon AMP-Ohio's posting of Performance Assurance (as such term is defined in a Purchased Power Agreement) under a Purchased Power Agreement.

Effective Date shall have the meaning set forth in Section 3 of the Power Schedule.

Electric System of a Participant shall mean the municipal electric utility system owned and operated by the Participant, including, without limitation, its contractual rights and obligations under the Power Sales Contract.

Financing Agreement shall mean the Financing Agreement entered into between AMP-Ohio and a third party and providing for the sale by AMP-Ohio and the purchase by the third party of Bonds.

Fixed Demand Charge shall mean that portion of the Demand Charge that is described in Part 1 of Appendix B.

Force Majeure shall mean any event of *Force Majeure* under a Purchased Power Contract.

Master Services Agreement shall mean the contract document titled as such between Municipality and AMP-Ohio referenced on the cover page of this Power Schedule.

Month or Monthly refers to a calendar month.

Municipality shall mean the AMP-Ohio member executing this Long Term Prepaid Power Purchase Schedule and is the Buyer hereunder.

O&M Expenses in respect of Municipality shall mean the ordinary and usual operating expenses with respect to such Municipality's Electric System under generally accepted accounting principles adopted by the Governmental Accounting Standards Board as of the Effective Date, excluding interest expense, capitalized lease payments, amortization and depreciation, but including such Municipality's share of Revenue Requirements. O&M Expenses may include contractual obligations for power purchases, fuel and water supply, transmission and other services to the extent such obligations are not incurred or owing during or in respect of a period of unavailability, where "period of unavailability" means the period in excess of thirty (30) days when such service is not furnished or is unavailable, for whatever reason.

Operating Expenses in respect of the Purchase and AMP-Ohio shall mean the sum of the following, to the extent not paid as (i) Purchase Costs out of the proceeds of Bonds or related investment income; or (ii) a Demand Charge:

- (i) the cost to AMP-Ohio of administration of the Purchase, including contributions to any reserve or contingency fund, taxes, the cost of insurance, including directors and officers liability, all costs to settle or compromise threatened or pending claims or litigation to the extent associated with the Purchase and including reserves against losses established in connection with any program of self insurance, the costs of any related transmission services, and any costs associated with losses, and costs of compliance with and renewals of all required licenses and permits, legal, engineering, accounting and financial advisory fees and expenses, including without limitation other licensing, permitting, siting and organizational costs and any payments associated with any validation proceedings regarding any Trust Indenture or the Power Schedule, including repayment of any prudently incurred sums advanced by AMP-Ohio for such purposes, whether incurred prior to the Effective Date or otherwise;
- (ii) any interest expense, banking fees and any other related fees or charges related thereto, chargeable to AMP-Ohio upon AMP-Ohio's posting of Performance Assurance (as such term is defined in a Purchased Power Agreement) under a Purchased Power Agreement;
- (iii) the cost, if any, to AMP-Ohio to establish and maintain an allowance for working capital related to purchase;
- (iv) the cost of engineering, planning and forecasting incurred by AMP-Ohio in furtherance of or related to the Purchase, and all costs incurred by AMP-Ohio in connection with the performance of its obligations under this Power Schedule or in attempting to comply with laws or regulations requiring the same to the extent such laws or regulations are applicable to the Purchase;

- (v) the costs of defending, compromising, and settling any suits or claims against AMP-Ohio relating to the Purchase, the Power Schedule or Related Power Schedules or any service rendered from the Purchase and the payment of any judgments or verdicts related thereto; and
- (vi) repayment of any prudently incurred sums for expenditures advanced by AMP-Ohio in connection with any of the costs set forth above, whether incurred prior to the effective date or otherwise.

less the net proceeds available from the sale of Purchased Energy; provided, however, that an appropriate share of such proceeds have not been otherwise remitted to Municipality.

Participants shall mean those Participants, including Municipality, identified as such on Appendix A to the Power Schedule.

Party or Parties refers to Municipality and AMP-Ohio.

Payment Insurance shall have the meaning given such term in Section 14 C.

Point(s) of Delivery shall mean the respective point or points set forth on Appendix C to Power Schedule at which Purchased Energy is to be delivered to or on behalf of Municipality; *provided, however*, that the Point(s) of Delivery with respect to Municipality may, with the written approval of AMP-Ohio (which approval shall not be unreasonably withheld), be changed, modified or added to by Municipality.

Power Contract Resources shall mean (i) Purchased Power and (ii) Replacement Power secured by AMP-Ohio following a failure to deliver or a default, or declaration of event of *Force Majeure* by, a Purchased Power Contractor whether or not such event leads to termination of a Purchased Power Agreement.

Power Schedule shall mean this amended and restated power schedule between Municipality and AMP-Ohio that is a schedule to the Master Services Agreement.

Prepayment means the prepayment of the Contract Price payable by AMP-Ohio under the Original J. Aron Contract, as provided in the Prepayment Agreement.

Prudent Utility Practice shall mean any of the practices, methods or acts which, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods or acts engaged in or approved by a significant portion of the electrical utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety and

expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at a reasonable cost consistent with reliability, safety and expedition.

Purchase shall mean the transaction evidenced by the Prepayment Agreement and any substitute Purchased Power Agreement between a Purchased Power Contractor as seller and AMP-Ohio as Buyer (described in Appendix D to the Power Schedule).

Purchase Costs shall mean an amount equal to all costs and expenses incurred by or on behalf of AMP-Ohio in connection with the planning, investigating, financing, and acquisition of the Purchase including all costs of pre-payment related environmental compliance costs, legal, engineering, accounting, advisory and other financing costs relating thereto and administration of the Purchase, or otherwise paid or incurred or to be paid or incurred by or on behalf of AMP-Ohio, in connection with its performance of its obligations under the Power Schedule, the Related Power Schedules and any Trust Indenture. Purchase Costs shall include Costs of Issuance.

Purchased Energy shall mean energy associated with or available to Participants from AMP-Ohio's purchase of Purchased Power or Replacement Power.

Purchased Power shall mean the power and energy purchased by AMP-Ohio from a Purchased Power Contractor pursuant to a Purchased Power Agreement for resale under this Power Schedule and the Related Power Schedules.

Purchased Power Agreement shall mean the Prepayment Agreement and any substitute contract for Purchased Power between AMP-Ohio and a Purchased Power Contractor.

Purchased Power Contractor shall mean J. Aron or any substitute third party provider to AMP-Ohio of Replacement Power that is the source of the Purchased Energy being resold pursuant to the Power Schedule.

Related Power Schedules shall mean the power schedules between AMP-Ohio and the other Participants listed on Appendix A, relating to the Purchase and similar to this Power Schedule.

Replacement Power shall mean, as the context indicates, (i) power and energy secured by AMP-Ohio following a failure to deliver or default, or declaration of event of *Force Majeure*, by a Purchased Power Contractor that does not lead to termination of a Purchased Power Agreement

or (ii) power and energy purchased by AMP-Ohio to replace Municipality's Share of Purchased Power under the Prepayment Agreement or a substitute Purchased Power Agreement following termination of such Contract or other Purchased Power Agreement.

Revenue Requirements shall be the sum of Operating Expenses and Demand Charges.

Share of Power Contract Resources shall mean in any hour a percentage share of Purchased Power equal to Municipality's Share thereof in kW for any given Year as shown on Appendix A divided by the total amount of Purchased Power in kW for that Year [Total subscribed kW under this Power Schedule and the Related Power Schedules] as shown on Appendix A to the Power Schedule.

Trust Indenture shall mean any one or more trust indentures, trust agreements, loan agreements, resolutions or other similar instruments providing for the issuance and securing of Bonds between AMP-Ohio and a trustee. When completed, the form of any initial Trust Indenture shall be attached to the Power Schedule as Appendix G, which shall be updated to include any such instruments entered into subsequent to the effective date.

Unavailable shall mean, with respect to any thirty (30) days period, that power and energy, whether derived from the Purchased Power or Replacement Power, in an amount equal to Municipality's Share of the Purchased Energy is not available to Municipality, at any of Municipality's Point(s) of Delivery, at any time during such period.

Uncontrollable Force shall mean any cause beyond the control of a Party, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, pestilence, war, riot, civil disturbance, labor disturbance, sabotage, restraint or action by court or public authority, and failure of third parties to provide transmission, which by due diligence and foresight such Party, as the case may be, could not reasonably have been expected to avoid and shall include, but only after the redemption or defeasance of all the Bonds, the failure of a Purchased Power Contractor both to perform and to pay amounts due, if any, under the related Purchased Power Agreement.

Utility Governing Body shall mean, as to any Participant, the governing body of the Participant identified in paragraph 3 of the legal opinion required by Appendix H to the Power Schedule to be furnished by each Participant.

Year shall mean the twelve-month period commencing at 12:00 a.m. on January 1 of each calendar year; *provided, however*, that the first Year shall commence on the Effective Date set forth in Section 3 and shall expire at 12:00 a.m. on the next succeeding January 1.

Except where the content otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, public and private corporations, and any other legal entities.

2006-A	
<u>MUNICIPALITY</u>	<u>MW</u>
CLEVELAND	100.0
WESTERVILLE	25.0
CUYAHOGA FALLS	7.9
JACKSON	7.0
BOWLING GREEN	6.5
WADSWORTH	3.1
NILES	2.3
AMHERST	1.7
WOODSFIELD	1.5
OBERLIN	1.3
HOLIDAY CITY	1.2
HUDSON	1.1
GALION	1.0
MONROEVILLE	1.0
MONTPELIER	1.0
SHELBY	1.0
COLUMBIANA	0.9
NEWTON FALLS	0.9
SEVILLE	0.8
BREWSTER	0.7
GRAFTON	0.5
LODI	0.5
NEW KNOXVILLE	0.5
PIONEER	0.5
EDGERTON	0.4
HUBBARD	0.4
NAPOLEON	0.4
WELLINGTON	0.4
OAK HARBOR	0.3
BEACH CITY	0.1
BRADNER	0.1
CUSTAR	0.1
ELMORE	0.1
GENOA	0.1
HASKINS	0.1
LUCAS	0.1
MILAN	0.1
PEMBERVILLE	0.1

2006-A	
<u>MUNICIPALITY</u>	<u>MW</u>
PROSPECT	0.1
SOUTH VIENNA	0.1
WOODVILLE	0.1
TOTAL	171.0

PRELIMINARY CHARGE APPENDIX

The Revenue Requirements for each Year of the term of this Power Schedule shall be calculated by dividing the kW of Purchased Power for that Year into the Revenue Requirements to provide the Revenue Requirements allocable to each Share of Purchased Energy. The following are estimated rates for the Revenue Requirements:

Part 1. Fixed Demand Charge:

A. So long as the Bonds remain outstanding and the Prepayment Agreement is in effect, the Fixed Demand Charge for each Participant shall be for each "Payment Year" the product of the Participant's Share of Purchased Energy and the scheduled principal and interest due on the Bonds in such Payment Year divided by 12 and expressed in \$/kW/month, where the first Payment Year commences on the Effective Date, the second and subsequent Payment Years commence on February 2 of the preceding calendar year and all Payment Years end on February 1 of the calendar years shown below. The Fixed Demand Charge for each Payment Year shall be calculated on the basis of the actual scheduled debt service on the Bonds when the same shall have been issued.

- Payment Year 2008 - \$31.8718 / kW-mo
- Payment Year 2009 - \$31.8718 / kW-mo
- Payment Year 2010 - \$31.8718 / kW-mo
- Payment Year 2011 - \$31.8718 / kW-mo
- Payment Year 2012 - \$31.8718 / kW-mo
- Payment Year 2013 - \$31.8718 / kW-mo

B. In the event of termination of the Prepayment Agreement, the Fixed Demand Charge for each Participant shall be \$0.04455/kWh, effective on the termination date of the Prepayment Agreement and shall remain constant for the remaining term of the Power Schedule.

Part 2. Demand Charge (including the Fixed Demand Charge):

- Payment Year 2008 - \$32.5215 / kW-mo
- Payment Year 2009 - \$32.5215 / kW-mo
- Payment Year 2010 - \$32.5215 / kW-mo
- Payment Year 2011 - \$32.5215 / kW-mo
- Payment Year 2012 - \$32.5215 / kW-mo
- Payment Year 2013 - \$32.5215 / kW-mo

The above rates do not include financial, administrative, legal expenses or AMP-Ohio's Part B service fees.

Point of Delivery of the Energy is the AEP/Dayton (A/D) Hub in the PJM System. Unless otherwise directed by Municipality, AMP-Ohio will arrange, at Municipality's expense, all necessary transmission to transmit the Energy from the A/D Hub to Municipality's system. All transmission related costs from the A/D Hub shall be Municipality's responsibility and will be billed to Municipality in accordance with the provisions of this Schedule and the Master Services Agreement.

From: J. Aron & Company
85 Broad Street
New York, NY 10004

To: AMERICAN MUNICIPAL POWER-OHIO, INC.

Attention: MARC GERKEN

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the following transaction (the "Transaction") entered into on the Trade Date specified below between J. Aron & Company ("Aron") and AMERICAN MUNICIPAL POWER-OHIO, INC.

This confirmation letter is being provided pursuant to and in accordance with the EEI Master Power Purchase and Sale Agreement dated as of [April __], 2007 (the "Master Agreement") between J. Aron and Company and American Municipal Power Ohio Inc. and constitutes part of such Master Agreement. The terms and provisions of the Master Agreement are incorporated herein by reference. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

The commercial terms of this Transaction are as follows:

Trade Date: []

Contract Reference: []

Buyer: AMERICAN MUNICIPAL POWER-OHIO, INC.

Seller: J. Aron & Company

Product: Firm Energy (LD)

Effective Date This Confirmation has no effect until the Amendment Date (as defined in the Amendment Agreement of even date herewith by and between Buyer and Seller (the "Amendment Agreement")). If the Amendment Agreement terminates for any reason prior to the Amendment Date, this Confirmation shall be deemed void ab initio.

Term: From the Amendment Date through December 31, 2012.

Delivery Period: All deliveries are made during the defined periods (hours ending 0100 – 2400 Monday through Sunday).

Hourly Rate:

171MW

Total Quantity:

[] MWH

Contract Price(s):

USD \$44.55 per MWH

Delivery Point:

PJM AEP-Dayton Hub, PnodeID 34497127 ("AD Hub")

Scheduling:

The Product shall be scheduled for Real Time delivery in accordance with PJM scheduling protocols.

