

LAW OFFICES

HOLLAND & KNIGHT

RECORDATION NO. 13852-B Filed 1425

DEC 7 1984 - 3 50 PM

INTERSTATE COMMERCE COMMISSION

P. O. Box 1669  
406 THIRTEENTH STREET WEST  
BRADENTON, FLORIDA 33506  
(813) 746-7107

P. O. Box 14005  
110 EAST BROWARD BLVD.  
FORT LAUDERDALE, FLORIDA 33302  
(305) 525-1000

P. O. DRAWER BW  
92 LAKE WIRE DRIVE  
LAKELAND, FLORIDA 33802  
(813) 682-1161

P. O. Box 015441  
1200 BRICKELL AVENUE  
MIAMI, FLORIDA 33101  
(305) 374-8500

P. O. Box 1526  
255 SOUTH ORANGE AVENUE  
ORLANDO, FLORIDA 32802  
(305) 425-8500

P. O. Box 444  
2033 WOOD STREET  
SARASOTA, FLORIDA 33578  
(813) 365-3321

P. O. DRAWER 810  
BARNETT BANK BLDG.  
TALLAHASSEE, FLORIDA 32302  
(904) 224-7000

P. O. Box 1288  
600 NORTH FLORIDA AVE.  
TAMPA, FLORIDA 33601  
(813) 223-1621

PLEASE REPLY TO: Tampa  
December 7, 1984

888 SEVENTEENTH STREET, N. W.  
SUITE 400  
WASHINGTON, D. C. 20006  
(202) 955-5550

CABLE ADDRESS  
HND KNIGHT TPA  
H&K MIA  
TELEX 5-2630-TAMPA  
TELEX 52-2233-MIAMI

No. 4-342A044  
Date DEC 7 1984  
Fee \$ 20.00  
ICC Washington, D.C.

DEC 7 9 16 PM '84  
TIP  
100

Secretary James H. Bayne  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423

Attn: Mrs. Mildred Lee  
Room 2303  
Recordation

Dear Secretary Bayne:

I have enclosed an original and one certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is an Assignment of Coal Transportation Leases, among them two Equipment Leases, is a secondary document and is dated December 7, 1984. The primary documents to which this document is connected are two Equipment Leases, recorded under Recordation Nos. 13852 and 14400. We request that this assignment be cross-indexed.

The names and addresses of the parties to the document are as follows:

Assignor: Seminole Electric Cooperative, Inc.  
16313 N. Dale Mabry Highway  
Tampa, Florida 33618

Assignee: CBT Trust Company of Florida,  
National Association  
400 Australian Avenue  
Suite 750  
West Palm Beach, Florida 33409

A description of the equipment covered by the document is as follows:

*Handwritten notes:*  
10/19/84  
C. Sweeney

The Equipment shall consist of the following items from the Document with Recordation No. 13852:

<u>Quantity</u>	<u>Description</u>	<u>Estimated Lessor's Cost Per Item</u>
196	100-ton nominal capacity gondola cars with single rotary dump features manufactured by Ortner Freight Car Company having road numbers SEMX 82000 through SEMX 82047, SEMX 82048 through SEMX 82097, SEMX 83100 through SEMX 83197	\$39,621
4	100-ton nominal capacity gondola cars with double rotary dump features manufactured by Ortner Freight Car Company having road numbers SEMX 82900, SEMX 82901, SEMX 83902 and SEMX 83903	\$40,371

Estimated Lessor's Cost - \$7,927,200

The Equipment shall consist of the following items from the Document with Recordation No. 14400:

<u>Quantity</u>	<u>Description</u>
98	100-ton nominal capacity gondola cars with single rotary dump features, manufactured by Ortner Freight Car Company, rd. Nos. SEMX 84200-84297
2	100-ton nominal capacity gondola cars with double rotary dump features, manufactured by Ortner Freight Car Company, rd. Nos. SEMX 84904-84905

Secretary James H. Bayne  
December 7, 1984  
Page 3

A fee of \$10.00 is enclosed. Please return the original or any extra copy not needed by the Commission for recordation to:

Holland & Knight  
Post Office Box 1288  
Tampa, Florida 33601

Attn: Danny Jackson

A short summary of the document to appear in the index follows: Assignment of Coal Transportation Leases between Seminole Electric Cooperative, Inc., 16313 N. Dale Mabry Highway, Tampa, Florida 33618 and CBT Trust Company of Florida, National Association, 400 Australian Avenue, Suite 750, West Palm Beach, Florida 33409, dated December 7, 1984 and covering 294 100-ton nominal capacity gondola cars with single rotary dump features and 6 100-ton nominal capacity gondola cars with double rotary dump features and connected to two Equipment Leases with Recordation Nos. 13852 and 14400.

Very truly yours,

HOLLAND & KNIGHT



James H. Shimberg, Jr.

Attorneys for CBT Trust  
Company of Florida,  
National Association

JHS/cct  
Enclosure

**Interstate Commerce Commission**  
Washington, D.C. 20423

12/7/84

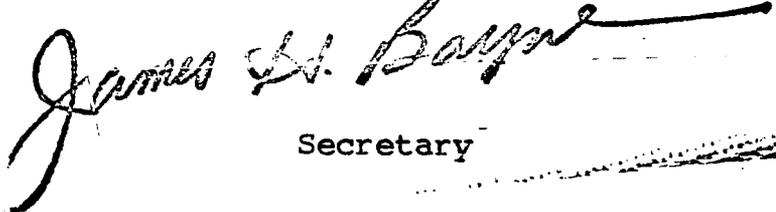
OFFICE OF THE SECRETARY

James H Shimberg, Jr.  
Holland & Knight  
P.O.Box 1288  
600 N Florida Ave.  
Tampa, Florida 33601

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/7/84 at 3:50pm and assigned re-  
recording number (s).13852-B 14400-B

Sincerely yours,

  
Secretary

Enclosure(s)

RECORDATION NO. 13852-B Filed 1425

DEC 7 1984 -3 50 PM

INTERSTATE COMMERCE COMMISSION

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ASSIGNMENT OF  
COAL TRANSPORTATION LEASES

Dated December 7, 1984

from

SEMINOLE ELECTRIC COOPERATIVE, INC.,

Assignor

to

CBT TRUST COMPANY OF FLORIDA, NATIONAL ASSOCIATION,  
Owner Trustee and Assignee

---

This Assignment of Coal Transportation Leases has been executed in original counterparts of which this is original counterpart number ; only original counterpart number 1 constitutes chattel paper within the meaning of the Uniform Commercial Code; accordingly, any assignee of any rights of Owner Trustee under this Assignment of Coal Transportation Leases cannot perfect a security interest in such rights without taking possession of original counterpart number 1.

ASSIGNMENT OF COAL TRANSPORTATION LEASES, dated December 7, 1984, from SEMINOLE ELECTRIC COOPERATIVE, INC., a Florida electric cooperative corporation, as assignor ("Assignor"), to CBT TRUST COMPANY OF FLORIDA, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as trustee under a Trust Agreement dated as of August 1, 1984, as assignee ("Assignee"). Capitalized terms used herein are defined in Appendix A to the Lease Agreement, dated as of December 7, 1984 (the "Lease"), between Assignor, as lessee, and Assignee, as lessor.

W I T N E S S E T H :

Assignor has heretofore entered into the following agreements for the charter of marine transportation equipment and the lease of railroad cars for the transportation of Coal for use in the operation of Seminole Unit 1 and Seminole Unit 2 (such agreements being referred to herein collectively as the "Assigned Coal Transportation Leases" and the parties to such agreements, other than Assignor, being referred to herein individually as a "Lessor" and collectively as the "Lessors"):

(i) an Amended and Restated Bareboat Charter Party, dated August 16, 1983, between CBT, as owner trustee for GECC (Seminole Electric Cooperative, Inc. Trust III), and Lessee, providing for the charter of 2 barges, 2 towboats and 1 tugboat,

(ii) a Bareboat Charter Party, dated September 15, 1982, between CBT, as owner trustee for Xerox Services, Inc. ("Xerox"), and Lessee,

(iii) a Bareboat Charter Party dated December 20, 1983, between Cumberland Leasing Co. ("Cumberland") and Lessee,

(iv) a Bareboat Charter Party, dated as of December 29, 1983, between CBT, as owner trustee for GECC, and Lessee,

(v) an Equipment Lease, dated November 1, 1982, between CBT and F. W. Kawam, as owner trustees for Xerox, and Lessee, and

(vi) an Equipment Lease, dated as of December 20, 1983, between Cumberland and Lessee,

as any of the above may have been or may be supplemented or amended from time to time.

Assignee intends to purchase the Facility Assets from Assignor as provided, and subject to the conditions contained, in the Participation Agreement and Assignor is willing to assign to Assignee, on the terms and conditions herein set forth, a one-half undivided interest in Assignor's leasehold interest in the Assigned Coal Transportation Leases.

In consideration of the issue by Assignee of the Notes referred to in the Indenture, the proceeds of which are to be used for purposes of financing part of the cost of the Facility Assets, Assignee intends further to assign to Indenture Trustee the rights assigned to Assignee hereunder.

NOW, THEREFORE, the parties hereto agree as follows:

1. Assignor hereby assigns, conveys, transfers and sets over unto Assignee a one-half undivided interest in its leasehold interest in the Assigned Coal Transportation Leases.

2. Notwithstanding the foregoing, so long as, and only so long as, a Lessor shall not have received notice in writing from Assignee or Indenture Trustee that a Default or an Event of Default has occurred and is continuing, Assignor shall be entitled to the quiet use and enjoyment of the marine equipment and railroad cars which are subject to the Assigned Coal Transportation Leases. Assignee authorizes Assignor, to the exclusion of Assignee, to exercise in its own name all rights and powers against such Lessor under the Assigned Coal Transportation Leases to which such Lessor is a party to the same extent as if this Assignment had not been executed; provided, however, that Assignor may not enter into any amendment or modification to any of the Assigned Coal Transportation Leases without (x) 10 Business Days' prior written notice thereof to Assignee and (y) the written consent or countersignature of Assignee if such amendment or modification could (i) result in any rescission, cancelation or termination of such Assigned Coal Transportation Lease other than a termination of any Assigned Coal Transportation Lease in connection with an option expressly provided in such Assigned Coal Transportation Lease to purchase the marine equipment or railroad cars or terminate such Assigned Coal Transportation Lease, in circumstances where Assignor provides Assignee

with a security interest, reasonably satisfactory to it, and substantially comparable to the security interest granted hereby, in the means of transportation of Coal for Seminole Unit 2, (ii) materially and adversely prejudice the rights of Assignee thereunder or (iii) modify any of the warranty or indemnity provisions or remedies or powers contained in such Assigned Coal Transportation Leases in favor of Assignor and assigned to Assignee; provided further that this Assignment shall at all times be subject and subordinate to the following:

(a) with respect to the Bareboat Charter Party identified in clause (i) above, the rights of (1) CBT, as Owner Trustee, and GECC, as Trustor, under such Bareboat Charter Party and under the Agreement to Acquire and Charter (the "GECC Trust III Agreement") dated as of March 31, 1983 among GECC, CBT, Lessee and Florida Barge Lines ("Florida Barge Lines"), (2) the permitted successors and assignees of CBT and GECC, (3) NCSC, as Mortgagee under a First Preferred Fleet Mortgage dated August 16, 1983, made by CBT to NCSC as such First Preferred Fleet Mortgage may have been or may be supplemented from time to time, and as Loan Participant under a Charter Assignment dated as of August 16, 1983 from CBT to NCSC, and under the GECC Trust III Agreement and (4) the assignees of NCSC,

(b) with respect to the Bareboat Charter Party identified in clause (ii) above, the rights of (1) CBT, as Owner Trustee, and Xerox, as Trustor, under such Bareboat Charter Party and under the Participant Agreement (the "Xerox Marine Agreement") dated as of September 15, 1982 among Xerox, CBT, NCSC, Lessee and Florida Barge Lines, (2) the permitted successors and assignees of CBT and Xerox, (3) NCSC, as Mortgagee under a First Preferred Fleet Mortgage dated as of October 6, 1982, made by CBT to NCSC, as such First Preferred Fleet Mortgage may have been or may be supplemented from time to time, and as Loan Participant under a Charter Assignment dated as of September 15, 1982 from CBT to NCSC, and under the Xerox Marine Agreement and (4) the assignees of NCSC,

(c) with respect to the Bareboat Charter Party identified in clause (iii) above, the rights of (1) Cumberland, as Owner, under such Bareboat Charter Party and the Participation Agreement (the "Cumberland Marine Agreement") dated as of December 20, 1983 among Cumberland, Illinois Tool Works Inc., NCSC, Florida

Barge Lines and Lessee, (2) the permitted successors and assignees of Cumberland, (3) the holders of Notes (as defined in the Charter Assignment (the "Cumberland Assignment") dated as of December 20, 1983, made by Cumberland to NCSC) and NCSC, as Mortgagor under a First Preferred Fleet Mortgage dated as of June 20, 1984 made by Cumberland to NCSC as such First Preferred Fleet Mortgage may have been or may be supplemented from time to time, as Lender under the Cumberland Assignment, and under the Cumberland Marine Agreement and (4) the assignees of NCSC,

(d) with respect to the Bareboat Charter Party identified in clause (iv) above, the rights of (1) CBT, as Owner Trustee, and GECC, as Trustor, under such Bareboat Charter Party and under the Agreement to Acquire and Charter (the "GECC Trust IV Agreement") dated as of December 29, 1983 among GECC, CBT, Lessee and Florida Barge Lines, (2) the permitted successors and assignees of CBT and GECC, (3) NCSC, as Mortgagee under a First Preferred Fleet Mortgage dated August 16, 1983, made by CBT to NCSC as such First Preferred Fleet Mortgage may have been or may be supplemented from time to time, as Loan Participant under a Charter Assignment dated as of August 16, 1983 from CBT to NCSC, and under the GECC Trust IV Agreement and (4) the assignees of NCSC,

(e) with respect to the Equipment Lease identified in clause (v) above, the rights of (1) CBT and F. W. Kawam, as Owner Trustees, and Xerox, as Beneficiary, under such Equipment Lease dated as of November 1, 1982, among CBT and F. W. Kawam, Southwest Bank, N.A., Xerox, NCSC and Lessee, (2) the permitted successors and assignees of CBT and F. W. Kawam and Xerox, (3) the holders of Notes (as defined in the Trust Indenture dated as of November 1, 1982, made by CBT and F. W. Kawam to Southwest Bank, N.A.) and NCSC, as Lender, under said Trust Indenture and the Xerox Railcar Agreement and (4) the assignees of the Southwest Bank, N.A. and NCSC,

(f) with respect to the Equipment Lease identified in clause (vi) above, the rights of (1) Cumberland, as Lessor, under such Equipment Lease and the Participation Agreement (the "Cumberland Railcar Agreement") dated as of December 20, 1983, among Cumberland, Illinois Tool Works Inc., NCSC and Lessee, (2) the permitted successors and assignees of Cumberland,

(3) the holders of Notes (as defined in the Loan, Mortgage and Security Agreement (the "Cumberland Mortgage") dated as of December 20, 1983, made by Cumberland to NCSC) and NCSC, as Lender, under the Cumberland Mortgage and under the Cumberland Railcar Agreement and (4) the assignees of NCSC, and

(g) the rights of the Mortgagees under the Assigned Coal Transportation Leases to cure defaults of Assignor thereunder and to perform the obligations of Assignor thereunder, pursuant to the express terms thereof.

3. Notwithstanding any other provision of this Assignment, Assignor shall at all times remain liable under each Assigned Coal Transportation Lease to perform all of its duties and obligations thereunder to the same extent as if this Assignment had not been executed. Furthermore, (a) neither this Assignment nor the exercise by Assignee of any of the rights assigned hereunder shall cause Assignee to become subject to any obligation or liability of Assignor, or release Assignor from any of its duties or obligations, under any Assigned Coal Transportation Lease or any other instrument or document in respect of the transportation of Coal for Seminole Unit 2, except to the extent that such exercise by Assignee shall constitute performance of such duties or obligations, and (b) Assignee shall not have any obligation or liability under any Assigned Coal Transportation Lease by reason of, arising out of, this Assignment or be obligated to perform any of the obligations or duties of Assignor under any Assigned Coal Transportation Lease or any other instrument or document in respect of the transportation of Coal for Seminole Unit 2 or to make any inquiry as to the sufficiency or authorization for any payment received by it or to take any other action to collect or enforce any claim for payment assigned hereunder.

4. Nothing herein contained shall subject any Lessor to any liability to which it would not otherwise be subject or modify in any respect any Lessor's rights against Assignor.

5. Subject in each case to the rights of the parties identified in paragraph 2 of this Assignment, Assignor constitutes Assignee, its successors and assigns, Assignor's true and lawful attorney, irrevocably, with full power (in the name of Assignor or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for money due and to become

due under, or arising out of, the rights assigned hereunder and, for such period as Assignee may exercise rights with respect thereto under this Assignment, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute or assume control of any proceedings and obtain any recovery in connection therewith which to Assignee may seem necessary or advisable.

6. Assignor agrees that at any time and from time to time, upon the written request of Assignee, Assignor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Assignee may reasonably request in order to obtain the full benefits of this Assignment and of the rights and powers herein granted.

7. Assignor does hereby (i) represent and warrant that the Assigned Coal Transportation Leases are freely assignable to the extent provided in this Assignment, (ii) represent and warrant to Assignee that it knows of no default in the performance by any Lessor under any of the Assigned Coal Transportation Leases assigned hereby which in any material respect may affect the commercial viability of Seminole Unit 2, (iii) represent and warrant that Assignor has not assigned or pledged, and covenant that it will not assign or pledge, the whole or any part of the rights hereby assigned to anyone other than Assignee, except for the security interests granted pursuant to the REA Mortgage and the Subordinated Mortgage, (iv) covenant that it will not enter into any agreement or take any action that would amend, modify, supplement, rescind, waive, cancel or terminate any of the rights hereby assigned, or consent to any assignment or transfer of any Lessor's rights or obligations under the Assigned Coal Transportation Lease with such Lessor hereby assigned, (A) without giving 10 Business Days' prior written notice thereof to Assignee or (B) in a manner which would be materially adverse to Seminole Unit 2 when compared with Seminole Unit 1 without Assignee's prior written consent or in a manner which may result in an Event of Default, (v) agree to cause all notices to the Lessors to be given and delivered promptly and within the time provided in, and otherwise in accordance with the terms of, the Assigned Coal Transportation Leases, (vi) agree to perform its obligations under the Assigned Coal Transportation Leases and procure performance on the part of the other party or parties thereto and (vii) agree forthwith to notify Assignee of any default by any Lessor in its performance of any of the provisions of any Assigned Coal Transportation

Leases, and of any assertion by a Lessor that circumstances have arisen which may permit or result in termination of any Assigned Coal Transportation Leases.