Payment:

On or prior to the Amendment Date, Buyer shall pay to Seller \$[] (the "Prepayment") in a single lump sum payment by wire transfer of immediately available funds to an account designated by Seller. Payment of the Prepayment shall constitute payment in full of the purchase price for the Product to be delivered hereunder. In no event shall Buyer be entitled to any rebate or refund of the Prepayment.

Scheduled Event Payment

If an Early Termination Date occurs under the Master Agreement for any reason, then, on the last Business Day of the first month that commences after such Early Termination Date (the "Scheduled Event Payment Date"), Seller shall pay to Buyer, pursuant to payment instructions issued by Buyer or, in the absence of such instructions, by wire transfer, the Scheduled Event Payment. The Scheduled Event Payment shall be made without netting or setting off any amounts that may be due to Seller. The foregoing payment shall be in addition to any other payment that may be due under the Master Agreement.

"Scheduled Event Payment" means, with respect to any Scheduled Event Payment Date, the amount specified on Exhibit A for the calendar month in which such Scheduled Event Payment Date occurs.

Additional Representations of Buyer

As a material inducement to entering into this Transaction, Buyer hereby represents and warrants to Seller as of the first day of the Term as follows:

(a) Buyer is entering into this Transaction for the purpose of acquiring the Product for sale to its Participants pursuant to the Power Supply Schedules; and

(b) any amounts payable by Buyer under the Master Agreement with respect to this Transaction shall not constitute an indebtedness or liability of Buyer within the

meaning of any constitutional or statutory limitation or restriction applicable to Buyer.

"Bond Indenture" means the Trust Indenture to be entered into _____ between Buyer and the Indenture Trustee thereunder, as supplemented and amended from time to time in accordance with its terms.

"Participant" has the meaning specified in the Bond Indenture.

"Power Supply Schedule" has the meaning specified in the Bond Indenture.

Aron Operations Contacts: Patrick Devaney - Operations Manager: (212) 902 7311
Max Bulk - Scheduling Manager: (212) 357 9764
Andrew Foss - Invoicing: (212) 902 5462

(xiv) Please confirm that the terms stated herein accurately reflect the agreement reached between AMERICAN MUNICIPAL POWER-OHIO, INC. and J. Aron & Company by returning an executed copy of this Confirmation to Patrick Devaney by fax to (212) 428 9571.

Signed on behalf of J. Aron & Company
By:

Name: Kathy Benini

Title: Vice President
J. Aron & Company

Signed on behalf of AMERICAN MUNICIPAL POWER-OHIO, INC.
By:

Name:

Title:

EXHIBIT A TO CONFIRMATION

Scheduled Event Payment

[To Be Attached]

TRUST INDENTURE

BETWEEN

AMERICAN MUNICIPAL POWER-OHIO, INC.

AND

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

ELECTRICITY PURCHASE REVENUE BONDS (_____),

SERIES 2007A

AND

SERIES 2007B

DATED AS OF APRIL 1, 2007

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This TRUST INDENTURE, dated as of April 1, 2007 (this "Indenture"), by and between American Municipal Power-Ohio, Inc. ("AMP-Ohio") and U.S. Bank National Association, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, American Municipal Power-Ohio, Inc., an Ohio nonprofit corporation and forty-one (41) of its members ("Participants"), each of which is an Ohio municipal corporation that owns and operates an electric utility system, have entered into the contract ("Power Schedule"), that supplements the Master Services Agreement pursuant to which AMP-Ohio sells and the Participant purchases a share of the firm energy derived by AMP-Ohio from a contract (the "Original Electricity Purchase Agreement") with J. Aron & Company (the "Electricity Supplier"); and

WHEREAS, AMP-Ohio and the Electricity Supplier have negotiated certain modifications to the Original Electricity Purchase Agreement (the Original Electricity Purchase Agreement as so modified, the "Electricity Purchase Agreement") that contemplate that AMP-Ohio will prepay, in a discounted lump sum (the "Prepayment"), all or a portion of AMP-Ohio's remaining fixed price payment obligations under the Original Electricity Purchase Agreement for energy delivered at the AD Hub at \$44.55/MWh ("Contract Price"); and

WHEREAS, AMP-Ohio intends to issue bonds ("Bonds") secured hereby to finance the Prepayment of the Electricity Purchase, as defined herein; and

WHEREAS, AMP-Ohio anticipates that the Prepayment will allow AMP-Ohio to offer shares of the firm energy derived from the Original Electricity Purchase Agreement at a reduced price (the "Discount Price") to the Participants; and

WHEREAS, the sum of the shares (in kW) of the Participants correspond to the amount of power (in kW) for which the Prepayment is being made by AMP-Ohio to the Electricity Supplier; and

WHEREAS, under the Power Schedules, AMP-Ohio will agree to obtain and sell to the Participants, and the Participants will agree to take and pay for, a share of the Power Contract Resources acquired by AMP-Ohio pursuant to the Electricity Purchase Agreement;

WHEREAS, the execution and delivery of this Indenture has been in all respects duly and validly authorized and approved by resolution of the Board of Trustees of AMP-Ohio; and

WHEREAS, the Trustee is willing to accept the trusts provided for in this Indenture;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, and AMP-Ohio and the Trustee agree as follows for the benefit of the other, for the benefit of the Holders of the Bonds issued pursuant hereto:

GRANTING CLAUSES

For and in consideration of the premises, the mutual covenants of AMP-Ohio and the Trustee and the purchase of the Bonds by the Holders thereof and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by AMP-Ohio of all the covenants expressed or implied herein and in the Bonds, AMP-Ohio does hereby convey, assign and pledge unto the Trustee and unto its successors in trust, and to it and its assigns forever all right, title and interest of AMP-Ohio in and to the Trust Estate, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, and all other rights hereinafter granted for the further securing of the Bonds;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders of the Bonds issued pursuant to and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any Bond over any other Bond or the payment of interest with respect to any Bond over the payment of interest with respect to any other Bond, except as otherwise provided herein; and

PROVIDED, HOWEVER, that if AMP-Ohio, its successors or assigns, shall well and truly pay, or cause to be paid, the principal or Redemption Price, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, respectively, according to the true intent and meaning thereof, and shall cause the payments to be made into the Subfunds as required hereunder, or shall provide, as permitted hereby, for the payment thereof as provided in Section 12.01 hereof, and shall well and truly keep and perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments or provisions for such payments by AMP-Ohio, the Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of AMP-Ohio to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who from time to time shall be or become the Holders thereof, and the trusts and conditions upon which the Pledged Revenues, moneys, securities and funds held or set aside under this Indenture, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, are to be held and disposed of, which said trusts and conditions the Trustee hereby accepts, and the respective parties hereto covenant and agree, are as follows:

ARTICLE I

Definitions and Governing Law

Section 1.01 Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings:

"Account" or "Accounts" means, as the case may be, each or all of the Accounts established in Section 5.02 or Section 5.03.

"Accountant's Certificate" means a certificate signed by an independent certified public accountant or a firm of independent certified public accountants, selected by AMP-Ohio, who may be the accountant or firm of accountants who regularly audit the books of AMP-Ohio.

"Amortized Value" means, with respect to any Series 2007A Bond to be redeemed, the principal amount of such Series 2007A Bond multiplied by the price of such Series 2007A Bond expressed as a percentage, calculated based on the industry standard method of calculating bond prices (as such industry standard prevails on the date of delivery of the Bonds), with a delivery date equal to the date of redemption, a maturity date equal to the stated maturity date of such Series 2007A Bond and a yield equal to such Series 2007A Bond's original reoffering yield, which, in the case of certain dates, produces the amounts for all of the Series 2007A Bonds set forth in Schedule III hereto.

"AMP-Ohio" means American Municipal Power-Ohio, Inc., a nonprofit, Ohio corporation whose membership consists of Ohio, Michigan, Pennsylvania, Virginia and West Virginia municipalities, including the Participants, that own and operate Electric Systems, and its successors and assigns.

"Authorized Denominations" means \$5,000 and any integral multiple thereof.

"Authorized Officer" means (i) the President of AMP-Ohio, (ii) the Chief Financial Officer, (iii) [any Vice President] of AMP-Ohio and (iv) any other person or persons designated by the Board by resolution to act on behalf of AMP-Ohio under this Indenture. The designation of such person or persons shall be evidenced by a Written Certificate containing the specimen signature of such person or persons and signed on behalf of AMP-Ohio by its President or Chief Financial Officer.

"Beneficial Owner" means, with respect to Bonds registered in the Book-Entry System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository.

"Board" means the Board of Trustees of AMP-Ohio, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power and duties granted or imposed by this Indenture shall be given by law.

"Bond" or "Bonds" means any of AMP-Ohio's Series 2007A Bonds or Series 2007B Bonds.

"Bond Counsel" means counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by AMP-Ohio.

"Bondholder" or *"Holder of Bonds"* or *"Holder"* means any Person who shall be the registered owner of any Bond or Bonds.

"Bond Payment Date" means each date on which (1) interest on the Bonds is due and payable or (2) principal of the Bonds is payable at maturity.

"Bond Registrar" means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by AMP-Ohio to perform the duties of Bond Registrar enumerated in Section 7.03.

"Bond Year" means each twelve month period commencing February 2 of one calendar year and ending on February 1 of the subsequent calendar year, provided that the first Bond Year shall commence on the Effective Date (as such term is defined in the Power Schedules) and end on February 1, 2008.

"Book-Entry System" means the system maintained by the Securities Depository and described in Section 3.08.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in Columbus or Cincinnati, Ohio or New York, New York, (iii) a day on which the New York Stock Exchange, Inc. is closed, or (iv) a day on which the payment system of the Federal Reserve System is not operational.

"Cede" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 3.08.

"Costs of Issuance Account" means the Costs of Issuance Account in the Project Subfund established pursuant to Sections 5.02 and 5.03.

"Current Reserve Account" means the Current Reserve Account in the Debt Service Reserve Account in the Debt Service Subfund established in Section 5.02.

"Debt Service" means, for any particular Bond Year an amount equal to the sum of

(a) all interest, except to the extent that such interest is to be paid from deposits into the Debt Service Account in the Debt Service Subfund made from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Subfund) payable during such Bond Year on such Bonds Outstanding, plus

(b) the Principal Installments payable during such Bond Year on such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment upon maturity.

"Debt Service Account" means the Debt Service Account in the Debt Service Subfund established in Section 5.02.

"Debt Service Subfund" means the Debt Service Subfund established in Section 5.02.

"Debt Service Reserve Account" means the Debt Service Reserve Account in the Debt Service Subfund established in Section 5.02.

"Debt Service Reserve Requirement" means with respect to the Early Termination Reserve Subaccount the sum of \$ _____ and with respect to the Current Reserve Account the sum of \$ _____, but not to exceed in the aggregate, as of any date of calculation, any applicable limit imposed by the Internal Revenue Code.

"Defaulted Interest" shall have the meaning given to such term in Section 3.07.

"Defeasance Securities" means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

"Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by AMP-Ohio as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Early Termination Payment Date" has the meaning given to such term in the Electricity Purchase Agreement.

"Early Termination Reserve Subaccount" means the Early Termination Reserve Subaccount in the Debt Service Reserve Account in the Debt Service Subfund established in Section 5.02.

"Electricity Purchase" means AMP-Ohio's purchase of electricity pursuant to the Electricity Purchase Agreement and related contractual arrangements and agreements.

"Electricity Purchase Account" means the Electricity Purchase Account in the Project Subfund established pursuant to Section 5.02.

"Electricity Purchase Agreement" means the EEI Master Power Purchase and Sale Agreement dated as of December 9, 2004, as supplemented and amended by _____, all between AMP Ohio and the Electricity Supplier, as the same may be further amended from time to time.

"Electricity Purchase Fund" means the Electricity Purchase Fund established pursuant to Section 5.02.

"Electricity Supplier" means J. Aron & Company.

"Electricity Supplier Guarantee" means the Goldman Sachs Group Guaranty

"Enabling Legislation" means [to come]

"Event of Default" shall have the meaning given to such term in Section 8.01.

"Favorable Opinion of Bond Counsel" means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by this Indenture or the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds the interest on which is intended to be excluded from such gross income.

"Fiduciary" or "Fiduciaries" means the Trustee, the Paying Agents, or any or all of them, as may be appropriate.

"Fiscal Year" means (i) the twelve (12) month period beginning on January 1 of each year and ending on December 31 of the same calendar year, or (ii) such other twelve (12) month period established by AMP-Ohio from time to time, upon Written Notice to the Trustee, as its fiscal year.

"Fitch" means Fitch, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by AMP-Ohio, with the approval of the Trustee.

"General Subfund" means the General Subfund established in Section 5.02.

"Government Obligations" means

(a) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations;

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the highest rating category of S&P and Moody's; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; and

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in Section 12.01(c), will result in a rating on the Bonds which are deemed to have been paid pursuant to Section 12.01(c) that is in the highest Rating Category of each Rating Agency that is then maintaining a rating on such Bonds.

"Indenture" means this Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

"Interest Payment Date" means (i) with respect to the Series 2007A Bonds, February 1 and August 1 of each year, commencing August 1, 2007 and (ii) with respect to the Series 2007B Bonds, August 1, 2007 and February 1, 2008. If an Interest Payment Date is not a Business Day, interest shall be payable on the next Business Day, provided, however, that the amount paid shall be for the same number of days as if paid on the Interest Payment Date which is not a Business Day.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Month" means a calendar month.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by AMP-Ohio, with the approval of the Trustee.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel addressed to AMP Ohio and delivered to the Trustee.

"Opinion of Counsel" means an opinion signed by an attorney or firm of attorneys (who may be counsel to AMP-Ohio) selected by AMP-Ohio.

"Outstanding," when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 4.06 or Section 11.06;

(d) Bonds deemed to have been paid as provided in Section 12.01(b); and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

"Participant" or Participants means and refers to the members, listed on Schedule I, of AMP-Ohio that have executed Power Schedules with AMP-Ohio in respect of the Electricity Purchase.

"Paying Agent" means any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in this Indenture.

"Payment Insurance" means the [municipal bond insurance policy, surety bond or other form of credit enhancement] that insures the full and timely receipt by AMP-Ohio of amounts equal to the respective Fixed Demand Charges payable by the Participants under their respective Power Schedules for the term thereof.

"Person" or "Persons" means natural persons, firms, associations, corporations and public bodies.