8. In order to secure the indebtedness evidenced by the Notes and certain other obligations as provided in the Indenture, the Indenture provides, among other things, for the assignment by Assignee to Indenture Trustee of its right, title and interest in, to and under this Assignment, to the extent set forth in the Indenture, and for the creation of a mortgage lien on, and security interest in, the Facility in favor of Indenture Trustee. Assignor hereby consents to such assignment and the creation of such mortgage and security interest, consents to the terms and provisions thereof and (a) acknowledges that such assignment, mortgage and security interest provide for the exercise by Indenture Trustee of all rights of Assignee hereunder to give any consents, approvals, waivers, notices or the like, to make any elections, demands or the like or to take any other discretionary action hereunder, except as specifically set forth in the Indenture, and (b) agrees that, to the extent provided in the Indenture, Indenture Trustee shall have all the rights of Assignee hereunder as if Indenture Trustee had originally been named herein as Assignee (every reference herein to Assignee being read to mean, except where the context otherwise requires, Indenture Trustee), such rights of Assignee and Indenture Trustee to be subject and subordinate in each case to the rights of the parties identified in subparagraphs (a) to (g) of paragraph 2 of this Assignment. Assignor will furnish to Indenture Trustee and Loan Participant counterparts of all notices, certificates or other documents of any kind required to be delivered hereunder by Assignor to Assignee.

9. Unless otherwise specifically provided herein, all notices, requests, demands and other communications required or contemplated by the provisions hereof shall be given as provided in the Participation Agreement.

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

11. This Assignment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

13. This Assignment shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed the date first above written.

SEMINOLE ELECTRIC COOPERATIVE,  
INC.,

by

  
\_\_\_\_\_  
President

CBT TRUST COMPANY OF FLORIDA,  
NATIONAL ASSOCIATION, not in  
its individual capacity but  
solely as trustee under a Trust  
Agreement with General Electric  
Credit Corporation dated as of  
August 1, 1984,

by

  
\_\_\_\_\_  
Vice President



APPENDIX A

DEFINITIONS

[Same as Appendix A to the Participation Agreement]

## APPENDIX A

### DEFINITIONS

The following terms shall have the following meanings for all purposes and such meanings are equally applicable both to the singular and plural forms of the terms defined. Any agreement defined or referred to below shall include each amendment, modification and supplement thereto and waiver thereof as may become effective from time to time, except where otherwise indicated. Any term defined below by reference to any agreement shall have such meaning whether or not such document is in effect. The terms "hereof", "herein", "hereunder" and comparable terms refer to the entire agreement with respect to which such terms are used and not to any particular article, section or other subdivision thereof.

"Affiliate", with respect to any Person, shall mean any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"After-Tax Basis" shall mean, with respect to any payment received or deemed to have been received by any Person, the amount of such payment supplemented by a further payment to that Person so that the sum of the two payments shall, after deduction of all taxes and other charges (taking into account any credits or deductions arising therefrom and the timing thereof) resulting from the receipt (actual or constructive) of such two payments imposed under any Federal, state or local law or by any governmental authority in the United States of America, or any territory or possession of the United States of America, or any foreign country or subdivision or any taxing authority of any thereof, or any international taxing authority, be equal to such payment received or deemed to have been received.

"Alterations" shall mean alterations, modifications, additions and improvements to the Facility, but does not include any original or substitute or replacement Components.

"Appraisal" shall mean an appraisal, dated the Funding Date, of Stone & Webster Management Consultants Inc. (or, at Owner Participant's request, another engineering firm mutually acceptable to Owner Participant and Lessee) to the effect that the useful life of the Facility Assets and the residual value, as of the end of the second Renewal Term, of the Facility Assets, when used in conjunction with the rights of Owner Trustee under the Ground Lease and the Support Agreement, is or will be at least equal to 45 years and 20% of Facility Cost (computed without regard to inflation or deflation), respectively; that the Facility Cost on the Funding Date is equal to the fair market value of the Facility; and that, assuming Owner Trustee, and purchasers from or assignees of Owner Trustee, will have those rights which the Ground Lease and the Support Agreement purport to grant and convey to Owner Trustee, it will be commercially feasible for Owner Trustee, and purchasers from or assignees of Owner Trustee, to use the Facility Assets after the expiration or termination of the Lease.

"Appraisal Procedure" shall mean a procedure whereby two independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the determinations then the subject of appraisal. Lessor or Lessee, as the case may be, shall deliver a written notice to the other appointing its appraiser within 15 days after receipt from the other of a written notice appointing its appraiser. If within 30 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within ten days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in the business of operating a coal-fired steam electric generating plant and a familiarity with equipment used or operated in such business. The decision of the third appraiser so appointed and chosen shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive on Lessor and Lessee; otherwise the average of all three determinations shall be binding and conclusive on Lessor and Lessee.

"Assigned Coal Transportation Leases" shall have the meaning set forth in the Assignment of Coal Transportation Leases.

"Assignment of Coal Transportation Leases" shall mean the Assignment of Coal Transportation Leases, to be dated the Funding Date and substantially in the form of Exhibit Q to the Participation Agreement, from Lessee to Lessor of the Coal Transportation Leases described therein.

"Assignment of Fuel Contracts" shall mean the Assignment of Fuel Contracts, to be dated the Funding Date and substantially in the form of Exhibit M to the Participation Agreement, from Lessee to Lessor of the Fuel Contracts and guaranties described therein, together with all Notices of Assignment delivered in connection therewith.

"Assumption and Release" shall mean the Assumption and Release, to be dated the Funding Date and substantially in the form of Exhibit O to the Participation Agreement, among Authority, Authority Trustee, Lessee, Lessor, NCSC and CFC.

"Authority" shall mean Putnam County Development Authority, a body corporate and politic of the State of Florida.

"Authority Bond Rate" shall mean the rate of interest borne from time to time by the Authority Bonds.

"Authority Bonds" shall mean the guaranteed pollution control revenue bonds issued by Authority pursuant to the Authority Indenture to refund the Commercial Paper Bonds issued with respect to the ITC Pollution Control Assets.

"Authority Indenture" shall mean the Indenture of Trust dated as of October 15, 1984, between Authority and Authority Trustee relating to the Authority Bonds.

"Authority Letter" shall have the meaning set forth in Article I of the Authority Indenture.

"Authority Trust Indenture Estate" means the "Trust Estate" as defined in the Authority Indenture.

"Authority Trustee" shall mean Morgan Guaranty Trust Company of New York, a New York corporation, and each successor as Authority Trustee in the trusts created by the Authority Indenture.

"Average Annual Capacity Factor" shall mean, with respect to Seminole Unit 2, the quotient obtained by dividing (A) the number of megawatt hours, measured at the output terminals of the generator, generated during a calendar year by (B) the product of (i) 8,760 multiplied by (ii) the Rated Capacity of Seminole Unit 2.

"Bank Prime Rate" shall mean that bank prime rate published in the "Money Rates" column (or, if such column shall cease to be published therein, the equivalent column or table) of any edition of The Wall Street Journal which Loan Participant determines in its absolute discretion to be the representative bank prime rate on the day preceding the day on which an adjustment in the Bank Prime Rate shall become effective, as adjusted from time to time on the first and sixteenth days of each month; the Bank Prime Rate as so adjusted shall remain in effect until a subsequent such adjustment in rate occurs. If such preceding day is not a publication day for The Wall Street Journal, then the prevailing bank prime rate shall be established by reference to such column or table as of the last publication day next preceding the day on which such adjustment shall become effective. If The Wall Street Journal shall cease to be published or if no such column or table shall be published therein, then the Bank Prime Rate shall be determined by Loan Participant by reference to another publication reporting bank prime rates in the same manner.

"Basic Lease Commencement Date" shall mean December 15, 1984.

"Basic Rent" shall mean the rent payable pursuant to Section 3.02 of the Lease.

"Basic Rent Payment Dates" shall mean and include each June 15 and December 15, commencing June 15, 1985, throughout (and including the last day of) the Basic Term, each elected Renewal Term and any Extension Period.

"Basic Term" shall mean the period commencing on the Basic Lease Commencement Date and ending on the twenty-fifth anniversary thereof, or such shorter period as may result from earlier termination as provided in the Lease.

"Bill of Sale" shall mean any Warranty Deed and Bill of Sale, substantially in the form of Exhibit K to the Participation Agreement, between Lessee and Lessor, duly completed and executed and delivered on the Funding Date or, in the case of Facility Assets acquired after the Funding Date, a date required by Section 3.09 of the Indenture.

"Bond Guaranty" shall mean the Guaranty, Assignment and Agency Agreement dated as of October 15, 1984, between CFC and Authority Trustee in respect of the Authority Bonds.

"Bond Purchase Agreement" shall mean the Purchase Agreement dated November 1, 1984, between Authority and the underwriters identified therein, relating to the offering and sale of the Authority Bonds.

"Business Day" shall mean any day other than a Saturday or Sunday or any other day on which banks in New York, New York, are authorized to be closed.

"Capital Improvements" shall mean alterations, modifications, additions and improvements to the Common Facilities, the construction costs of which are to be added to the electric plant accounts of Lessee pursuant to the Uniform System of Accounts.

"Casualty Value", as of any Basic Rent Payment Date, shall mean (i) during the Basic Term, the amount determined by multiplying Facility Cost by the percentage in Schedule 2 to the Lease (including the footnote thereto) set forth opposite such Basic Rent Payment Date and (ii) during any Renewal Term or Extension Period, the amount determined, in accordance with Section 5.05 of the Lease, by amortizing ratably the Fair Market Sales Value of the Facility as of the day following the last day of the Basic Term in semi-annual steps over the remaining Ground Lease Term, which amortized amounts shall be set forth in a revised Schedule 2 to the Lease prior to the last day of the Basic Term; provided, however, that Casualty Value as of any date shall be, under any circumstances and in any event, an amount at least sufficient to pay in full the aggregate unpaid principal amount of all Notes then outstanding, together with all accrued and unpaid interest thereon, plus, when there is added to such Casualty Value all other amounts of Supplemental Rent paid on such date, the aggregate amount, if any, of all sums which on such date of payment, if Section 3.03 of the Indenture were applicable, would be entitled to be

paid in priority to or on a parity with the payment specified in clause "Fifth" thereof.

"CBT" shall mean The Connecticut Bank and Trust Company, National Association, a national banking association.

"Certificate of Acceptance" shall mean a certificate, substantially in the form of Exhibit N to the Participation Agreement, duly completed and executed and delivered on the Funding Date or a date required by Section 3.09 of the Indenture and executed by the President or any Vice President of Lessee.

"CFC" shall mean National Rural Utilities Cooperative Finance Corporation, a cooperative association organized under the laws of the District of Columbia.

"CFC Letter" shall mean the letter dated as of August 1, 1984, substantially in the form of Exhibit R to the Participation Agreement, from CFC to Owner Participant and Lessee.

"Change in Tax Laws" shall mean any amendment, modification, addition, deletion or change in the provisions of the Code, the regulations promulgated thereunder or any revenue procedure, revenue ruling, technical advice memorandum, published administrative interpretation or any private letter ruling issued to Lessor, Lessee or Owner Participant or any change in judicial decisions interpreting the Code.

"Claims" shall mean liabilities, obligations, losses, damages, penalties, claims (including without limitation claims involving liability in tort, strict or otherwise), actions, suits, judgments, costs, expenses and disbursements (including without limitation legal fees and expenses) of any kind and nature whatsoever without any limitation as to amount.

"Class" shall have the meaning set forth in the definition of "Facility Assets".

"Coal" shall mean coal of such kind and quality as may be burned in Seminole Unit 2's boiler in accordance with the Plans and Specifications.

"Coal Cost" shall mean the cost of Coal determined in accordance with Section 2.7 of the Support Agreement.

"Coal Supply Agreement" shall mean the Coal Supply Agreement, dated January 17, 1979, among Lessee, as purchaser, and Webster County Coal Corporation and White County Coal Corporation, as respective sellers, including the guaranty, if any, of the sellers' obligations.

"Coal Transportation Agreement" shall mean (i) the Coal Transportation Contract, dated February 21, 1981, between Lessee and Central Gulf Lines, Inc., including the guaranty thereof, if any, (ii) an Agreement, dated October 8, 1981, between Lessee and Mt. Vernon Coal Transfer Company, including the guaranty thereof, if any, and (iii) the Coal Transportation and Delivery Agreement, dated October 14, 1982, between Lessee and Apalachicola Northern Railroad Company.

"Coal Transportation Leases" shall mean (i) two separate Amended and Restated Bareboat Charter Parties, each dated August 16, 1983, between The Connecticut Bank and Trust Company, National Association, as owner trustee for GECC, and Lessee, (ii) a Bareboat Charter Party, dated September 15, 1982, between The Connecticut Bank and Trust Company, National Association, as owner trustee for Xerox Services, Inc., and Lessee, (iii) a Bareboat Charter Party dated December 20, 1983, between Cumberland Leasing Co. and Lessee, (iv) a Bareboat Charter Party, dated as of December 29, 1983, between The Connecticut Bank and Trust Company, National Association, as owner trustee for GECC, and Lessee, (v) an Equipment Lease, dated November 1, 1982, between The Connecticut Bank and Trust Company, National Association, and F. W. Kawam, as owner trustees for Xerox Services, Inc., and Lessee, and (vi) an Equipment Lease, dated as of December 20, 1983, between Cumberland Leasing Co. and Lessee.

"Code" shall mean the Internal Revenue Code of 1954, as amended.

"Collateral Trust Indenture" shall mean the Collateral Trust Indenture, to be dated the Funding Date and substantially in the form of Exhibit B to the Note Purchase Agreements, between the Collateral Trust Trustee and NCSC.

"Collateral Trust Indenture Default" shall mean an event which, after giving of notice or lapse of time, or both, would become a Collateral Trust Indenture Event of Default.

"Collateral Trust Indenture Estate" shall have the meaning specified in the Granting Clause of the Collateral Trust Indenture.

"Collateral Trust Indenture Event of Default" shall mean any of the events specified in Section 5.01 of the Collateral Trust Indenture.

"Collateral Trust Notes" shall mean, collectively, the Series A Collateral Trust Notes, the Series B Collateral Trust Notes, the Series C Collateral Trust Notes and any further series of notes created pursuant to the Collateral Trust Indenture, from time to time outstanding under the Collateral Trust Indenture.

"Collateral Trust Trustee" shall mean Bankers Trust Company, a New York banking corporation, and each successor as Collateral Trust Trustee in the trusts created by the Collateral Trust Indenture.

"Collateral Trust Trustee Office" shall mean the office of the Collateral Trust Trustee located at Four Albany Street, New York, N.Y. 10006, or such other office as may be designated by Collateral Trust Trustee to NCSC and each holder of a Collateral Trust Note from time to time.

"Commitment Fees" shall mean the "refundable" and "nonrefundable" commitment fees payable to GECC pursuant to the terms and conditions of the Letter Agreement.

"Common Facilities" shall mean, collectively, those assets constructed in conjunction with Seminole Unit 1 and Seminole Unit 2 which are described in Exhibit B-2 to the Participation Agreement, together with all replacements thereof, substitutions therefor and Capital Improvements made from time to time by Lessee or any other Person during the Ground Lease Term for use in conjunction with Seminole Unit 1, Seminole Unit 2 or any other facility at the Plant Site.

"Completion Costs" shall mean the amount, to be set forth in the Certificate of Acceptance delivered on the Funding Date, estimated by Lessee as the cost of completing the Facility Assets in accordance with the Plans and Specifications.

"Components" shall mean appliances, parts, instruments, appurtenances, accessories, furnishings, equipment and other property of whatever nature that may from time to time be incorporated in the Facility Assets or any part thereof.

"Confidential Memorandum" shall mean the memorandum relating to the lease of the Facility Assets distributed by PaineWebber Incorporated and Shearson Lehman/American Express Inc.

"Construction Contracts" shall mean those construction, supply and service contracts listed and described in Schedule A to the Construction Contracts Assignment.

"Construction Contracts Assignment" shall mean the Construction Contracts Assignment, to be dated the Funding Date and substantially in the form of Exhibit L to the Participation Agreement, together with all Notices of Assignment delivered in connection therewith.

"Construction Engineer" shall mean Burns and Roe, Inc., a New Jersey corporation, as the architect-engineer of Seminole Unit 2.

"Construction Engineer's Certificate" shall mean a Construction Engineer's Certificate based on the form of Exhibit C to the Participation Agreement and which complies with Section 4(a) (A) of the Participation Agreement.

"Construction Fund" shall mean the fund established pursuant to Section 3.09 of the Indenture.

"Contract Retainages" shall mean the amount, to be set forth in the Certificate of Acceptance delivered on the Funding Date, retained by Lessee under the terms of the respective Construction Contracts.

"Debt Operative Documents" shall mean the Collateral Trust Indenture, the Collateral Trust Notes, the Authority Indenture, the Depositary Agreement, the Remarketing Agreement, the Standby Purchase Agreement, the Reimbursement Agreement, the Indemnity Letter, the Authority Letter, the Note Guaranty, the Bond Guaranty, the Note Purchase Agreements, the Bond Purchase Agreement, the Extension Letter, the Assumption and Release, the Financing Agreement, the Authority Bonds and the CFC Letter.

"Debt Percentage" shall mean that percentage of Facility Cost, without regard to the separate Classes of Facility Assets, which shall equal the difference between 100% and the Investment Percentage.

"Default" shall mean an event which, after giving of notice or lapse of time, or both, would become an Event of Default.