"Pledged Revenues" means the Revenues; provided, however, that so long as no Event of Default shall have occurred and be continuing, the Pledged Revenues shall include only (a) an amount of the Revenues derived or to be derived by AMP-Ohio from or attributable or relating to the ownership of the Electricity Purchase equal to the Fixed Demand Charges received or to be received by AMP-Ohio under the Power Schedules and the proceeds of Payment Insurance but excluding any Termination Payment, (b) the proceeds of any insurance covering business interruption loss relating to the Electricity Purchase, and (c) interest received or to be received on any moneys or securities (other than moneys or securities held in the Electricity Purchase Account in the Project Subfund, moneys or securities held in the Redemption Subaccount in the Debt Service Subfund or that portion of moneys in the Trust Indenture Expense Subfund required for Rebate Payments) held pursuant to this Indenture and paid or required to be paid into the Revenue Subfund. "Pledged Revenues" shall include payments made to AMP-Ohio by the Electricity Supplier (other than the Termination Payment) only to the extent that AMP-Ohio shall determine not to apply such payments to the purchase of Replacement Power or that such payments are in excess of the cost to AMP-Ohio of Replacement Power.

"Power Schedules" means each of the contracts for the sale to a Participant by AMP-Ohio of electricity from or attributable to the Electricity Purchase, as the same may be amended from time to time in accordance with the terms thereof and this Indenture.

"Principal Installment" means, as of any date of calculation, the principal amount of Bonds due on a certain future date.

"Project Subfund" means the Project Subfund established in Section 5.02.

"Qualified Investments" means any of the following investments, if and to the extent that the same are at the time legal investments of AMP-Ohio's funds and are rated (or are issued or guaranteed by an entity rated) in one of the two highest Rating Categories for long-term investments:

- (a) Direct obligations of the United States government or any of its agencies;
- (b) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;
- (c) Certificates of deposit and other evidences of deposit at state and federally chartered banks, savings and loan institutions or savings banks deposited and collateralized as required by law;
- (d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker-dealer or other such entity so long as the obligation of the obligated party is secured by a perfected pledge of full faith and credit obligations of the United States or its agencies;
- (e) Guaranteed investment contracts or similar agreements providing for a specified rate of return over a specified time period;
- (f) AA-rated corporate bonds;
- (g) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;
- (h) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations; or
- (i) Any other investments permitted by applicable law for the investment of the funds of AMP-Ohio. [to be reviewed and revised by AMP-Ohio]

"Rating Agency" means Fitch, Moody's or S&P or any other rating agency so designated in a Supplemental Indenture.

"Rating Category" means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

[*"Rating Confirmation"* means evidence satisfactory to the Trustee that upon the effectiveness of any proposed action, all Outstanding Bonds will continue to be assigned at least the same or equivalent ratings (including the same or equivalent numerical or other modifiers within a Rating Category) by each Rating Agency then rating such Outstanding Bonds.]

"Rebate Payments" means those portions of moneys or securities held in any Subfund hereunder that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

"Redemption Subaccount" means the Redemption Subaccount in the Debt Service Subfund established in Section 5.02.

"Redemption Price" means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or this Indenture.

"Regular Record Date" shall have the meaning given to such term in Section 3.08.

"Revenue Subfund" means the Revenue Subfund established in Section 5.02.

"Revenues" means (a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by AMP-Ohio from or attributable or relating to the ownership of the Electricity Purchase, including all revenues received or to be received by AMP-Ohio under the Power Schedules or otherwise payable to it for the sale and/or transportation of Electricity or otherwise payable to AMP-Ohio with respect to the Electricity Purchase, including the proceeds of Payment Insurance but excluding any Termination Payment, (b) the proceeds of any insurance covering business interruption loss relating to the Electricity Purchase, and (c) interest received or to be received on any moneys or securities (other than moneys or securities held in the Electricity Purchase Account in the Project Subfund, moneys or securities held in the Redemption Subaccount in the Debt Service Subfund or that portion of moneys in the Trust Indenture Expense Subfund required for Rebate Payments) held pursuant to this Indenture and paid or required to be paid into the Revenue Subfund; but Revenues shall not include the Service Fee identified in the Power Schedules.

"Series 2007A Bonds" means any of AMP-Ohio's Electricity Purchase Revenue Bonds (____), Series 2007A authorized by Section 2.01 hereof.

"Series 2007B Bonds" means any of AMP-Ohio's Electricity Purchase Revenue Bonds (____), Series 2007B authorized by Section 2.01 hereof.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by AMP-Ohio, with the approval of the Trustee.

"Scheduled Debt Service Deposits" means the required monthly deposits to the Debt Service Account in the Debt Service Subfund or the required cumulative deposits in respect of the principal and interest payments coming due on the Bonds on each Interest Payment Date or date for payment of each Principal Installment, all as set forth on Schedule II hereto.

"Securities Depository" means DTC, or its nominee, and its successors and assigns.

"Service Fee" shall have the meaning ascribed thereto in the Power Schedules.

"Special Record Date" shall have the meaning given to such term in Section 3.08.

"State" means the State of Ohio.

"Subfund" or *"Subfunds"* means, as the case may be, each or all of the Subfunds established in Section 5.02.

"Supplemental Indenture" means any indenture supplemental to or amendatory of this Indenture executed and delivered by AMP-Ohio and the Trustee in accordance with Article X.

"Tax Certificate" means the Tax Certificate of AMP-Ohio, dated as of the date of issuance and delivery of the Bonds.

"Termination Payment" has the meaning given to such term in the Electricity Purchase Agreement.

"Trustee" means U.S. Bank National Association, and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to this Indenture.

"Trust Estate" means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of AMP-Ohio in, to and under the Power Schedules, except for the Service Fees, (c) the Pledged Revenues, (d) any Termination Payment or the right to receive such Termination Payment, and (e) all Subfunds established by this Indenture (other than the Rebate Payments held in the Trust Indenture Expense Subfund) including the investment income, if any, thereof subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth here.

"Trust Indenture Expenses" means, to the extent properly allocable to the Electricity Purchase, (a) Rebate Payments; and (b) Fiduciaries' fees and expenses not otherwise paid, payable or provided for by AMP-Ohio.

"Trust Indenture Expense Subfund" means the Trust Indenture Expense Subfund established in Section 5.02.

"Written Certificate of AMP-Ohio," "Written Direction of AMP-Ohio," "Written Notice of AMP-Ohio," "Written Request of AMP-Ohio" and "Written Statement of AMP-Ohio" means an instrument in writing signed on behalf of AMP-Ohio by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon which such Written Certificate, Direction, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Notice, Request or Statement of AMP-Ohio, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

- (1) a statement that the person making such certificate, direction, notice, request, statement or opinion has read the pertinent provisions of this Indenture to which such certificate, direction, notice, request, statement or opinion relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, notice, request, statement or opinion is based;

(3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and

(4) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

Section 1.02 Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope and intent of any provisions of this Indenture.

Section 1.03 Rules of Construction. Except where the context otherwise requires, words of any gender shall include correlative words of the other genders; words importing the singular number shall include the plural number and vice versa; and words importing persons shall include firms, associations, trusts, corporations or governments or agencies or political subdivisions thereof. The term "include" and its derivations are not limiting.

References to Articles and Sections are references to the Articles and Sections of this Indenture.

Section 1.04 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 1.05 Other Definitions. Capitalized terms used in this Indenture and not defined herein shall have the meanings assigned thereto by the Power Schedules.

ARTICLE II

Authorization and Issuance of Bonds

Section 2.01 Authorization of Bonds; Application of Proceeds. There are hereby authorized to be issued, pursuant to the provisions of this Indenture, (i) a series of bonds in the aggregate principal amount of \$[325,050,000] to be designated, and distinguished from all other bonds by, the title "Electricity Purchase Revenue Bonds (_____), Series 2007A" and (ii) a series of bonds in the aggregate principal amount of \$[3,225,000] to be designated, and distinguished from all other bonds by, the title "Electricity Purchase Revenue Bonds (_____), Series 2007B," each entitled to the benefit, protection and security of such provisions, for the purpose of financing the Prepayment of the Electricity Purchase. The proceeds of the Bonds shall be applied, as more particularly provided in a Written Request of AMP-Ohio delivered upon issuance of the Bonds, as follows:

(I) an amount equal to the amount of the Prepayment shall be credited to the Electricity Prepayment Account in the Project Subfund and paid to or for the account of the Electricity Supplier simultaneously with the issuance of the Bonds;

(II) such amount, if any, as shall be specified in such Written Request, shall be credited to the Debt Service Account in the Debt Service Subfund to provide a portion of the amount required to pay the interest to become due on the Bonds on August 1, 2007; and

(III) the balance of the proceeds of the Bonds shall be credited to the Cost of Issuance Account in the Project Subfund for application in accordance with the provisions of Section 5.03(b).

It shall constitute compliance with the requirements of this Section if the Prepayment referred to in clause (I) above and the premium payable for the Payment Insurance from the balance referred to in clause (III) are paid, simultaneously with the issuance of the Bonds, from the proceeds of the Bonds prior to their deposit to the Accounts described above, and such payments shall be treated and credited, for purposes of this Indenture, the same as if such proceeds had been first deposited to such Accounts and then such amounts were paid therefrom.

Section 2.02 Terms of Bonds; Payment. (a) The Bonds shall be dated as of the date of the initial authentication and delivery thereof, shall bear interest from such date, payable on each Interest Payment Date, and shall be subject to redemption as provided in Article IV. The principal and Redemption Price of the Bonds shall be payable at the designated corporate trust office of the Trustee in Cincinnati, Ohio, and such banking institution is hereby appointed Paying Agent and Bond Registrar for the Bonds. Interest on the Bonds shall be paid wire transfer or by check payable to the order of the person entitled thereto, and mailed by first class mail, postage prepaid, to the address of such person as shall appear on the books of AMP-Ohio kept at the office of the Bond Registrar.

(b) The Series 2007A Bonds shall mature on February 1 of each of the years and in the principal amounts, and shall bear interest at the rates, set forth below:

Year	Amount	Interest Rate
2008		
2009		
2010		
2011		
2012		
2013		

Interest on the Series 2007A Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2007B Bonds shall mature on February 1, 2008 and will bear interest payable August 1, 2007 and at maturity at the rate of ____ percent (____%) per annum. Interest on the Series 2007B Bonds will be computed on the basis of a [365-day year for the actual number of days elapsed TBD].

Section 2.03 Conditions for Issuance of Bonds. All the Bonds shall be executed by AMP-Ohio for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to AMP-Ohio or upon its order, but only upon the receipt by the Trustee of:

(i) A copy, certified by an Authorized Officer, of a resolution and/or evidence of any other official actions taken by AMP-Ohio which authorize the execution and delivery of the Bonds, together with a Written Request as to the authentication and delivery of the Bonds, signed by an Authorized Officer;

(ii) An Opinion or Opinions of Counsel to the effect that (A) AMP Ohio has the right and power to authorize and enter into this Indenture, the Power Schedules and the Electricity Purchase Agreement, and (B) this Indenture, the Power Schedules and the Electricity Purchase Agreement have been duly and lawfully authorized, executed and delivered by AMP-Ohio, are in full force and effect and (assuming due authorization, execution and delivery by and validity against the other parties thereto) are valid and binding upon AMP-Ohio in accordance with their respective terms, and no other authorization for this Indenture, the Power Schedules or the Electricity Purchase Agreement is required; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(iii) An Opinion of Bond Counsel to the effect that (A) the Bonds constitute the valid and binding special obligations of AMP-Ohio; (B) this Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, AMP-Ohio; (C) this Indenture creates a valid pledge of the Trust Estate to secure the payment of principal of and interest on the Bonds, of the Pledged Revenues and any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any Subfund, Account or Subaccount established pursuant to this Indenture, except for Rebate payments held in the Trust Indenture Expense Subfund, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; (C) the Bonds are not a lien or charge upon the funds or property of AMP-Ohio except to the extent of the aforementioned pledge; and (D) interest on the Bonds is excluded from gross income for federal income taxes purposes under Section 103 of the Internal Revenue Code and is exempt from taxes levied by the State of Ohio and its political subdivisions, including the Ohio personal income tax and also excludable from the net income base used in calculating the Ohio corporate franchise tax; provided, that such Opinion of Bond Counsel may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from,

bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases;

(iv) Executed or certified copies of all Power Schedules (which may be one or more composite copies) relating to the Electricity Purchase;

(v) Opinions of counsel with respect to each of the Participants that, with respect to each such Participant, the Power Schedule has been duly executed and delivered by each Participant and, assuming due authorization, execution and delivery by AMP-Ohio, the Power Schedule, with respect to each such Participant, is valid and enforceable by AMP-Ohio against each such Participant in accordance with its terms; provided, that such opinions may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy[]; and

(vi) Letters from at least two Rating Agencies rating the Bonds in one of the three highest Rating Categories of each such Rating Agency. TBD]

ARTICLE III

General Terms and Provisions of Bonds

Section 3.01 Medium of Payment; Form and Date; Letters and Numbers. (a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds may be issued only in the form of fully registered Bonds without coupons, in Authorized Denominations. The Bonds shall be in substantially the form set forth in Exhibit A hereto, and may be printed, engraved, typewritten or otherwise produced.

(c) Unless AMP-Ohio shall otherwise direct, the Bonds shall be numbered from one upward.

Section 3.02 Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by AMP-Ohio prior to the authentication and delivery thereof.

Section 3.03 Execution and Authentication. (a) The Bonds shall be executed in the name of AMP-Ohio by the manual or facsimile signature of its President or Chief Financial Officer. In case any officer who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Trustee, such

Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the Person who signed such Bonds had not ceased to hold such office. Any Bond of may be signed on behalf of AMP-Ohio by such Person as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in AMP-Ohio, although at the date borne by the Bonds such Person may not have been so authorized or have held such office.

(b) The Bonds shall bear thereon a certificate of authentication, in the form set forth in Exhibit A hereto, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of AMP-Ohio shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture.

Section 3.04 Exchange, Transfer and Registry. (a) The Bonds shall be registered as transferred only upon the books of AMP-Ohio, which shall be kept for such purposes at the designated corporate trust office of the Bond Registrar, by the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its duly authorized attorney. Upon the registration of transfer of any Bond, AMP-Ohio shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond.

(b) The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination then authorized for such Bond or Bonds of the same aggregate principal amount and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by AMP-Ohio for a new Bond or Bonds upon the request of the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Bond Registrar duly executed by the registered owner or its duly authorized attorney.

(c) AMP-Ohio and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered upon the books of AMP-Ohio maintained by the Bond Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither AMP-Ohio nor any Fiduciary shall be affected by any notice to the contrary.