"Depository Agreement" shall have the meaning set forth in Article B-I of the Authority Indenture.

"Designated NCSC Officer" shall have the meaning set forth in Section 5.01(a) of the Collateral Trust Indenture.

"Determination of Taxability" shall have the meaning set forth in Article B-I of the Authority Indenture.

"Early Purchase Floor Value", as of any Basic Rent Payment Date, shall mean the amount determined by multiplying Facility Cost by the percentage in Schedule 3 to the Lease (including the footnote thereto) set forth opposite such Basic Rent Payment Date; provided, however, that Early Purchase Floor Value as of any date shall be, under any circumstances and in any event, an amount at least sufficient to pay in full the aggregate unpaid principal amount of all Notes then outstanding, together with all accrued and unpaid interest thereon, plus, when there is added to such Early Purchase Floor Value all other amounts of Supplemental Rent paid on such date, the aggregate amount, if any, of all sums which on such date of payment, if Section 3.03 of the Indenture were applicable, would be entitled to be paid in priority to or on a parity with the payment specified in clause "Fifth" thereof.

"Easements" shall mean the easements and other rights created pursuant to Article VII of the Ground Lease in favor of Owner Trustee.

"Energy" shall mean kilowatt hours of electric energy.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" shall have the meaning set forth in Article XV of the Lease.

"Event of Loss" shall mean any of the following events: (a) the loss of the Facility Assets due to theft,

disappearance, destruction or, in the good faith and reasonable opinion of Lessee (confirmed by an independent engineer reasonably satisfactory to Owner Participant), damage beyond repair, or the loss of use of the Facility Assets for a period reasonably anticipated to extend for at least 30 months for any of such reasons; (b) the receipt of insurance proceeds based upon an actual or constructive total loss with respect to the Facility Assets; (c) the condemnation, confiscation or seizure of title to the Facility Assets or the Site (in its entirety or a substantial portion of the Site such that the then remaining portion cannot practically be utilized for the purposes intended) or the condemnation of Lessor's leasehold interest in the Site (whether by Lessee or otherwise) or the condemnation, confiscation, seizure or requisition of use of the Facility Assets or the Site (in its entirety or a substantial portion as aforesaid) for a stated period which shall, or for an indefinite period which is reasonably expected to, exceed the lesser of the remaining portion of the Lease Term and 120 months; (d) shutdown of the Facility Assets, as a result of any Governmental Rule or Governmental Action, for a period exceeding 12 consecutive months or such longer period, not exceeding 48 months, during which Lessee is diligently pursuing corrective action designed to restore such use; or (e) if at any time after the date of execution of the Participation Agreement and before the Lease Termination Date, Owner Trustee or Owner Participant, by reason of the ownership of the Facility Assets or any part thereof by Lessor or the lease of the Facility to Lessee or any of the other transactions contemplated by the Operative Documents (the term "Owner Participant", as used in this clause (e), not including any Transferee who at the time of transfer to such Transferee is a non-exempt entity of the type referred to in this clause (e), whether by reason of such ownership, lease, transactions or otherwise; but if this clause (e) becomes applicable with respect to any other Owner Participant an Event of Loss shall be deemed to have occurred), shall be deemed by any governmental authority having jurisdiction to be, or shall become subject to regulation as, an "electric utility" or a "public utility" or a "public utility holding company" under any Governmental Rule or Governmental Action (other than the Holding Company Act so long as by virtue of Rule 7(d) (or any comparable successor thereto) of the General Rules and Regulations adopted under such Act by the Securities and Exchange Commission neither Lessor nor Owner Participant is deemed to be a utility thereunder), and the effect thereof on Lessor or Owner Participant would be, in its judgment, materially adverse, and Lessor or Owner Participant has not waived in writing

application of this clause (e) (indefinitely or for a specific period); except that if Lessee, at its sole cost and expense, is contesting diligently and in good faith any action by any governmental authority which would otherwise constitute an Event of Loss under this clause (e), such Event of Loss shall be deemed not to have occurred so long as (i) such contest does not involve any danger of the foreclosure, sale, forfeiture or loss of, or the creation of any Lien on, the Facility or any part thereof or any interest therein, (ii) such contest does not adversely affect the Facility or any part thereof or any other property, assets or rights of Lessor or Owner Participant or the lien of the Indenture thereon, (iii) Lessee shall have furnished Lessor, Owner Participant, Indenture Trustee and Loan Participant with an opinion of independent counsel satisfactory to each such Person to the effect that there exists a reasonable basis for contesting such determination, (iv) such determination shall be effectively stayed or withdrawn during such contest (and shall not be subject to retroactive application at the conclusion of such contest) in a manner satisfactory to Lessor and Owner Participant and (v) Lessee shall have indemnified Lessor and Owner Participant in a manner satisfactory to each such Person for any liability or loss which either such Person may incur as a result of Lessee's contest.

"Excepted Payments" shall mean and include (i) any indemnity or other payment (whether or not Supplemental Rent and whether or not a Default or Event of Default exists) payable under any Operative Document (including without limitation Section 9(b)(xv) of the Participation Agreement) directly to any Person, other than Indenture Trustee, Paying Agent or Lessor (except Owner Trustee in its individual capacity) or payable by Lessee to Lessor, Owner Trustee or Owner Participant to reimburse any such Person for its costs and expenses in exercising its rights under the Operative Documents, (ii) (A) insurance proceeds, if any, payable to Lessor or Owner Participant under insurance separately maintained by Lessor or Owner Participant with respect to Seminole Unit 2 as permitted by Section 12.06 of the Lease or (B) proceeds of personal injury or property damage liability insurance maintained under any Operative Document for the benefit of Lessor or Owner Participant, (iii) any amounts payable under any Operative Document to reimburse Lessor or Owner Participant (including the reasonable expenses of Lessor or Owner Participant incurred in connection with any such payment) in performing or complying with any of the obligations of Lessee under and as permitted by any Operative Document, (iv) any amount payable to Owner

Participant as the purchase price of Owner Participant's interest in the Trust Estate, (v) any payments, insurance proceeds or other amounts with respect to any portion of the Facility which has been released from the lien of the Indenture and (vi) any payments in respect of interest to the extent attributable to payments referred to in clauses (i) through (v) above which constitute Excepted Payments.

"Extension Letter" shall mean the letter, to be dated the Funding Date and substantially in the form of Exhibit P to the Participation Agreement, executed by Owner Trustee, Indenture Trustee, Owner Participant, CBT, Loan Participant and Lessee.

"Extension Period" shall mean the period, commencing at the end of the Basic Term or any elected Renewal Term and ending on the first to occur of (i) the first anniversary of the end of the Basic Term or such Renewal Term and (ii) the date Lessor leases or disposes of the Facility, including its interests under the Related Agreements, or such shorter period as may result from earlier termination as provided in the Lease.

"Facility" shall mean the Facility Assets, the Site, the Retained Assets, the Unit 2 Common Facilities and the easements and other rights granted to Lessor in the Ground Lease.

"Facility Assets" shall mean, collectively, (A) all assets included in Seminole Unit 2 (specifically excluding the Retained Assets) which are described in Exhibit A to the Participation Agreement, (B) all other assets incorporated in Seminole Unit 2 (specifically excluding the Retained Assets) by Seminole in the performance of its covenants under Sections 9(b)(viii) and 9(b)(x) of the Participation Agreement, whether or not described in a Certificate of Acceptance, and (C) all assets title to which shall vest in Lessor pursuant to the Lease. "ITC Asset", "ITC/ETC Asset" and "ITC Pollution Control Asset" shall mean and refer to a Facility Asset specified as such in a Certificate of Acceptance, each such category of Facility Assets so specified being hereinafter referred to as a "Class". The character of ITC/ETC Assets and ITC Pollution Control Assets is more fully described in Section 2(b) of the Tax Indemnification Agreement, and ITC Assets are all Facility Assets other than ITC/ETC Assets and ITC Pollution Control Assets.

"Facility Cost" shall mean the price payable by Owner Trustee for the Facility Assets, which shall be equal to the fair market value thereof, as set forth in the Notice of Closing (including the aggregate of Contract Retainages

and Completion Costs but not including any amount in the Special Construction Fund) and the Appraisal, plus the cost of any Alterations and Components financed by Owner Participant itself or through Lessor or pursuant to Section 10.08 of the Lease or Section 16(b) of the Participation Agreement, plus the amount of any additional investment in the Facility made by Owner Participant pursuant to Section 2(f) of the Participation Agreement. Facility Cost shall be allocated by Lessee to the respective Classes of the Facility Assets and if Owner Participant shall so request, such allocation shall be substantiated by Coopers and Lybrand or an engineering or other accounting firm selected by Owner Participant and acceptable to Lessee. Facility Cost shall not include Transaction Expenses.

"Fair Market Renewal Term" shall mean a Renewal Term elected pursuant to Section 5.01(b) of the Lease.

"Fair Market Rental Value" or "Fair Market Sales Value" of any property or service as of any date shall mean the cash rent or cash price obtainable in an arm's-length lease, or sale or supply, respectively, between an informed and willing lessee or buyer (under no compulsion to lease or purchase) and an informed and willing lessor or seller or supplier (under no compulsion to lease or sell or supply) of the property or service in question, and shall, in the case of the Facility or the Facility Assets, be determined (except pursuant to Article XVI of the Lease) on the basis that (i) the Facility has been maintained in accordance with, and Lessee has complied with, the requirements of the Lease and the Operative Documents, (ii) lessee or buyer shall have rights in, or an assignment of, the Operative Documents to which Lessor is a party and (iii) Lessee has complied with the requirements of the Lease and each Operative Document to which Lessee is a party. If Owner Participant and Lessee are unable to agree upon a determination of Fair Market Rental Value or Fair Market Sales Value, as the case may be, such Fair Market Rental Value or Fair Market Sales Value shall be determined in accordance with the Appraisal Procedure.

"Federal Power Act" shall mean the Federal Power Act, as amended.

"Financing Agreement" shall mean the Financing Agreement dated as of October 15, 1984, by and between Authority and Lessee.

"Fixed NCSC Rate" shall mean a rate of interest (computed on the basis of a 360-day year of twelve 30-day

months) equal to the rate of interest payable on the corresponding fixed-rate obligations of Loan Participant issued pursuant to Section 2(e)(iv) of the Participation Agreement.

"Fixed Price Renewal Term" shall mean a Renewal Term elected pursuant to Section 5.01(a) of the Lease.

"Fuel Contracts" shall have the meaning set forth in the Assignment of Fuel Contracts.

"Funding Date" shall mean the date set forth in the Notice of Closing, which shall be on or after November 1, 1984, not prior to the Synchronization Date, not more than three months after the Synchronization Date and not later than December 7, 1984 (or such later date as Owner Participant may agree to).

"GECC" shall mean General Electric Credit Corporation, a New York corporation.

"Governmental Actions" shall mean all authorizations, consents, approvals, waivers, exceptions, variances, filings and declarations of or with, Federal, state, county, municipal, regional or other governmental authorities, agencies or boards (other than routine reporting requirements, when used in Section 5, 6, 7, 8 and 9(a) of the Participation Agreement, the failure to comply with which will not affect the validity or enforceability of the Operative Documents or have a material adverse effect on the transactions contemplated by the Participation Agreement), and shall include without limitation those siting, environmental and operating permits and licenses generally described in Exhibit B-4 to the Participation Agreement.

"Governmental Rules" shall mean statutes, laws, rules, codes, ordinances, regulations, permits, certificates and orders of Federal, state, county, municipal, regional or other governmental authorities, agencies, boards or courts, including without limitation those pertaining to health, safety, the environment or otherwise.

"Ground Lease" shall mean the Ground and Common Facilities Lease and Easement, to be dated the Funding Date and substantially in the form of Exhibit E to the Participation Agreement, between Lessee, as ground lessor and grantor, and Lessor, as ground lessee and grantee, and any new Ground Lease executed and delivered pursuant to Article XVI of the Ground Lease.

"Ground Lease Default" shall mean any of the events specified in Article XIII of the Ground Lease.

"Ground Lease Term" shall mean the term of the Ground Lease specified in Article XX of the Ground Lease.

"Guaranteed Notes" shall have the meaning set forth in the recital clause of the Note Guaranty.

"Holding Company Act" shall mean the Public Utility Holding Company Act of 1935, as amended.

"incorporated in" shall mean incorporated or installed in or attached to or otherwise made a part of.

"Indemnatee" shall mean Owner Trustee (both in its individual and fiduciary capacity), CBT, Owner Participant, Indenture Trustee (both in its individual and fiduciary capacity), Loan Participant, Paying Agent, the Trust Estate, the Indenture Estate and each holder of a Note from time to time outstanding under the Indenture, including for the purposes only of Sections 13.01 and 13.05 of the Lease, Authority and Authority Trustee (both in its individual and fiduciary capacity), and in each case the respective successors, assigns, agents, employees and Affiliates of any thereof.

"Indemnity Letter" shall mean the Indemnity Letter dated November 1, 1984, delivered by Lessee to Authority in connection with the issuance of the Authority Bonds.

"Indenture" shall mean the Trust Indenture and Security Agreement, to be dated the Funding Date and substantially in the form of Exhibit I to the Participation Agreement, between Owner Trustee and Indenture Trustee, together with the Mortgage.

"Indenture Default" shall mean an event which, after giving of notice or lapse of time, or both, would become an Indenture Event of Default.

"Indenture Estate" shall have the meaning specified in the Granting Clause of the Indenture.

"Indenture Event of Default" shall mean any of the events specified in Section 4.01 of the Indenture.

"Indenture Trustee" shall mean Southeast Bank, N.A., a national banking association, and each successor as Indenture Trustee in the trusts created by the Indenture.

"Indenture Trustee Office" shall mean the office of Indenture Trustee located at One Southeast Financial

Center, 15th Floor, Miami, Florida 33131, Attention: Corporate Trust Department, or such other office as may be designated by Indenture Trustee to Owner Trustee and each holder of a Note from time to time.

"Indexing Agent" shall have the meaning set forth in Article B-I of the Authority Indenture.

"Interim Rent" shall mean the rent, if any, payable pursuant to Section 3.01 of the Lease.

"Interim Term" shall mean the period, if any, commencing on the Funding Date and ending on the Basic Lease Commencement Date, or such shorter period as may result from earlier termination as provided in the Lease.

"Investment" shall have the meaning set forth in Section 2(a) of the Participation Agreement.

"Investment Percentage" shall mean 41.26292% (or such other percentage as may be adjusted prior to the Funding Date pursuant to the Operative Documents or as may be otherwise agreed upon by Owner Participant and Lessee) of Facility Cost, without regard to the separate Classes of Facility Assets, which percentage shall not be less than 37% without the consent of Loan Participant.

"Lease" shall mean the Lease, to be dated as of the Funding Date and substantially in the form of Exhibit D to the Participation Agreement, between Owner Trustee, as lessor, and Lessee, as lessee.

"Lease Term" shall mean the term of the Lease, including the Interim Term, if any, the Basic Term, any elected Renewal Terms and any elected Extension Period.

"Lease Termination Date" shall mean the last day of the Lease Term (whether occurring by reason of a termination or the expiration of the Lease Term).

"Lenders" shall mean the holders of outstanding Series A Collateral Trust Notes and Series B Collateral Trust Notes.

"Lessee" shall mean Seminole Electric Cooperative, Inc., a Florida electric cooperative corporation.

"Lessor" shall mean Owner Trustee.

"Lessor's Liens" shall mean Liens (other than Permitted Liens described in clauses (a) and (c) through (e) of the definition of such term) which result from acts of, or any failure to act by, or as a result of claims against, Lessor (including in its individual capacity) unrelated either to the ownership of the Facility, the administration of the Trust Estate or the transactions contemplated by the Participation Agreement, the Trust Agreement, the Lease or any other Operative Document.

"Letter Agreement" shall mean the Letter Agreement, dated December 30, 1983, between GECC and Lessee.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including without limitation any conditional sale or other title retention agreement, any lease in the nature thereof or the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction.

"Limestone Cost" shall mean the cost of limestone determined in accordance with Section 2.6 of the Support Agreement.

"Loan Participant" shall mean NCSC.

"Majority in Interest of Holders of Collateral Trust Notes" as of any date of determination shall mean the holder or holders of not less than a majority in aggregate unpaid principal amount at the time outstanding of each of (a) all Collateral Trust Notes, voting as a single class, and (b) all Series A Collateral Trust Notes, all Series B Collateral Trust Notes and all Series C Collateral Trust Notes, each voting as a separate class, but if the holders of the Series C Collateral Trust Notes do not indicate their decision prior to the later of 15 days after notice to the holders thereof that such a determination is required (if such notice is otherwise required pursuant to the terms of the Collateral Trust Indenture) and 30 days after the occurrence giving rise to the requirement of such a determination, such holders shall be deemed to have made a determination which accords with that of the holders of the Series A and Series B Collateral Trust Notes; provided, however, that any Series A Collateral Trust Note or Series B Collateral Trust Note held by Lessee, Owner Participant, Owner Trustee, CFC, Loan Participant or any Affiliate of any thereof shall not be considered outstanding for purposes of determining such Majority unless (i) in the case of Owner Participant, Owner Trustee, CFC, Loan Participant and any Affiliate of

any thereof, such Persons (and their Affiliates) together hold all Series A Collateral Trust Notes and all Series B Collateral Trust Notes or (ii) in the case of Owner Participant and any Affiliate of Owner Participant, Owner Participant and its Affiliates together hold not less than 80% in aggregate unpaid principal amount at the time outstanding of each of the Series A Collateral Trust Notes, if any, and Series B Collateral Trust Notes, if any, held by Non-CFC Holders and Owner Participant and its Affiliates. It is understood that in voting the Series C Collateral Trust Note the Authority Trustee will comply with the provisions of Section B-13.1 of the Authority Indenture, including without limitation the provision requiring that Authority Bonds owned by Loan Participant, Lessee, CFC, any holder of a Series A or B Collateral Trust Note or Owner Participant or any affiliates of any such Person be disregarded for purposes of such vote unless certain conditions are met.