Section 3.05 Regulations with Respect to Exchanges and Registration of Transfers. In all cases in which the privilege of exchanging or registering the transfer of Bonds is exercised, AMP-Ohio shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or registration of transfer shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. Prior to every such exchange or registration of transfer of Bonds, whether temporary or

definitive, AMP-Ohio or the Bond Registrar may require the Holder to pay an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Unless otherwise provided in a Supplemental Indenture, neither AMP-Ohio nor the Bond Registrar shall be required (a) to register the transfer of or exchange Bonds for the period next preceding any Interest Payment Date for the Bonds, beginning with the Regular Record Date for such Interest Payment Date and ending on such Interest Payment Date, or for the period next preceding any date for the proposed payment of Defaulted Interest with respect to such Bonds beginning with the Special Record Date for the date of such proposed payment and ending on the date of such proposed payment, (b) to register the transfer of or exchange Bonds for a period beginning 15 days before the mailing of any notice of redemption and ending on the day of such mailing, or (c) to register the transfer of or exchange any Bonds called for redemption.

Section 3.06 Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond becomes mutilated or is lost, stolen or destroyed, AMP-Ohio may execute and the Trustee shall authenticate and deliver a new Bond of like date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (a) in the case of such mutilated Bond, such Bond is first surrendered to AMP-Ohio, (b) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to AMP-Ohio together with indemnity satisfactory to AMP-Ohio and the Trustee, (c) all other reasonable requirements of AMP-Ohio and the Trustee are complied with, and (d) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for registration of transfer shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of AMP-Ohio, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture, in any moneys or securities held by AMP-Ohio or any Fiduciary for the benefit of the Bondholders.

Section 3.07 Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the date (hereinafter, the "Regular Record Date") which is the 15th day of the calendar month next preceding such Interest Payment Date.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter, "Defaulted Interest") shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by AMP-Ohio to the Persons in whose names the Bonds are registered at the close of business on a date (hereinafter, the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. AMP-Ohio shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time AMP-Ohio shall deposit with the Paying Agents an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agents for such deposit prior to the date of the proposed payment, such money when

deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Section provided. Thereupon the Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the notice of the proposed payment. The Bond Registrar shall promptly notify AMP-Ohio of such Special Record Date and, in the name and at the expense of AMP-Ohio, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 3.08 Book Entry System; Appointment of Securities Depository. All Bonds shall be registered in the name of Cede & Co., as nominee for DTC, as Securities Depository, and held in the custody or for the account of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of Bonds, and the Beneficial Owners will not receive physical delivery of Bond certificates except as provided in this Indenture. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

AMP-Ohio may, with notice to the Trustee but without the consent of any Bondholders, appoint a successor Securities Depository and enter into an agreement with the successor Securities Depository, to establish procedures with respect to a Book-Entry System for the Bonds not inconsistent with the provisions of this Indenture. Any successor Securities Depository shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

AMP-Ohio and the Trustee may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Bonds, and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of the Bonds beneficially owned by the Beneficial Owners.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book-entry at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring such Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry to produce the same effect. Any provision hereof permitting or requiring delivery of the Bonds shall, while such Bonds are in such Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

Except as otherwise specifically provided herein with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, AMP-Ohio and the Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds

registered in its name for the purposes of payment of the principal or purchase price of and interest on such Bonds or portion thereof to be redeemed or purchased, of giving any notice permitted or required to be given to the Bondholders under this Indenture and of voting, and neither AMP-Ohio nor the Trustee shall be affected by any notice to the contrary. Neither AMP Ohio nor the Trustee will have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the bond register, with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of any of the Bonds; or (e) any other action taken by the Securities Depository or any Participant. The Trustee shall pay all principal or Redemption Price of and interest on the Bonds registered in the name of Cede only to or "upon the order of" the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in the State and New York), and all such payments shall be valid and effective to fully satisfy and discharge AMP-Ohio's obligations with respect to the principal, Redemption Price or purchase price of and interest on such Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Trustee and AMP-Ohio, at the direction and expense of AMP-Ohio, and AMP-Ohio and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(i) The Securities Depository determines to discontinue providing its service with respect to any Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' notice to AMP-Ohio and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(ii) AMP-Ohio determines not to continue the Book-Entry System through a Securities Depository for the Bonds.

When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect.

ARTICLE IV

Redemption of Bonds

Section 4.01 Redemption. The Series 2007A Bonds shall be subject only to mandatory redemption prior to maturity in whole, and not in part, as provided in Section 4.02. The Series 2007B Bonds shall be not be subject to redemption prior to their maturity.

Section 4.02 Extraordinary Redemption. The Series 2007A Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the month after the Early Termination Payment Date at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. AMP-Ohio shall provide the Trustee with Written Notice of the Early Termination Payment Date not more than five days after such date is determined.

Section 4.03 Redemption Notice. When the Trustee receives notice from AMP-Ohio of its direction to redeem Series 2007A Bonds pursuant to Section 4.02, the Trustee shall give notice, in the name of AMP-Ohio, of the redemption of such Series 2007A Bonds by first-class mail, postage prepaid, not less than 15 days and not more than 30 days prior to the redemption date to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee for that purpose, as of the Regular Record Date. The notice shall identify the Series 2007A Bonds to be redeemed and shall state (i) the redemption date, (ii) the Redemption Price, (iii) that the Series 2007A Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the Series 2007A Bonds must be surrendered, and (v) that interest on the Series 2007A Bonds called for redemption ceases to accrue on the redemption date. Failure of the registered owner of any Series 2007A Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any other Series 2007A Bonds as to which proper notice was given as provided herein.

Section 4.04 Redemption at the Direction of AMP-Ohio. In the case of a redemption of Series 2007A Bonds, AMP-Ohio shall give Written Notice to the Trustee of its direction so to redeem and of the redemption date. Such notice shall be given at least 20 days, or such shorter period as shall be acceptable to the Trustee, prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 4.03, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefore held by such Paying Agents, will be sufficient to redeem the Series 2007A Bonds on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date. AMP-Ohio shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

Section 4.05 Payment of Redeemed Series 2007A Bonds. Notice having been given in the manner provided in Section 4.03, the Series 2007A Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Series 2007A Bonds shall be paid at the Redemption

Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Series 2007A Bonds to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefore on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Series 2007A Bonds so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Series 2007A Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon the payment of the Redemption Price of and any accrued interest on the Series 2007A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Series 2007A Bonds being redeemed with the proceeds of such check or other transfer.

Section 4.06 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity shall be delivered to the Trustee when such payment or redemption is made, and all Bonds purchased by the Trustee pursuant to the Written Direction of AMP-Ohio, shall thereupon be promptly cancelled (or deemed to have been cancelled). Bonds so cancelled may, to the extent permitted by law, at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with AMP-Ohio and the other executed certificate shall be retained by the Trustee.

ARTICLE V

Establishment of Subfunds and Application Thereof

Section 5.01 The Pledge Effected by this Indenture. (a) The Bonds shall be special obligations of AMP-Ohio payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of this Indenture solely by the Trust Estate. The Trust Estate is hereby pledged and assigned for the payment of the principal and Redemption Price of and interest on the Bonds in accordance with their terms, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture.

(b) The Series 2007A Bonds shall be payable from the Pledged Revenues, including proceeds of Payment Insurance, and from the Termination Payment. The Series 2007B Bonds shall be payable on a parity with the Series 2007A Bonds from Pledged Revenues, including the proceeds of Payment Insurance, but shall have no claim on the Termination Payment.

(c) The Bonds do not constitute general debts, obligations or indebtedness of AMP-Ohio or any Participant within the meaning of the Constitution or statutes of the State, but are limited obligations of AMP-Ohio payable solely from and secured by a lien on the Trust Estate, in the manner and to the extent provided for in this Indenture. No registered owner of the Bonds shall ever have the right to require or compel the exercise of the ad valorem taxing power of any Participant or the taxation in any form on any real or personal property to pay the principal or Redemption Price of or interest on the Bonds. Neither the full faith and credit nor the taxing power of the State or the Participants is pledged to the payment of the principal of, Redemption Premium, if any, or interest on the Bonds. [PSW]

(d) Nothing contained in this Indenture shall be construed to prevent AMP-Ohio from acquiring, constructing or financing through the issuance of its bonds, notes or other evidences of indebtedness any facilities or supplies of electricity other than the Electricity Purchase; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Trust Estate and neither the cost of such facilities or supplies of electricity nor any expenditure in connection therewith or with the financing thereof shall be payable from the Trust Estate.

Section 5.02 Establishment of Fund, Subfunds and Accounts. AMP-Ohio shall create on its books of account a fund known as "American Municipal Power-Ohio, Inc. - _____ Electricity Purchase Fund." The following Subfunds and Accounts are hereby established within the _____ Electricity Purchase Fund.

- (i) Project Subfund, to be held by the Trustee, including a Costs of Issuance Account and a Electricity Purchase Account,
- (ii) Revenue Subfund, to be held by the Trustee,
- (iii) Debt Service Subfund, to be held by the Trustee, which shall consist of a Debt Service Account, a Redemption Subaccount and a Debt Service Reserve Account (including an Early Termination Reserve Subaccount and a Current Reserve Account),
- (iv) Trust Indenture Expense Subfund, to be held by the Trustee, and
- (v) General Subfund, to be held by the Trustee.

Section 5.03 Project Subfund. (a) There shall be established within the Project Subfund the Electricity Purchase Account. There shall be paid into the Electricity Purchase Account proceeds of the Bonds in the amount specified by Written Request of AMP-Ohio. Amounts in the Electricity Purchase Account shall be applied by AMP-Ohio to the Prepayment.

(b) There shall be established within the Project Subfund the Costs of Issuance Account. There shall be paid into the Costs of Issuance Account proceeds of the Bonds in the amount specified by Written Request of AMP-Ohio. Amounts in the Costs of Issuance Account shall be applied by AMP-Ohio to the payment of the costs incurred by AMP-Ohio in connection with the issuance of the Bonds, including the premium for the Payment Insurance and the costs of arranging the Prepayment. Before any payment is made by the Trustee from the Costs of Issuance Account, AMP-Ohio shall file with the Trustee a Written Request of AMP-Ohio, showing with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a

proper charge against the Costs of Issuance Account. Each such Written Request shall be sufficient evidence to the Trustee that obligations in the stated amounts have been incurred by AMP-Ohio and that each item thereof is a proper charge against the Costs of Issuance Account therein Costs of Issuance Account.

(c) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof.

(d) Upon Written Direction of AMP-Ohio, the Trustee shall transfer to the Revenue Subfund any amounts remaining on deposit in the Electricity Purchase Account and the Cost of Issuance Account of the Project Subfund.

Section 5.04 Pledged Revenues and Revenue Subfund. All Pledged Revenues, except any Termination Payment (which shall be deposited directly into the Redemption Subaccount of the Debt Service Subfund as provided in Section 5.07) shall be deposited promptly by the Trustee upon receipt thereof into the Revenue Subfund. If any payment is not made into the Revenue Subfund when due, immediate notice shall be given to AMP-Ohio by the Trustee.

Section 5.05 Payments into Certain Subfunds. (a) In each Month during which there is a deposit of Pledged Revenues into the Revenue Subfund (but in no case later than the respective dates set forth below), the Trustee shall credit to, or shall transfer to the required party for deposit in, as appropriate and to the extent available, the following Subfunds and Accounts in the following order the amounts set forth below (such application to be made in such a manner so as to assure good funds in such Subfunds and Accounts on the respective dates set forth below):

(i) To the Debt Service Subfund, not later than the last Business Day of such Month for the credit to the Debt Service Account an amount equal to the greater of (1) the Scheduled Debt Service Deposit for such Business Day, as set forth in Schedule II hereto, or (2) the amount necessary to cause the cumulative Scheduled Debt Service Deposits to be on deposit therein; notwithstanding the foregoing, if on the Business Day prior to an Interest Payment Date the amount in the Debt Service Subfund is not sufficient to make the Debt Service payments on the Bonds due on the next Interest Payment Date, then into the Debt Service Subfund an amount so that the amounts on deposit therein are sufficient to make such payments;

(ii) To the Debt Service Subfund, not later than the last Business Day of such Month, for deposit in each separate Subaccount in the Debt Service Reserve Account, the amount, if any, required so that the balance in each such Subaccount shall equal the Debt Service Reserve Requirement related thereto as of the last day of the then current Month (or, if the amounts on deposit in the Revenue Subfund shall not be sufficient to make the deposits required to be made pursuant to this paragraph (ii) with respect to both of the Subaccounts in the Debt Service Reserve Account, then such amount on deposit in the Revenue Subfund shall be applied first to the Early Termination Reserve Subaccount and then to the Current Reserve Account); and

(iii) To the credit of the Trust Indenture Expense Subfund, not later than the last Business Day of such Month, the amount, if any, required so that the balance credited to the Trust Indenture Expense Subfund shall equal the amount estimated to be necessary for the payment of the Trust Indenture Expenses coming due for the following Month plus such additional amount as AMP-Ohio shall determine to be appropriate to provide sufficient funds to make Rebate Payments when the same shall become due.

(b) Following each Principal Installment payment date, after making such transfers, credits and deposits as required by paragraph (a) above, the Trustee shall credit to the General Subfund the remaining balance in the Revenue Subfund.

(c) So long as there shall be held in the Debt Service Subfund an amount sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal and interest thereon), no transfers shall be required to be made to the Debt Service Subfund.

Section 5.06 Debt Service Subfund — Debt Service Account. (a) The amounts deposited into the Debt Service Account pursuant to Section 5.05(a)(i) shall be held in such Subaccount and applied on each Bond Payment Date to the payment of Debt Service payable on such Bond Payment Date; provided that, for the purposes of computing the amount to be deposited in each such Subaccount, there shall be excluded from the required deposit the amount, if any, set aside therein from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Subfund) for the payment of interest on the Bonds.

(b) The Trustee shall pay out of the Debt Service Account to the Paying Agent: (i) on or before each Interest Payment Date, the amount required for the interest payable on such date; (ii) on or before each Bond Payment Date on which a Principal Installment is due, the amount required for the Principal Installment payable on such date; and (iii) on or before any redemption date, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; provided, however, that if with respect to any Bonds or portions thereof the amounts due on any such Bond Payment Date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then the Trustee (after Written Notice from AMP-Ohio to the Trustee that AMP-Ohio intends to make payments from a source other than amounts in the Debt Service Account) shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source the Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agent on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) All Bonds paid or redeemed, either at or before maturity shall be delivered to the Trustee when such payment or redemption is made, and such Bonds shall thereupon be promptly cancelled (or deemed to have been cancelled).

(d) Amounts accumulated in the Debt Service Account with respect to any Principal Installment due on a certain future date (together with amounts accumulated therein with respect to interest on such Bonds) shall be applied by the Trustee, upon the Written Direction of AMP-Ohio, on or prior to the due date thereof, to the purchase of such Bonds. All purchases of any Bonds pursuant to this subsection (d) shall be made at prices not exceeding the principal amount of such Bonds plus accrued interest, and such purchases shall be made in such manner as AMP-Ohio shall determine.

(e) The amount, if any, deposited in the Debt Service Account from the proceeds of the Bonds shall be set aside and applied to the payment of interest on the Bonds.

(f) Any amount remaining in the Debt Service Account after a date for payment of a Principal Installment shall, to the extent not required to be retained therein for purposes of making future payments, be deposited in the Revenue Subfund.

Section 5.07 Debt Service Subfund — Redemption Subaccount.

(a) In the event of an early termination of the Electricity Purchase Agreement, AMP-Ohio shall direct the Electricity Supplier to pay the Termination Payment directly to the Trustee for the account of AMP-Ohio. The Trustee shall deposit the Termination Payment into the Redemption Subaccount. Amounts deposited into the Redemption Subaccount shall be applied by the Trustee to the payment of the Redemption Price of and interest on the Bonds pursuant to Section 4.02.

(b) Any amounts remaining on deposit in the Redemption Subaccount following the redemption and payment of all Outstanding Bonds shall, upon Written Direction of AMP-Ohio to the Trustee, be transferred to AMP-Ohio.

Section 5.08 Debt Service Subfund — Debt Service Reserve Account. (a) There shall be deposited in each Subaccount in the Debt Service Reserve Account, from proceeds of the Bonds, an amount equal to the Debt Service Reserve Requirement for such Subaccount. Amounts on deposit in the Early Termination Reserve Subaccount shall be applied only to payment of any principal of and interest on the Series 2007A Bonds which are scheduled to be paid after an event giving rise to an Early Termination Payment Date and before the redemption of the Series 2007A Bonds pursuant to Section 4.02, and any remaining amounts shall be applied to payment of the Redemption Price of Bonds upon such redemption.

(b) If, on the last Business Day of any Month, insufficient moneys are available in the Revenue Subfund for transfer to the Debt Service Account pursuant to Section 5.05(a)(i), then, on the next Business Day, the Trustee shall apply amounts from the Current Reserve Account to the extent necessary to cure the deficiency that exists with respect to such Subaccount.

(c) If, as a result of any draw on the Current Reserve Account pursuant to subsection (b) above, the amount on deposit in the Current Reserve Account is less than \$ _____ the Trustee and AMP-Ohio shall take the actions required by Section 7.09(b) hereof.

(d) Whenever the moneys on deposit in any Subaccount established in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement related thereto, such excess shall, upon Written Direction from AMP-Ohio, be transferred by the Trustee and paid to AMP-Ohio for deposit in the Revenue Subfund.

(e) Whenever the amount in a Subaccount in the Debt Service Reserve Account, together with the amounts in the Debt Service Account, are sufficient to pay in full all Outstanding Bonds in accordance with their terms, the funds on deposit in such Subaccount in the Debt Service Reserve Account shall be transferred to the Debt Service Account and no further deposits shall be required to be made into such Subaccount in the Debt Service Reserve Account. Prior to said transfer, all investments held in such Subaccount in the Debt Service Reserve Account shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price, if applicable, and interest on the Bonds.

Section 5.09 Trust Indenture Expense Subfund.

(a) Amounts credited to the Trust Indenture Expense Subfund shall be applied from time to time by the Trustee to the payment of Trust Indenture Expenses.

(b) Amounts credited to the Trust Indenture Expense Subfund which AMP-Ohio at any time determines to be in excess of the requirements of such Subfund shall be applied to make up any deficiencies first in the Debt Service Account and then in Debt Service Reserve Account. Any balance of such excess not required to be so applied shall be transferred to the Revenue Subfund for application in accordance with Section 5.05(a).

Section 5.10 General Subfund. (a) The Trustee shall apply moneys to the credit of the General Subfund in the following amounts and in the following order of priority: first, to the transfer to the credit of the Debt Service Account and each Subaccount in the Debt Service Reserve Account the amount necessary (or all the moneys credited to the General Subfund if less than the amount necessary) to make up any deficiencies in payments to said Subaccount or Subaccounts required by Section 5.05(a)(i) or, second, if the amount in the General Subfund shall be less than the amount necessary to make up the deficiencies with respect to the Debt Service Account and each of the Subaccounts in the Debt Service Reserve Account, then the amount in said Subfund shall be applied first to make up the deficiency in the Debt Service Account and any balance remaining shall be applied first to make up the deficiencies in the Early Termination Reserve Subaccount and then in the Current Reserve Account.

(b) Amounts credited to the General Subfund not required to meet a deficiency as required in subsection (a) above shall upon determination of AMP-Ohio be applied to or set aside by AMP-Ohio (without any order of priority) for any one or more of the following:

- (i) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which AMP-Ohio determines shall be required for such purposes;
- (ii) payment of Trust Indenture Expenses or credit to the Trust Indenture Expense Subfund for application to the purposes of that Subfund;
- (iii) reimbursement to the provider of Payment Insurance; and
- (iv) rebates to Participants.

Section 5.11 Purchases of Bonds. Except as otherwise provided in Section 5.06(d), any purchase of Bonds (or portions thereof) by or at the direction of AMP-Ohio pursuant to this Indenture may be made with or without tenders of Bonds and at either public or private sale, in such manner as AMP-Ohio may determine.

ARTICLE VI

Depositories of Moneys, Security for Deposits and Investment of Funds

Section 6.01 Depositories. (a) All moneys held by the Trustee and AMP-Ohio under the provisions of this Indenture shall constitute trust funds and the Trustee and AMP-Ohio may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of this Indenture with the Trustee, AMP-Ohio or any Depository shall be held in trust and applied only in accordance with the provisions of this Indenture. The Revenues provided herein to be held by AMP-Ohio shall be held in the custody of a Depository designated by the Chief Financial Officer of AMP-Ohio who shall act as trustee of such Revenues for purposes hereof, and such Revenues shall constitute part of the Trust Estate subject to a lien and charge in favor of the Holders but only in the circumstances and on the terms herein provided.

(b) Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of \$100,000,000 or more, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Indenture.

Section 6.02 Deposits. (a) All Pledged Revenues and moneys held by any Depository under this Indenture may be placed on demand or time deposit, if and as directed by AMP-Ohio, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by AMP Ohio and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All moneys held under this Indenture by the Trustee, AMP-Ohio or any Depository shall be held in such manner as may then be required by applicable Federal or State laws and regulations and applicable state laws and regulations of the state in which such Depository is located, regarding security for, or granting a preference in the case of, the deposit of public or trust funds or, in the absence of such laws and regulations, shall be either (i) continuously or fully insured by the Federal Deposit Insurance Corporation, or (ii) continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by lodging with the Trustee or a Depository, as custodian, as collateral security, Qualified Investments having a market value (exclusive of accrued interest) not less than the amount of such moneys (or portion thereof not insured by the Federal Deposit Insurance Corporation); provided, however, that, to the extent permitted by law, it shall not be necessary for the Fiduciaries to give security under this subsection (b) for the deposit of any moneys with them

held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee and each Depository shall be credited to the particular Subfund or Subaccount to which such moneys belong and, except as provided with respect to the investment of moneys in Qualified Investments in Section 6.03, the moneys credited to each particular Subfund or Subaccount shall be kept separate and apart from, and not commingled with, any moneys credited to any other Subfund or Subaccount or any other moneys deposited with the Trustee, AMP-Ohio and each Depository.

Section 6.03 Investment of Certain Funds. Moneys held in the Debt Service Account and the Debt Service Reserve Account shall be invested and reinvested by the Trustee at the Written Direction of AMP-Ohio to the fullest extent practicable in Qualified Investments which mature or are payable not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts. Moneys held in the Revenue Subfund and the Project Subfund may be invested and reinvested in Qualified Investments which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Subfunds. Moneys in the Trust Indenture Expense Subfund (other than moneys in the Trust Indenture Expense Subfund held with respect to Rebate Payments) may be invested in Qualified Investments which mature within twelve months or guaranteed investment contracts which provide funds as needed and moneys in the General Subfund may be invested in Qualified Investments; in any case the Qualified Investments in such Subfunds or in the Accounts therein shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Subfunds or Accounts. The Trustee shall make all such investments of moneys held by it in accordance with Written Instructions of AMP-Ohio. In making any investment in any Qualified Investments with moneys in any Subfund or Subaccount established under this Indenture, AMP-Ohio may instruct the Trustee to combine such moneys with moneys in any other Subfund or Subaccount, but solely for purposes of making such investment in such Qualified Investments.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and, at the discretion of AMP-Ohio, net of any amount thereof required to be rebated to the United States of America which, at the Written Direction of AMP Ohio shall be transferred to the Trust Indenture Expense Subfund to pay Rebate Payments) earned on any moneys or investments in such Subfunds and Accounts, other than any moneys or investments in the Redemption Subaccount in the Debt Service Subfund, the Trust Indenture Expense Subfund relating to Rebate Payments, and the Debt Service Reserve Account, shall be paid into the Revenue Subfund. Interest earned on any moneys or investments in the Redemption Subaccount in the Debt Service Subfund, and the Trust Indenture Expense Subfund relating to Rebate Payments, shall be held in such respective Subfund or Subaccount for the purposes thereof. Whenever the Debt Service Reserve Account is at its full required amount, net income earned on any moneys or investments therein shall be transferred to the Revenue Subfund as provided in Section 5.08(d).

Nothing in this Indenture shall prevent any Qualified Investments acquired as investments of or security for Subfunds held under this Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

[Nothing in this Indenture shall preclude the Trustee from investing or reinvesting moneys that it holds in the Subfunds and Accounts established pursuant to this Indenture through its bond department; provided, however, that AMP-Ohio may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.]

To the extent any Qualified Investment is insured, guaranteed or otherwise supported by any secondary facility, the Trustee shall make a claim under such facility at such time as shall be required to receive payment thereunder not later than the date required to make any necessary deposit pursuant to Section 5.05 or 5.08 or otherwise under Article V.

Section 6.04 Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Subfund created under the provisions of this Indenture shall be deemed at all times to be a part of such Subfund and any profit realized from the liquidation of such investment shall be credited to such Subfund, and any loss resulting from the liquidation of such investment shall be charged to the respective Subfund.

In computing the amount in any Subfund created under the provisions of this Indenture for any purpose provided in this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of market value or the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined as of November 1 in each year and at such other times as AMP-Ohio shall determine. Guaranteed investment contracts or similar agreements shall be valued at their face value to the extent that they provide for withdrawals without market adjustment or penalty when they are required to provide payment pursuant to this Indenture.

Except as otherwise provided in this Indenture, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested so to do by a Written Request of AMP-Ohio. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Subfund held by the Trustee or AMP-Ohio, the Trustee or AMP-Ohio shall sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer necessary to provide sufficient moneys for such payment or transfer; provided, however, that if AMP-Ohio fails to provide such designation promptly after request thereof by the Trustee, the Trustee may in its discretion select the obligation or obligations to be sold or presented for redemption.

The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for redemption made in the manner provided above.

ARTICLE VII

Particular Covenants of AMP-Ohio

Section 7.01 Payment of Bonds. AMP-Ohio shall duly and punctually pay or cause to be paid, but solely from the Trust Estate, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in this Indenture and the Bonds, according to the true intent and meaning thereof.

Section 7.02 Extension of Payment of Bonds. AMP-Ohio shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of Pledged Revenues or Subfunds established by this Indenture, including the investment income, if any, thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Section 7.03 Offices for Servicing Bonds. AMP-Ohio shall at all times maintain one or more agencies where Bonds may be presented for payment. AMP-Ohio hereby appoints the Trustee as Bond Registrar and Paying Agent and the Trustee hereby accepts such appointments. The Trustee shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon AMP-Ohio in respect of the Bonds or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services.

Section 7.04 Further Assurance. At any and all times AMP-Ohio shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which AMP-Ohio may become bound to pledge.

Section 7.05 Power to Issue Bonds and Pledge the Trust Estate. AMP-Ohio is duly authorized under all applicable laws to create and issue the Bonds and to execute and deliver this Indenture and to pledge the Trust Estate, in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by this Indenture, and all action on the part of AMP-Ohio to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable special obligations of AMP-Ohio in accordance with their terms and the terms of this Indenture.

AMP-Ohio shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

Section 7.06 Power to Fix and Collect Fees and Charges for the Sale of Electricity. AMP-Ohio has, and, to the extent permitted by law, will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect fees and charges for the sale and transportation of electricity to the Participants or otherwise with respect to the Electricity Purchase, subject to the terms of the Power Schedules.

Section 7.07 Creation of Liens. AMP-Ohio shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge or assignment of the Trust Estate and shall not create or cause to be created any lien or charge on the Trust Estate except the lien and charge created thereon by this Indenture.

Section 7.08 Fees and Charges. AMP-Ohio shall at all times fix, establish, maintain and collect (or cause to be collected) fees and charges, as and to the extent permitted under the provisions of the Power Schedules for the sale and transportation of electricity or otherwise with respect to the Electricity Purchase which shall be sufficient to provide Pledged Revenues in each Bond Year which, together with the other amounts available therefor, shall be equal to the sum of:

- (i) The amounts, if any, required to be paid during such Bond Year into the Debt Service Subfund other than any such amounts which AMP-Ohio anticipates shall be transferred from other Subfunds;
- (ii) The amounts, if any, to be paid during such Bond Year into any other Subfund established under Section 5.02;
- (iii) The amount estimated by AMP-Ohio to be required to be paid during such Bond Year into the Trust Indenture Expense Subfund; and
- (iv) All other charges or liens whatsoever payable out of Pledged Revenues during such Fiscal Year.