"Majority in Interest of Holders of Guaranteed Notes" as of any date of determination shall mean the holder or holders of not less than a majority in aggregate unpaid principal amount at the time outstanding of each of (a) all Series A Collateral Trust Notes and all Series B Collateral Trust Notes, voting as a single class, and (b) all Series A Collateral Trust Notes and all Series B Collateral Trust Notes, each voting as a separate class; provided, however, that any Series A Collateral Trust Note or Series B Collateral Trust Note held by Lessee, Owner Participant, Owner Trustee, CFC, Loan Participant or any Affiliate of any thereof shall not be considered outstanding for purposes of determining such Majority unless (i) in the case of Owner Participant, Owner Trustee, CFC, Loan Participant and any Affiliate of any thereof, such Persons (and their Affiliates) together hold all Series A Collateral Trust Notes and all Series B Collateral Trust Notes or (ii) in the case of Owner Participant and any Affiliate of Owner Participant, Owner Participant and its Affiliates together hold not less than 80% in aggregate unpaid principal amount at the time outstanding of each of the Series A Collateral Trust Notes, if any, and Series B Collateral Trust Notes, if any, held by Non-CFC Holders and Owner Participant and its Affiliates.

"Majority in Interest of Holders of Notes" as of any date of determination shall mean holders (including Loan Participant, if it shall hold, or be considered under Section 2.14 of the Indenture to be the holder of, any Note at the time such Majority is determined) holding in aggregate more than 50% of the total outstanding principal amount of each of (a) all Notes voting as a single class and

(b) all Series 1 Notes and Series 2 Notes, each voting as a separate class; provided, however, that any Note held by Lessee or any Affiliate of Lessee shall not be considered outstanding for purposes of determining such Majority.

"Member" shall mean any Person which, under the Certificate of Incorporation and By-laws of Lessee, is entitled to vote for the election of trustees of Lessee.

"Member Contracts" shall mean any of or all the Power Sales Contracts between Lessee, as seller, and the several Members of Lessee, as buyers.

"Mortgage" shall mean the Mortgage to be dated the Funding Date and substantially in the form of Exhibit E to the Indenture, between Owner Trustee and Indenture Trustee.

"Mortgagees" shall mean REA, CFC and Columbia Bank for Cooperatives, as mortgagees under the REA Mortgage or the Subordinated Mortgage, as the case may be.

"NCSC" shall mean National Cooperative Services Corporation, a cooperative corporation organized under the laws of the District of Columbia, its successors and assigns.

"NCSC Rate Notice" shall mean a notice by NCSC given pursuant to Section 2(e)(v) or 2(e)(vii) of the Participation Agreement specifying a Seven-Year NCSC Rate.

"Net Economic Return" shall mean GECC's (i) after tax return on investment, (ii) after tax cash flow as a percentage of the sum of Facility Cost and Transaction Expenses and (iii) after tax net income (computed in accordance with Statement of Financial Accounting Standards No. 13 of the Financial Accounting Standards Board, as such Statement was in effect on March 15, 1984) as a percentage of the sum of Facility Cost and Transaction Expenses, each as computed in accordance with the assumptions set forth in Schedule 1 to the Participation Agreement, and "Components of Net Economic Return" shall mean each of the factors referred to in clauses (i), (ii) and (iii) of this definition. If Owner Participant elects to confine an adjustment to Basic Rent in respect of a Change in Tax Laws to 22.5% in accordance with Section 2(d) of the Participation Agreement, Net Economic Return shall be reduced to the level reflected in such adjustment.

"Non-CFC Holder" shall mean an original holder of Series A Collateral Trust Notes or Series B Collateral Trust Notes who is not CFC, NCSC or any Affiliate of either thereof.

"Nonseverable", when used in respect to any Alteration, shall mean any Alteration which is not a Severable Alteration.

"Note Guaranty" shall mean the Guaranty, to be dated the Funding Date and substantially in the form of Exhibit C to the Note Purchase Agreements, by CFC in favor of Collateral Trust Trustee in respect of the Guaranteed Notes.

"Note Purchase Agreements" shall mean the Note Purchase Agreements, each dated as of August 1, 1984, by and between NCSC and the respective Series A and Series B Note Purchasers.

"Notes" shall mean, collectively, the Series 1, Series 2 and Series 3 Notes, and any further series of notes created pursuant to the Indenture, from time to time outstanding under the Indenture.

"Notice of Closing" shall have the meaning set forth in Section 4(a) of the Participation Agreement.

"Offering Materials" shall have the meaning set forth in the Remarketing Agreement.

"Officers' Certificate" shall mean a certificate signed by the President or any Vice President and by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Person with respect to which such term is used.

"Official Statement" shall have the meaning set forth in the Remarketing Agreement.

"Operating Standard" shall mean the successful completion of a continuous 48-hour load test of Seminole Unit 2 at Rated Capacity.

"Operative Documents" shall mean the Participation Agreement, the Trust Agreement, the Lease, each Bill of Sale, the Assignment of Fuel Contracts, the Assignment of Coal Transportation Leases, the Assumption and Release, the Financing Agreement, the Construction Contracts Assignment, the Ground Lease, the Indenture, the Notes, the Support Agreement, the Paying Agency Agreement, the REA Consent, the Tax Indemnification Agreement and the CFC Letter.

"Other Agreements" shall, as to each Note Purchase Agreement, have the meaning set forth in Paragraph 3(a) of such Note Purchase Agreement.

"Other Purchasers" shall, as to each Note Purchase Agreement, have the meaning set forth in Paragraph 3(a) of such Note Purchase Agreement.

"Owner Participant" shall mean GECC and its successors and permitted assigns under the Trust Agreement and the Participation Agreement.

"Owner Participant's Liens" shall mean Liens (other than Permitted Liens described in clauses (a) and (c) through (e) of the definition of such term) which result from acts of, or any failure to act by, or as a result of claims against, Owner Participant unrelated to the transactions contemplated by the Participation Agreement, the Trust Agreement, the Lease or any other Operative Document.

"Owner Trustee" shall mean CBT Trust Company of Florida, National Association, a national banking association, and each successor as Owner Trustee, not in its individual capacity (except as expressly provided otherwise) but solely as trustee under the Trust Agreement.

"Participant" shall mean Loan Participant or Owner Participant.

"Participation Agreement" shall mean the Participation Agreement, dated as of August 1, 1984, among CBT, Owner Trustee, Indenture Trustee, Participants and Lessee.

"Paying Agency Agreement" shall mean any agreement between Owner Trustee and Paying Agent complying with the requirements of Section 2.13 of the Indenture.

"Paying Agent" shall mean Morgan Guaranty Trust Company of New York and each successor as Paying Agent under the Indenture.

"Paying Agent Office" shall mean the office of Paying Agent located at 30 West Broadway, New York, N.Y. 10015, or such other office as may be designated by Paying Agent to Owner Trustee, Indenture Trustee and each holder of a Note from time to time.

"Permitted Encumbrances" shall mean (i) the Safe Harbor Leases, the REA Mortgage, the Subordinated Mortgage,

Permitted Encumbrances as defined in the REA Mortgage and (ii) the reservations, encumbrances and title defects set forth in the title insurance policy referred to in Section 10(a)(xvi) of the Participation Agreement so long as in the aggregate such reservations, encumbrances and title defects set forth in such insurance policy do not materially interfere with the use of the Retained Site or Site by Lessee, Owner Trustee or Indenture Trustee (as assignee under the Indenture) in the operation of the Facility Assets, the Common Facilities, the Retained Assets or, in the case of Lessee only, the Transmission Facilities.

"Permitted Investments" shall mean (i) obligations of the United States of America, or fully guaranteed as to interest and principal by the United States of America, maturing in not more than one year, (ii) certificates of deposit having a final maturity of not more than 30 days after the date of issuance thereof of any commercial bank incorporated under the laws of the United States of America or any state thereof or the District of Columbia which bank is a member of the Federal Reserve System and has a combined capital and surplus of not less than \$800,000,000 and (iii) commercial paper, rated P-1 by Moody's Investors Services, Inc., or A-1 by Standard and Poor's Corporation, having a remaining term until maturity of not more than 90 days, other than any such obligation, certificate of deposit or commercial paper issued by Indenture Trustee, any Lender, any Series A Note Purchaser, any Series B Note Purchaser, Collateral Trust Trustee, Paying Agent, Authority, Authority Trustee, CFC or Loan Participant; provided, however, that no such investment made while there shall have occurred and be continuing an Indenture Default or an Indenture Event of Default shall be a Permitted Investment if it has a maturity in excess of 30 days.