Section 7.09 Power Schedules, Electricity Remarketing and Electricity Purchase Agreement; Enforcement and Amendment. (a) AMP-Ohio shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Subfund (i) not less than Monthly, amounts equal to the amounts payable to it pursuant to the Power Schedules as Fixed Demand Charges for such Month and amounts received in lieu thereof as proceeds of Payment Insurance, (ii) forthwith, amounts realized from the enforcement of the Power Schedules if and to the extent that, after the deposit of the amounts described in clause (i) and the transfer of such amounts to the Debt Service Account, either (A) the amount credited to such Account in such Month is less than the amount shown as the Scheduled Monthly Deposit for such Month on Schedule II hereof or (B) the Cumulative Balance to the credit of such Account, including the Minimum Interest Earnings Accrual, for such Month, is less than the Cumulative Scheduled Balance as shown on Schedule II for such Month or (C) the balances to the credit of either the Early Termination Subaccount or the Debt Service Reserve Subaccount in the Debt Service Reserve Account shall

be less than the amount provided therefor in the definition of Debt Service Reserve Requirement, and (iii) forthwith, any amounts (other than the Termination Payment) paid to AMP-Ohio by the Electricity Supplier under the terms of the Electricity Purchase Agreement; provided, however, that if (X) AMP-Ohio shall determine, and file a Written Certificate to such effect with the Trustee, that it reasonably expects to receive in the Month in which it shall have received a payment from the Electricity Supplier and in subsequent Months amounts payable by the Participants as Fixed Demand Charges and proceeds of Payment Insurance equal to the Scheduled Monthly Deposits for all such Months, (Y) an amount equal to the Cumulative Scheduled Balance for such Month shall be on deposit to the credit of to the Debt Service Account, and (Z) the balances to the credit of both the Early Termination Subaccount and the Debt Service Reserve Subaccount in the Debt Service Reserve Account shall be not less than the amounts provided in the definition of Debt Service Reserve Requirement, then AMP-Ohio may direct the Trustee to deposit such amounts directly to the credit of the Debt Service Account and credit such amounts, pro rata, against the Fixed Demand Charges otherwise payable by the Participants under their respective Power Schedules.

(b) AMP-Ohio shall enforce the provisions of the Power Schedules, as well as any other contract or contracts entered into relating to the Electricity Purchase, and duly perform its covenants and agreements thereunder. AMP Ohio shall exercise its right, in accordance with the provisions of the Power Schedules, to suspend all electricity deliveries to any Participant that fails to pay when due any amounts owed to AMP-Ohio thereunder. In the event that it shall suspend such deliveries to a defaulting Participant, AMP-Ohio shall use its best efforts to remarket the electricity that would have been delivered to the defaulting Participant and the net proceeds of such remarketing shall constitute Revenues. AMP-Ohio will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with any Power Schedule which will impair the ability of AMP-Ohio to comply during the current or any future Bond Year with the provisions of Section 7.08; provided that this provision shall not prevent AMP-Ohio from otherwise taking any action under or in connection with the Power Schedules which is expressly permitted pursuant to the provisions thereof. A copy of each Power Schedule certified by an Authorized Officer shall be filed with the Trustee, and a copy of any such amendment certified by an Authorized Officer of AMP-Ohio shall be filed with the Trustee.

(c) AMP-Ohio shall enforce the provisions of the Electricity Purchase Agreement and duly perform its covenants and agreements thereunder and shall enforce the provisions of the Electricity Supplier Guarantee. AMP-Ohio shall promptly notify the Trustee of any default that has occurred and is continuing on the part of the Electricity Supplier under the Electricity Purchase Agreement. AMP-Ohio will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with the Electricity Purchase Agreement or the Electricity Supplier Guarantee which will in any manner materially impair or materially adversely affect the rights of AMP-Ohio thereunder or the rights or security of the Bondholders under this Indenture. Copies of the Electricity Purchase Agreement and the Electricity Supplier Guarantee, certified by an Authorized Officer of AMP-Ohio, shall be filed with the Trustee, and a copy of any such amendment certified by an Authorized Officer shall be filed with the Trustee.

(d) If at any time an Event of Default shall have occurred under this Indenture, then for so long as the same shall continue, the Trustee shall become and be the agent of AMP-Ohio to issue notices and to take any other actions that AMP-Ohio is required or permitted to take under (i) the Power Schedules (including the suspension of Electricity deliveries upon the default of a Participant), (ii) the Electricity Purchase Agreement (including notice designating an "Early Termination Date" thereunder) and (iii) the Electricity Supplier Guarantee (including requesting funds under such Guarantee immediately upon an uncured failure by the Electricity Supplier to pay). In exercising this agency power, the Trustee shall have the authority to take any such actions as it deems necessary under the Power Schedules, the Electricity Purchase Agreement and the Electricity Supplier Guarantee.

Section 7.10 Accounts and Reports. (a) AMP-Ohio shall keep or cause to be kept with respect to the Electricity Purchase and the Electricity Purchase Fund proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles, as such may be modified by the provisions of this Indenture, in which complete and correct entries shall be made of its transactions relating to the Electricity Purchase, the amount of Revenues and the application thereof and each Subfund and Subaccount established under this Indenture and relating to its costs and charges under the Power Schedules and any other contracts for the sale or purchase of Electricity, and which, together with the Electricity Purchase Agreement and all contracts and all other books and papers of AMP-Ohio, including insurance policies, relating to the Electricity Purchase, shall, subject to the terms thereof, at all times during regular business hours be subject to the inspection of the Trustee.

(b) The Trustee shall advise AMP-Ohio promptly after the end of each Month of the respective transactions during such Month relating to each Subfund, Account and Subaccount held by it under this Indenture.

(c) AMP-Ohio shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default or default in the performance by AMP-Ohio of any covenant, agreement or condition contained in this Indenture, a Written Certificate of AMP-Ohio and specifying such Event of Default or default and (ii) within 180 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending following the issuance of the Bonds, a Written Certificate of AMP-Ohio signed by an appropriate Authorized Officer stating whether, to the best of such Officer's knowledge and belief, AMP-Ohio has kept, observed, performed and fulfilled its covenants and obligations contained in this Indenture and that there does not exist at the date of such certificate any default by AMP-Ohio under this Indenture or any Event of Default or other event which, with the lapse of time specified in Section 8.01, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

(d) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of Bondholders at the office of the Trustee and shall be mailed to each Bondholder who shall file a written request therefor with AMP-Ohio. AMP-Ohio may charge each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Section 7.11 Payment of Taxes and Charges. AMP-Ohio will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of AMP-Ohio or upon the rights, revenues, income, receipts, and other moneys, securities and funds of AMP-Ohio when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Indenture), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which AMP-Ohio shall in good faith contest by proper legal proceedings if AMP-Ohio shall in all such cases have set aside on its books reserves deemed adequate by AMP-Ohio with respect thereto.

Section 7.12 Tax Covenants. (a) AMP-Ohio covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, AMP Ohio covenants that it will comply with the instructions and requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time AMP-Ohio is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, AMP-Ohio shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such action as specified in such instructions.

(c) Notwithstanding any other provisions of this Section, if AMP-Ohio shall provide to the Trustee an Opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, AMP-Ohio and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

(d) Notwithstanding any other provision of this Indenture to the contrary, upon AMP-Ohio's failure to observe or refusal to comply with the above covenants, the Holders of the Bonds, or the Trustee acting on their behalf pursuant to their written request and direction, shall be entitled to the rights and remedies provided to Bondholders under this Indenture based upon AMP-Ohio's failure to observe, or refusal to comply with, the above covenants. In connection with any action taken by it under this Section, the Trustee shall have the benefit of all of the protective provisions set forth in Article IX hereof.

Section 7.13 General. (a) AMP-Ohio shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of AMP-Ohio under the provisions of the Enabling Legislation and this Indenture.

(b) AMP-Ohio shall not consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to, or reorganize, reincorporate or reconstitute into or as, another entity unless the resulting, surviving or transferee entity assumes all the obligations of AMP-Ohio under this Indenture, the Electricity Purchase Agreement and the Power Schedules.

(c) AMP-Ohio shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the ratings on the Bonds; provided, however, that nothing in this subsection (c) shall be construed to cause AMP-Ohio to use any of its resources that are not Revenues to meet its obligations under this covenant but nothing herein shall prevent AMP-Ohio for so doing.

(d) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed, and the issuance of such Bonds, together with all other obligations of AMP-Ohio, shall comply in all respects with the applicable laws of the State.

Section 7.14 UCC Filings. AMP-Ohio shall give the Trustee any assistance it reasonably requests in order to enable the Trustee to comply with Section 9.17 of this Indenture.

ARTICLE VIII

Events of Default and Remedies

Section 8.01 Events of Default. Any one or more of the following shall constitute an Event of Default hereunder:

(a) default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(b) default shall be made in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable;

(c) a determination by the Trustee on the last Business Day of any Month, after the transfer of amounts pursuant to Section 5.05(a)(i) and (ii), that the sum of the amounts on deposit in the Debt Service Account and in the Current Reserve Account in the Debt Service Reserve Account (including for purposes of this computation, interest accrued on such deposits and investment income that remains on deposit in such subaccounts) is not at least equal to the cumulative Scheduled Debt Service Deposits for such month as specified on Schedule II hereto;

(d) default shall be made by AMP-Ohio in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of 60 days or, if such default cannot reasonably be remedied within such 60 day period, such longer period so long as diligent efforts are being made to remedy such default, after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" hereunder is given to AMP-Ohio by the Trustee or to AMP-Ohio and to the Trustee by the Holders of not less than a majority in principal amount of the Bonds Outstanding;

(e) AMP-Ohio shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (provided, however, that such event shall not constitute an Event of Default hereunder unless in addition, (i) AMP-Ohio is unable to meet its debts with respect to the Electricity Purchase as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Electricity Purchase), or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Electricity Purchase, or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Electricity Purchase as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(f) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of AMP-Ohio in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (provided, however, that such event shall not constitute an Event of Default hereunder unless in addition, (i) AMP-Ohio is unable to meet its debts with respect to the Electricity Purchase as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Electricity Purchase), or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Electricity Purchase, or any part thereof, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of AMP-Ohio and its affairs or a decree or order finding or determining that AMP-Ohio is unable to meet its debts with respect to the Electricity Purchase as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 60 consecutive days.

In each and every such case, other than an Event of Default described in clause (d) above, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, the Trustee (by notice in writing to AMP Ohio), or the Holders of not less than a majority in principal amount of the Bonds Outstanding (by notice in writing to AMP-Ohio and to the Trustee) may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding. In the case of an Event of Default described in clause (d) above, unless the principal amount of all the Bonds shall have already become due and payable, the Trustee or the Holders of not less than a majority in principal amount of the Bonds outstanding (after notice to the Trustee) may bring a suit in any

court of competent jurisdiction to compel specific performance. The right of the Trustee or of the Holders of not less than a majority in principal amount of the Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with the reasonable fees, charges, expenses and liabilities of the Trustee, and all other sums then payable by AMP-Ohio under this Indenture (except the principal of, and interest accrued since the next preceding Interest Payment Date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of AMP-Ohio or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of a majority in principal amount of the Bonds Outstanding, by written notice to AMP Ohio and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written directions to the contrary by the Holders of a majority in principal amount of the Bonds Outstanding, then any such declaration shall ipso facto be deemed to be rescinded and any such default shall ipso facto be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 8.02 Accounting and Examination of Records After Default. AMP-Ohio covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and accounts of AMP-Ohio and all other records relating to the Electricity Purchase shall at all times during regular business hours be subject to the inspection and use of the Trustee and of its agents and attorneys.

Section 8.03 Enforcement of Agreements; Application of Moneys After Default. (a) If an event of default shall occur and be continuing, the Trustee, in stead of AMP-Ohio, shall issue notices and to take any other actions that AMP-Ohio is required or permitted to take under the Electricity Purchase Agreement and the Power Schedules. In exercising this power, the Trustee shall have the authority to take any such actions as it deems necessary under the Electricity Purchase Agreement and the Power Schedules.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Pledged Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follows and in the following order, provided that moneys held in the Debt Service Account or any Subaccount in the Debt Service Reserve Account shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Bonds in accordance with clause (iii) of this subsection (b):

(i) Expenses of Fiduciaries — to the payment of the reasonable fees, charges, expenses and liabilities of the Fiduciaries;

(ii) Trust Indenture Expenses — to the payment of the amounts required for Trust Indenture Expenses and for the payment of such other amounts related to the Electricity Purchase as are necessary in the judgment of the Trustee to prevent loss of Revenues. For this purpose the books of record and accounts of AMP-Ohio relating to the Electricity Purchase shall at all times during regular business hours be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default; and

(iii) Principal or Redemption Price and Interest — to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(c) If and whenever all overdue installments of interest on all Bonds, together with the reasonable charges, expenses and liabilities of the Trustee, and all other sums payable or secured by AMP-Ohio under this Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of AMP-Ohio, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, AMP-Ohio and the Trustee shall be restored, respectively, to their former positions and rights under this Indenture. No such restoration of AMP-Ohio and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 8.04 Appointment of Receiver. The Trustee shall have the right, upon the happening of an Event of Default, to apply in an appropriate proceeding for the appointment of a receiver of the Electricity Purchase.

Section 8.05 Proceedings Brought by Trustee. (a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than a majority in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against AMP-Ohio as if AMP-Ohio were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(b) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 8.06 Restriction on Bondholder's Action. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Holder (i) shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, (ii) shall have offered it reasonable opportunity, either to exercise the powers granted in this Indenture or by the Enabling Legislation or by the laws of the State or to institute such action, suit or proceeding in its own name, and (iii) shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 7.02.

(b) Nothing in this Indenture or in the Bonds contained shall affect or impair the obligation of AMP-Ohio, which is absolute and unconditional, to pay, in accordance with the terms of this Indenture, at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

Section 8.07 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of this Indenture.

Section 8.08 Effect of Waiver and Other Circumstances. (a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in Section 8.01, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 8.09 Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of AMP-Ohio.

ARTICLE IX

Concerning the Fiduciaries

Section 9.01 Acceptance by Trustee of Duties. The Trustee accepts the duties and obligations imposed upon it by this Indenture and the trusts hereby created, but only, however, upon the terms and conditions set forth in this Indenture.

Section 9.02 Paying Agents; Appointment and Acceptance of Duties. (a) AMP-Ohio shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 9.13 for a successor Paying Agent. The Trustee is hereby appointed as initial Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to AMP-Ohio and to the Trustee a written acceptance thereof.

(c) Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of AMP-Ohio for the payment of the interest on and principal or Redemption Price of the Bonds.

Section 9.03 Responsibilities of Fiduciaries. (a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of AMP-Ohio and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued thereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of this Indenture to AMP-Ohio or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of subsection (b), no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.03 and Section 9.04.

Section 9.04 Evidence on Which Fiduciaries May Act. (a) Each Fiduciary, upon receipt of any notice, direction, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to AMP-Ohio, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of AMP-Ohio, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may

deem reasonable. Neither the Trustee, the Bond Registrar nor the Paying Agent shall be bound to recognize any Person as a Bondholder or to take any action at its request unless its Bond shall be deposited with such entity or satisfactory evidence of the ownership of such Bond shall be furnished to such entity.

Section 9.05 Compensation. AMP-Ohio shall pay or cause to be paid to each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture, in accordance with the agreements made from time to time between AMP-Ohio and the Fiduciary. Subject to the provisions of Section 9.03, AMP-Ohio further agrees, to the extent permitted by applicable law, to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's negligence or willful misconduct.

Section 9.06 Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

Section 9.07 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by this Indenture by giving not less than 120 days' written notice to AMP-Ohio and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (a) previously a successor shall have been appointed by AMP-Ohio or the Bondholders as provided in Section 9.09, in which event such resignation shall take effect immediately on the appointment of such successor, or (b) a successor shall not have been appointed by AMP-Ohio or the Bondholders as provided in Section 9.09 on such date, in which event such resignation shall not take effect until a successor is appointed.

Section 9.08 Removal of the Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of AMP-Ohio. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time, with or without cause, by a resolution of AMP-Ohio filed with the Trustee and delivery of a Written Certificate of AMP-Ohio to the Trustee with respect to the foregoing. Notwithstanding the foregoing, any such removal of the Trustee shall not be effective until a successor Trustee has been appointed pursuant to Section 9.09.

Section 9.09 Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property,

shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by AMP-Ohio by a duly executed written instrument signed by an Authorized Officer, but if AMP-Ohio does not appoint a successor Trustee within 60 days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of AMP-Ohio, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to AMP-Ohio and the predecessor Trustee. After such appointment of a successor Trustee, AMP-Ohio shall mail notice of any such appointment by it or the Bondholders to the registered owners of the Bonds then Outstanding.

(b) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 120 days after the Trustee shall have given to AMP Ohio written notice as provided in Section 9.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section 9.09 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least \$100,000,000 if there be such a bank with trust powers or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

Section 9.10 Transfer of Rights and Property to Successor Trustee. Any successor trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to AMP-Ohio, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the Written Request of AMP-Ohio or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from AMP-Ohio be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by AMP-Ohio. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 9.11 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank with trust powers or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture and shall meet the qualifications set forth in Section 9.09(c), shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 9.12 Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is provided, anywhere in said Bonds or in this Indenture, that the certificate of the Trustee shall have.

Section 9.13 Resignation or Removal of Paying Agent and Appointment of Successor.
 (a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to AMP-Ohio, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer. Any successor Paying Agent shall be appointed by AMP-Ohio and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.14 Trustee's Reliance. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture.

Section 9.15 Trustee's Liability. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith, in accordance with the provisions of this Indenture, in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or, except for its negligence or willful misconduct, exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Bonds.

Section 9.16 Trustee's Agents or Attorneys. The Trustee may execute any of its trusts or powers under this Indenture or perform any of its duties hereunder either directly or by or through agents or attorneys; provided that the Trustee shall be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder.

Section 9.17 UCC Filings. Unless the Trustee shall have received an opinion of counsel reasonably acceptable to it that such filings are not necessary to continue the security interest granted under this Indenture, the Trustee shall file not less frequently than every five years Uniform Commercial Code Continuation Statements with the appropriate authorities and take such other actions as may be necessary or appropriate to maintain the perfection of the Trustee's security interest granted under this Indenture.

ARTICLE X

Supplemental Indentures

Section 10.01 Supplemental Indentures Not Requiring Consent of Bondholders. AMP Ohio and the Trustee may from time to time, subject to the conditions and restrictions in this Indenture contained, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which shall thereafter form a part hereof, without the consent of the Bondholders for any one or more of the following purposes:

- (a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;
- (b) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;
- (c) To make any other modification or amendment of this Indenture which the Trustee shall in its sole discretion determine will not have a material adverse effect on the Bondholders;
- (d) To add to the covenants and agreements of AMP-Ohio in this Indenture, other covenants and agreements to be observed by AMP-Ohio which are not contrary to or inconsistent with this Indenture as theretofore in effect;
- (e) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by AMP-Ohio which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(f) To authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(g) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Pledged Revenues or of any other moneys, securities or funds;

(h) To add to the Events of Default in this Indenture additional Events of Default;

(i) To add to this Indenture any provisions relating to the application of interest earnings on any Subfund or Subaccount under this Indenture required by law to preserve the exclusion of interest on Bonds issued from gross income for federal income tax purposes;

(j) To evidence the appointment of a successor Trustee; or

(k) [If the Bonds affected by such change are rated by a Rating Agency, to make any change upon receipt of a Rating Confirmation with respect to the Bonds so affected.]

In making any determination under subsection (c), the Trustee may rely upon an Opinion of Counsel and/or certificates of investment bankers or other financial professionals or consultants.

Each Supplemental Indenture authorized by this Section shall become effective as of the date of its execution and delivery by AMP-Ohio and the Trustee or such later date as shall be specified in such Supplemental Indenture.

Section 10.02 Supplemental Indentures Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Indenture may be entered into by AMP-Ohio and the Trustee subject to notice to and consent by Bondholders in accordance with and subject to the provisions of Article XI, which Supplemental Indenture, upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

Section 10.03 General Provisions. (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of AMP-Ohio to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 or the right or obligation of AMP-Ohio to execute and deliver to any Fiduciary any instrument which elsewhere in this Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Indenture referred to and permitted or authorized by Section 10.01 may be entered into between AMP-Ohio and the Trustee without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Section. The copy of every Supplemental Indenture shall be accompanied by an

Opinion of Counsel stating that such Supplemental Indenture has been duly and lawfully executed in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon AMP-Ohio and enforceable in accordance with its terms; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy.

(c) The Trustee is hereby authorized to enter into any Supplemental Indenture referred to and permitted or authorized by Section 10.01 or 10.02 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto; provided, however this section shall not affect the rights of the Holders or AMP-Ohio to remove the Trustee as provided in Section 9.08 herein.

ARTICLE XI

Amendments

Section 11.01 Mailing. Any provision in this Article XI for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (a) to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of AMP-Ohio, and (b) to the Trustee.

Section 11.02 Powers of Amendment. Any modification or amendment of this Indenture and of the rights and obligations of AMP-Ohio and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 11.03 of the Holders of not less than a majority in principal amount of Outstanding Bonds; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding (or are subject to mandatory purchase) the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section, the Bonds shall be deemed to be affected by a modification or

amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds in any material respect. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds would be materially affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on AMP-Ohio and all Holders of Bonds. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

Section 11.03 Consent of Bondholders. AMP-Ohio and the Trustee may at any time enter into a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.02 to take effect when and as provided in this Section 11.03. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by AMP-Ohio to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section 11.03 provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 11.02 and (b) an Opinion of Counsel stating that such Supplemental Indenture has been duly and lawfully executed by AMP-Ohio in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon AMP-Ohio and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally and may state that no opinion is being rendered as to the availability of any particular remedy. For purposes of clause (a) of the preceding sentence, the written consent of the Bondholder shall be deemed to have been received if the amendment is expressly referred to in the Supplemental Indenture authorizing such Bonds and in the text of such Bonds and such Bonds recite that such Bondholder shall be deemed to have consented to such amendments by accepting such Bonds. Otherwise, each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A certificate or certificates executed by the Trustee and filed with the Trustee and AMP-Ohio stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be irrevocable and shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice of such consent). At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture (or have deemed to have consented to such Supplemental Indenture), the Trustee shall make and file with the Trustee and AMP-Ohio a written statement that the Holders of such required percentages of Bonds have consented to, such Supplemental Indenture. Such written statements shall be conclusive that such consents have been received. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by AMP-Ohio and the Trustee on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.03, may be given to

Bondholders by the Trustee by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 11.03 provided). A record, consisting of the certificates or statements required or permitted by this Section 11.03 to be made by the Trustee, shall be proof of the matters therein stated.

Section 11.04 Notifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of AMP-Ohio and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the execution of a Supplemental Indenture by the Trustee and AMP-Ohio and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 11.03; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Bondholders.

Section 11.05 Exclusion of Bonds. Bonds owned or held by or for the account of AMP Ohio shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and AMP-Ohio shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article XI. At the time of any consent or other action taken under this Article XI, AMP Ohio shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 11.06 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by AMP-Ohio and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of its Bond for the purpose at the designated corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If AMP-Ohio or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and AMP-Ohio to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII

Miscellaneous

Section 12.01 Defeasance. (a) If AMP-Ohio shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Indenture, then the pledge of all covenants, agreements and other obligations of AMP-Ohio to the Bondholders, shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds; provided, however, that this Indenture shall not be discharged until AMP-Ohio shall have paid and satisfied all claims, charges and expenses that constitute Trust Indenture Expenses hereunder. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by AMP-Ohio to be prepared and filed with AMP-Ohio and, upon the request of AMP-Ohio, shall execute and deliver to AMP-Ohio all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to AMP-Ohio all moneys or securities held by them pursuant to this Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If AMP-Ohio shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of AMP-Ohio to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by AMP-Ohio of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a). In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) upon compliance with the provisions of subsection (c).

(c) Subject to the provisions of subsection (d) of this Section, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, AMP-Ohio shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of AMP-Ohio or purchased or otherwise acquired by AMP-Ohio and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to Section 5.06(f)) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the

principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, AMP-Ohio shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (d) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of AMP Ohio or purchased or otherwise acquired by AMP-Ohio and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (i)). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, if so directed by AMP-Ohio (A) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (B) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and, the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds (or the deemed cancellation thereof) shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (1) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 which are not to be redeemed prior to their maturity date or (2) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, AMP-Ohio shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from AMP-Ohio to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by AMP-Ohio to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or

delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations or deemed cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (ii) of this subsection (c) of Section 12.01, the Trustee shall, if requested by AMP-Ohio, pay the amount of such excess to AMP-Ohio free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Except as otherwise provided in subsections (c) and (d) of this Section 12.01, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (x) to the extent such cash will not be required at any time for such purpose, shall be paid over to AMP-Ohio as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Indenture, and (y) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investments maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to AMP-Ohio, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture.

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the Written Request of AMP-Ohio, be repaid by the Fiduciary to AMP-Ohio, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to AMP-Ohio for the payment of such Bonds; provided, however, that before being required to make any such payment to AMP-Ohio the Fiduciary shall, at the expense of AMP-Ohio, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to AMP-Ohio.

Section 12.02 Evidence of Signatures of Bondholders and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and, except as otherwise provided in Section 11.03, shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Bondholder or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of its authority.

(ii) The amount of Bonds transferable by delivery held by any Person executing any instrument as a Bondholder, the date of holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such Person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions; the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

(b) The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by AMP-Ohio or any Fiduciary in accordance therewith.

Section 12.03 Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section 12.04 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of AMP-Ohio, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 12.05 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person or corporation, other than AMP-Ohio, the Fiduciaries, the Holders of the Bonds and any Depository, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of AMP-Ohio shall be for the sole and exclusive benefit of AMP-Ohio, the Fiduciaries, the Holders of the Bonds and any Depository.

Section 12.06 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any member of the Board or officer of AMP-Ohio or any member of the governing body or officer of any Public Agency or any Person executing the Bonds.

Section 12.07 Publication of Notice; Suspension of Publication. (a) Any publication to be made under the provisions of this Indenture in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

(b) If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to this Indenture in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

Section 12.08 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of AMP-Ohio or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 12.09 Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 12.10 Notices. Except as otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Indenture shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid (or sent by facsimile or other electronic means, confirmed in by mail, as aforesaid), as follows:

- (a) If to AMP-Ohio:
American Municipal Power-Ohio, Inc.
2600 Airport Drive
Columbus, Ohio 43219
Attention: President
- (b) If to the Trustee:
U.S. Bank National Association
425 Walnut Street
Cincinnati, Ohio 45202
Attention: Corporate Trust Department

or to such other Person or addresses as the respective party hereafter designates in writing to AMP-Ohio and the Trustee.

Section 12.11 Notices to Rating Agencies. AMP-Ohio shall provide to each Rating Agency: (a) notice of any amendment to this Indenture, the Electricity Purchase Agreement, any Power Schedule or any other document relating to the Bonds or the Electricity Purchase; and (b) each notice provided to or for any NRMSIR pursuant to the Continuing Disclosure Undertaking executed by AMP-Ohio in connection with the issuance of the Bonds.

Section 12.12 Counterparts. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, American Municipal Power-Ohio, Inc. has caused this Indenture to be signed in its own name and on its behalf by its President and its seal to be hereunto affixed, affixed by the Secretary of AMP-Ohio, and as evidence of its acceptance of the trusts hereby created, the Trustee, U.S. Bank National Association, has caused this Indenture to be signed in its name and on its behalf by one of its officers duly authorized, all as of the date first above written.

AMERICAN MUNICIPAL POWER OHIO, INC.

By _____
President

[SEAL]

ATTEST

Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Officer

STATE OF OHIO)

)

COUNTY OF FRANKLIN)

I, the undersigned a Notary Public in and for said County in said State, hereby certify that Marc Gerken, known to me to be the President of American Municipal Power-Ohio, Inc., acknowledged before me on this day that as such officer and with full authority, he executed the foregoing Indenture voluntarily for and as the act of American Municipal Power-Ohio, Inc..

Given under my hand and seal of office this __ day of April, 2007.

Notary Public, State of Ohio

Notarial Seal

My commission expires: _____

STATE OF OHIO

)

)

COUNTY OF HAMILTON

)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that _____, known to me and known to be the duly authorized agent of U.S. Bank National Association, as Trustee, acknowledged before me on this date that as such officer, and with full authority, he executed the foregoing Indenture voluntarily for and as the act of said Trustee.

Given under my hand and seal of office this _____ day of April, 2007.

Notary Public

Notarial Seal

My commission expires: _____

Exhibit A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to AMP-Ohio or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED

No. 2007[A][B] -

REGISTERED

\$

UNITED STATES OF AMERICA

STATE OF OHIO

AMERICAN MUNICIPAL POWER-OHIO, INC.

ELECTRICITY PURCHASE REVENUE BOND (),

SERIES 2007[A][B]

MATURITY

ISSUE

CUSIP

INTEREST

DATE

DATE

RATE

February 1, 20__ April __, 2007 [__%]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

American Municipal Power-Ohio, Inc. ("AMP-Ohio"), an Ohio nonprofit corporation, acknowledges itself indebted and for value received hereby promises to pay, in the manner and from the source hereinafter provided, to the registered owner identified above, or registered assigns, on the Maturity Date stated above, unless this Bond shall have been called for redemption and payment of the Redemption Price, [2007A Bond only] shall have been duly made or provided for, upon presentation and surrender hereof, the principal amount identified above, and to pay, in the manner and from the source hereinafter provided, to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid at the rate set forth above, until payment in full of such principal amount.

AMP-OHIO IS OBLIGATED TO PAY THE PRINCIPAL OF, REDEMPTION PRICE OF [2007A Bond only], AND INTEREST ON THIS BOND SOLELY FROM THE PLEDGED REVENUES (AS SUCH TERM IS DEFINED IN THE INDENTURE HEREINAFTER REFERRED TO) AND OTHER FUNDS OF AMP-OHIO PLEDGED THEREFOR IN

ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE. PURSUANT TO THE INDENTURE, SUFFICIENT PLEDGED REVENUES HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY AMP-OHIO TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART.

THIS BOND DOES NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF AMP-OHIO OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF AND THE REGISTERED OWNERS HEREOF HAVE NO RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF DEBT SERVICE ON THIS BOND. AMP-OHIO HAS NO TAXING POWER.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Ohio and pursuant to the provisions of _____ (the "Enabling Legislation"), and all other laws applicable thereto.

This Bond is a special obligation of AMP-Ohio and is one of the Electricity Purchase Revenue Bonds of AMP-Ohio (the "Bonds") issued under and by virtue of the Enabling Legislation and under and pursuant to a Trust Indenture, dated as of April 1, 2007 (the "Indenture"), between AMP Ohio and U.S. Bank National Association, as trustee (said trustee and any successor thereto under the Indenture being herein referred to as the "Trustee"), as the same may be amended and supplemented from time to time, for the purpose of providing funds to acquire a supply of electricity for the Participants and to pay related expenses. This Bond is one of a Series of Bonds designated as "Electricity Purchase Revenue Bonds (_____) Series 2007[A][B]" (herein called the "Bonds"), limited to the aggregate principal amount of \$[_____,000][_____,000], dated as of the dated date identified above, and duly issued under and by virtue of the Enabling Legislation and under and pursuant to the Indenture.

All Bonds issued and to be issued under the Indenture are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Indenture.

Copies of the Indenture are on file at the office of AMP-Ohio in Columbus, Ohio, and at the designated corporate trust office of U.S. Bank National Association in Cincinnati, Ohio, and reference to the Indenture and the Enabling Legislation is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds and certain other Bonds were issued simultaneously thereunder, and a statement of the rights, duties, immunities and obligations of AMP-Ohio and of the Trustee. Such pledge and other obligations of AMP-Ohio under the Indenture may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

AMP-Ohio has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Indenture, a Securities Depository (or its nominee) will be the registered owner of this Bond. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Bond shall be deemed to have agreed to this arrangement. The Securities Depository (or its nominee), as registered owner of this Bond, shall be treated as the owner of it for all purposes.

AMP-Ohio will pay the principal or, Redemption Price of [2007A Bond only], and interest on this Bond wholly from the Pledged Revenues (as such term is defined in the Indenture) and other funds of AMP Ohio pledged therefor in accordance with the provisions of the Indenture. Interest will accrue on the unpaid portion of the principal of this Bond from the last date to which interest was paid or duly provided for or, if no interest has been paid or duly provided for, from the date of the original issuance of the Bonds, until the entire principal amount of this Bond is paid or duly provided for, and such interest shall be paid in the manner and on the Interest Payment Dates specified in the Indenture.

the times, in the amounts, upon payment of the amounts, with the notice, upon the other terms and provisions and with the effect set forth in the Indenture.

This Bond may be transferred or exchanged as provided in the Indenture. AMP-Ohio and the Trustee may treat and consider the person in whose name this Bond is registered as the Holder and the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, purchase price or Redemption Price hereof and interest due hereon and for all other purposes whatsoever.

To the extent and in the respects permitted by the Indenture, the Indenture may be modified or amended by action on behalf of AMP-Ohio taken in the manner and subject to the conditions and exceptions prescribed in the Indenture.

The Holder or Beneficial Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Ohio or by the Enabling Legislation or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of AMP-Ohio, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, AMERICAN MUNICIPAL POWER-OHIO, INC. has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chief Financial Officer, as of the issue date specified above.

AMERICAN MUNICIPAL POWER-OHIO, INC.

By

Chief Financial Officer

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within mentioned Indenture and is one of the Electricity Purchase Revenue Bonds (_____), Series 2007[A][B], of American Municipal Power-Ohio, Inc..

Date of registration and authentication: _____, 2007.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By
Authorized Officer

Customary abbreviations may be used in the name of a Bondholder or an assignee, such as TEN COM (= tenants in common), TENANT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/T/M/A (= Uniform Transfers to Minors Act).

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) _____ (Minor)

of survivorship and not as under Uniform Transfers to Minors Act of _____
tenants in common _____
(State)

Additional abbreviations may also be used though not in list above.

[FORM OF ASSIGNMENT]

For Value Received, the undersigned sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

_____ the within
Bond of American Municipal Power-Ohio, Inc., and hereby irrevocably constitutes and appoints
_____ attorney
to transfer the said Bond on the books kept for registration thereof with full power of substitution
in the premises.

Date: _____

SIGNATURE

GUARANTEED:

Notice: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Schedule I
SCHEDULE OF PARTICIPANTS

Participant	Jan. 1, 2007 – Dec. 31, 2007	Jan. 1, 2008 – Mar. 31, 2008	Apr. 1, 2008 – Dec. 31, 2012
Cleveland			
Westerville			
Cuyahoga Falls			
Jackson			
Bowling Green			
Wadsworth			
Niles			
Amherst			
Woodsfield			
Oberlin			
Holiday City			
Hudson			
Galion			
Monroeville			
Montpelier			
Shelby			
Columbiana			
Newton Falls			
Seville			
Brewster			
Grafton			
Lodi			
New Knoxville			
Pioneer			
Edgerton			
Hubbard			
Napoleon			
Wellington			
Oak Harbor			
Beach City			
Bradner			
Custar			
Elmore			
Genoa			
Haskins			
Lucas			
Milan			
Pemberville			
Prospect			
South Vienna			
Woodville			
Total			

Schedule II

SCHEDULED DEBT SERVICE DEPOSITS

MONTH	SCHEDULED MONTHLY DEPOSIT*	MINIMUM INTEREST EARNINGS ACCRUAL	CUMULATIVE SCHEDULED BALANCE
5/1/2007			
6/1/2007			
7/1/2007			
8/1/2007			
9/1/2007			
10/1/2007			
11/1/2007			
12/1/2007			
1/1/2008			
2/1/2008			
3/1/2008			
4/1/2008			
5/1/2008			
6/1/2008			
7/1/2008			
8/1/2008			
9/1/2008			
10/1/2008			
11/1/2008			
12/1/2008			
1/1/2009			
2/1/2009			
3/1/2009			
4/1/2009			
5/1/2009			
6/1/2009			
7/1/2009			
8/1/2009			
9/1/2009			
10/1/2009			
11/1/2009			
12/1/2009			
1/1/2010			
2/1/2010			
3/1/2010			
4/1/2010			
5/1/2010			
6/1/2010			
7/1/2010			
8/1/2010			
9/1/2010			
10/1/2010			
11/1/2010			

* The amounts are to be deposited on the last Business Day of the prior month.

APPENDIX G
TRUST INDENTURE

MONTH	SCHEDULED MONTHLY DEPOSIT*	MINIMUM INTEREST EARNINGS ACCRUAL	CUMULATIVE SCHEDULED BALANCE
12/1/2010			
1/1/2011			
2/1/2011			
3/1/2011			
4/1/2011			
5/1/2011			
6/1/2011			
7/1/2011			
8/1/2011			
9/1/2011			
10/1/2011			
11/1/2011			
12/1/2011			
1/1/2012			
2/1/2012			
3/1/2012			
4/1/2012			
5/1/2012			
6/1/2012			
7/1/2012			
8/1/2012			
9/1/2012			
10/1/2012			
11/1/2012			
12/1/2012			
1/1/2013			
2/1/2013			

Schedule III

AMORTIZED VALUE

EXTRAORDINARY MANDATORY REDEMPTION DATE	AMORTIZED VALUE	EXTRAORDINARY MANDATORY REDEMPTION DATE	AMORTIZED VALUE
5/1/2007		4/1/2010	
6/1/2007		5/1/2010	
7/1/2007		6/1/2010	
8/1/2007		7/1/2010	
9/1/2007		8/1/2010	
10/1/2007		9/1/2010	
11/1/2007		10/1/2010	
12/1/2007		11/1/2010	
1/1/2008		12/1/2010	
2/1/2008		1/1/2011	
3/1/2008		2/1/2011	
4/1/2008		3/1/2011	
5/1/2008		4/1/2011	
6/1/2008		5/1/2011	
7/1/2008		6/1/2011	
8/1/2008		7/1/2011	
9/1/2008		8/1/2011	
10/1/2008		9/1/2011	
11/1/2008		10/1/2011	
12/1/2008		11/1/2011	
1/1/2009		12/1/2011	
2/1/2009		1/1/2012	
3/1/2009		2/1/2012	
4/1/2009		3/1/2012	
5/1/2009		4/1/2012	
6/1/2009		5/1/2012	
7/1/2009		6/1/2012	
8/1/2009		7/1/2012	
9/1/2009		8/1/2012	
10/1/2009		9/1/2012	
11/1/2009		10/1/2012	
12/1/2009		11/1/2012	
1/1/2010		12/1/2012	
2/1/2010		1/1/2013	
3/1/2010		2/1/2013	

LETTERHEAD OF ATTORNEY FOR PARTICIPANT

[DATE]

American Municipal Power-Ohio, Inc.
c/o John W. Bentine
General Counsel
Chester, Willcox & Saxbe LLP
Suite 1000
65 East State Street
Columbus, Ohio 43215

Re: Legal Opinion Pertaining to Long Term Prepaid Power Purchase

I am an attorney admitted to practice in the State of Ohio and I have acted as counsel to the _____ of _____, Ohio (the "Municipality"), which has entered into a Master Services Agreement ("MSA") and the Amended and Restated Power Schedule (2006-A Long Term Power Purchase) ("Power Schedule" and, collectively, with the MSA, the "Agreements") between Municipality and American Municipal Power-Ohio, Inc. ("AMP-Ohio"), and have acted as such in connection with the authorization, execution and delivery by Municipality of the Agreements. Terms not defined herein have the meanings given such terms in the Power Schedule.

In rendering the opinions set forth herein, I have reviewed (i) the MSA and the Power Schedule; (ii) the relevant ordinance and any charter provisions of Municipality; (iii) the laws and constitution of the State of Ohio; and (iv) such other agreements, documents, opinions and matters I have deemed necessary to render the opinions set forth herein.

Based on the foregoing and taking into account legal principles I deem relevant, I am of the opinion that:

- 1) Municipality is duly created and validly existing pursuant to the Constitution and law of the State of Ohio.
- 2) Municipality has full legal right and authority to enter into each of the Agreements, to carry out its obligations thereunder and to furnish electricity to its customers.
- 3) The governing body which has the requisite authority to authorize an appropriate officer of Municipality to execute and deliver each of the Agreements in the name of, and on behalf of, Municipality is the _____ of the _____ of _____, Ohio. The _____ duly approved each of the Agreements and authorized their execution and delivery on behalf of Municipality by legislative action duly and lawfully adopted at meetings duly called and held pursuant to necessary public notice at which quorums were present and acting throughout. All such legislative action has become effective.

- 4) Each of the Agreements has been duly authorized, executed and delivered by the appropriate officers of Municipality pursuant to legislative action authorizing or directing the same.
- 5) Municipality has power and authority to fix, charge, collect and revise the rates charged to the customers of its Electric System.
- 6) The obligation of Municipality to make payments to AMP-Ohio pursuant to the each of the Agreements is an obligation of Municipality's Electric System payable from the revenues thereof, as set forth in the respective Agreements.
- 7) The execution and delivery of each of the Agreements by Municipality and the performance by Municipality of its obligations thereunder do not contravene in any material respect any applicable resolution, ordinance or charter provision, or any order, injunction, judgment, decree, rule or regulation of any court or administrative agency having jurisdiction over Municipality or its property or, in any material respect, result in a breach or violation of any of the terms and provisions of, or constitute a default under, any bond ordinance, trust agreement, indenture, mortgage, deed of trust or other agreement to which Municipality is a party or by which it or its property is bound and relating to Municipality's Electric System.
- 8) To the best of my knowledge [and except to the extent described in Appendix K], there is no litigation or other proceedings pending or threatened against Municipality in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of Municipality or its Electric System or the validity, legality or enforceability of either of the Agreements.

With respect to the existence of (i) litigation, (ii) instruments relating to outstanding bonds, notes or other indebtedness, (iii) orders, injunctions, judgments, or decrees of any court or administrative agency having jurisdiction over Municipality or its property and (iv) bond ordinances, trust agreements, indentures, mortgages, deed of trusts or other agreements, in each case relating to Municipality's Electric System and for purposes of the opinions expressed in paragraphs 7 and 8 above, I have relied upon written representations of the appropriate officers of Municipality and/or the Utility Governing Body or the attached opinions of other counsel. Counsel to AMP-Ohio, may rely upon this opinion for purposes of their opinion that each of the Agreements is a valid and binding obligation of Municipality.

Very truly yours,

**[For any questions or an electronic copy of this document, please contact
Barbara Johnson at 614-334-6144 or barbjohnson@cwslaw.com,
or John Bentine at 614-334-6121 or jbentine@cwslaw.com.]**

APPENDIX I
SCHEDULING AND DISPATCHING

If Municipality is a full requirements purchaser from AMP-Ohio, scheduling and dispatching will be provided to Municipality by AMP-Ohio through the full requirements arrangements.

If Municipality is not a full requirements purchaser from AMP-Ohio, Municipality must provide day-ahead schedules by 10:00 a.m. EPT at least one Business Day prior to delivery of energy or as by the time required by MISO and PJM for day ahead scheduling.

APPENDIX K
OTHER OBLIGATIONS/DISCLOSURES
(Only necessary if bonds are issued)

**[To be included by Municipality, if applicable.
See e.g. paragraph 7 of Appendix H.]**