"Permitted Liens" shall mean (a) the respective rights and interests of Lessee, Owner Participant, Lessor, Indenture Trustee and Loan Participant, as provided in the Operative Documents, (b) Lessor's Liens to the extent the same result from acts of, or any failure to act by, or as a result of claims against, Lessor (including in its individual capacity) unrelated either to the ownership of the Facility, the administration of the Trust Estate or the transactions contemplated by the Participation Agreement, the Trust Agreement, the Lease or any other Operative Document, and Owner Participant's Liens to the extent the same result from acts of, or any failure to act by, or as a result of claims against, Owner Participant unrelated to the transactions contemplated by the Participation Agreement,

the Trust Agreement, the Lease or any other Operative Document, (c) Liens for Taxes either not yet due or being contested in good faith and by appropriate proceedings, so long as such proceedings shall not involve any danger of the sale, forfeiture or loss of any part of the Facility, Seminole Unit 2, the Common Facilities, the Transmission Facilities, the Trust Estate, the Indenture Estate, title thereto or any interest therein and shall not interfere with the use or disposition of any part of the Facility, Seminole Unit 2, the Common Facilities, the Transmission Facilities, the Trust Estate, the Indenture Estate, title thereto or any interest therein, or the payment of Rent, and Lessee shall have provided adequate reserves for the payment of such Taxes, (d) materialmen's, mechanics', workers', repairmen's, employees' or other like Liens arising in the ordinary course of business for amounts either not yet due or being contested in good faith and by appropriate proceedings so long as such proceedings shall not involve any danger of the sale, forfeiture or loss of any part of the Facility, Seminole Unit 2, the Common Facilities, the Transmission Facilities, the Trust Estate, the Indenture Estate, title thereto or any interest therein and shall not interfere with the use or disposition of any part of the Facility, Seminole Unit 2, the Common Facilities, the Transmission Facilities, the Trust Estate, the Indenture Estate, title thereto or interest therein, or the payment of Rent, and Lessee shall have provided adequate reserves for the payment of such amounts, (e) Liens arising out of judgments or awards against Lessee with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith and either which have been bonded or for the payment of which adequate reserves shall have been provided so long as such judgment, award or appeal shall not involve any danger of the sale, forfeiture or loss of any part of the Facility, Seminole Unit 2, the Common Facilities, the Transmission Facilities, the Trust Estate, the Indenture Estate, title thereto or any interest therein and shall not interfere with the use or disposition of any part of the Facility, Seminole Unit 2, the Common Facilities, the Transmission Facilities, the Trust Estate, the Indenture Estate, title thereto or interest therein, or the payment of Rent, (f) Liens permitted pursuant to Article XIV of the Lease and (g) the Lien of the REA Mortgage and the Subordinated Mortgage on Lessee's leasehold interest under the Lease.

"Person" shall mean any individual, partnership, corporation, trust, unincorporated association, joint venture, government or any department or agency thereof, or any other entity.

"Plans and Specifications" shall mean the plans and specifications for Seminole Unit 2, as such plans and specifications (i) exist on the Funding Date (it being understood that such plans and specifications will not have been fully documented on the Funding Date and will be subject to further change as Seminole Unit 2 is completed), (ii) may be amended or changed from time to time following the Funding Date and (iii) shall be documented subsequent to the Funding Date to reflect Seminole Unit 2 as built.

"Plant Site" shall mean the real property and interests in real property described in Exhibit B to the Participation Agreement and in Exhibit B to the Ground Lease.

"Points of Interconnection" shall mean those points, set forth and described in Exhibit B-3 to the Participation Agreement, at which the Transmission Facilities interconnect with other transmission facilities of other utilities.

"Pollution Control Ground Lease" shall mean the agreement, dated as of June 15, 1981, between Lessee and Authority under which, as originally executed, Authority leased certain real property which includes the Plant Site.

"Power" shall mean megawatts of electric capacity and associated Energy.

"Prime Rate" shall mean the rate of interest publicly announced by Morgan Guaranty Trust Company of New York in New York, N.Y., from time to time as its prime rate.

"Project" shall have the meaning set forth in Section 1.1 of the Financing Agreement.

"Prudent Utility Practice" shall mean, at a particular time, those practices, methods and acts as are in accordance with standards of prudence applicable to the electric utility industry which would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather is a spectrum of possible practices, methods and acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice shall not include any practice, method or

act that discriminates against Seminole Unit 2 or the Facility in relation to those practices, methods or acts employed by Lessee at its generating units at the Plant Site other than Seminole Unit 2 or that is less favorable to Seminole Unit 2 and the Facility than those practices, methods or acts which would have been employed by Lessee if it had been the owner of Seminole Unit 2 and the Facility in their entirety.

"Put Event" shall have the meaning set forth in Section 5.14A of the Collateral Trust Indenture.

"Put Notice" shall have the meaning set forth in Section 5.14B of the Collateral Trust Indenture.

"Rated Capacity" shall mean 620MW maximum continuous rating at the generator terminals.

"REA" shall mean the United States of America, acting by and through the Administrator of the Rural Electrification Administration.

"REA Consent" shall mean the Consent, Partial Release and Agreement, to be dated on or before the Funding Date and substantially in the form of Exhibit G to the Participation Agreement.

"REA Mortgage" shall mean the Supplemental Mortgage and Security Agreement, dated as of August 25, 1983, among Lessee and the mortgagees named therein.

"Reimbursement Agreement" shall mean the Reimbursement Agreement dated as of October 15, 1984, between CFC and Lessee entered into in connection with the issuance of the Authority Bonds.

"Related Agreements" shall mean the Ground Lease, the Support Agreement, the Assignment of Fuel Contracts, the Assignment of Coal Transportation Leases, the Construction Contracts Assignment, the REA Consent, the Assumption and Release and the Extension Letter.

"Remarketing Agents" shall mean the Persons acting as such from time to time under the Remarketing Agreement.

"Remarketing Agreement" shall have the meaning set forth in Article B-I of the Authority Indenture.

"Renewal Term" shall mean each period of five

years, commencing at the end of the Basic Term or the prior elected Renewal Term, as the case may be, and ending on the thirtieth, thirty-fifth or fortieth, as the case may be, anniversary of the Basic Lease Commencement Date, during which the Facility may be leased as permitted by Section 5.01 of the Lease, or such shorter period as may result from earlier termination as provided in the Lease.

"Rent" shall mean Interim Rent (if any), Basic Rent and Supplemental Rent, collectively.

"Required Alterations" shall mean Alterations referred to in Section 10.04 of the Lease.

"Retained Assets" shall mean, collectively, (A) those assets included in Seminole Unit 2 which are identified in Exhibit B-1 to the Participation Agreement and (B) those assets title to which is to be retained or acquired by Lessee and not Lessor as contemplated by Section 10.07 of the Lease, subject to Permitted Encumbrances.

"Retained Site" shall mean the Plant Site not including the Site.

"Safe Harbor Leases" shall mean, collectively, (i) the Agreement, dated December 15, 1982, between Lessee and Atlantic Richfield Company and (ii) the Agreement, dated June 25, 1983, between Lessee and Eastman Kodak Company.

"Sales Tax Exempt Facility Assets" shall mean the Facility Assets that are exempt from Florida sales tax under Section 212.08(5)(c), Florida Statutes, or any successor provision thereto.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Seminole Unit 1" shall mean the 620MW (rated capacity) coal-fired steam electric generating unit located on the Plant Site near the City of Palatka, Florida, designated by Seminole as "Seminole Unit 1".

"Seminole Unit 2" shall mean the 620MW (rated capacity) coal-fired steam electric generating unit located on the Plant Site near the City of Palatka, Florida, designated by Seminole as "Seminole Unit 2". Seminole Unit 2 includes all the Facility Assets and the Retained Assets.

"Series A Note Purchasers" shall mean those Persons that have agreed in the Note Purchase Agreements to purchase Series A Collateral Trust Notes.

"Series A and Series B Note Purchasers" shall mean the Series A Note Purchasers and Series B Note Purchasers, collectively.

"Series A Collateral Trust Notes" shall have the meaning set forth in Section 2.02 of the Collateral Trust Indenture.

"Series B Collateral Trust Notes" shall have the meaning set forth in Section 2.03 of the Collateral Trust Indenture.

"Series B Note Purchasers" shall mean those Persons that have agreed in the Note Purchase Agreements to purchase Series B Collateral Trust Notes.

"Series C Collateral Trust Notes" shall have the meaning set forth in Section 2.04 of the Collateral Trust Indenture.

"Series 1 Note" shall have the meaning specified in Section 2.02 of the Indenture.

"Series 2 Note" shall have the meaning specified in Section 2.02 of the Indenture.

"Series 3 Note" shall have the meaning specified in Section 2.02 of the Indenture.

"Service" shall mean the Internal Revenue Service of the United States of America.

"Services Commencement Date" shall mean the earlier of the Lease Termination Date and the date Lessor or Indenture Trustee enters into possession of the Facility pursuant to Article XVI of the Lease.

"Seven-Year NCSC Rate" shall mean a rate of interest (computed on the basis of a 360-day year of twelve 30-day months) equal to (I) for purposes of the Seven-Year NCSC Rate to take effect on the Funding Date, the least of (A) the sum of (i) (x) the yield of United States Treasury bonds or notes maturing in the month and year (the "maturity date") which is 7 years following the month and year which includes the Funding Date, (y) the average yield of all such

bonds or notes maturing on such maturity date if there shall be two or more issues of such bonds or notes or (z) if there are no such bonds or notes maturing on such maturity date, the yield (in the case of one issue) or average yield (in the case of two or more issues) of United States Treasury Bonds or notes maturing in the first month preceding such maturity date in which there are any such bonds or notes, and (ii) 80 basis points, (B) 18% per annum and (C) such other rate, if any (which shall be lower than the rate referred to in clause (A) or (B) above), as Loan Participant shall in its absolute discretion determine and which shall be specified in the notice from Loan Participant given pursuant to the first sentence of Section 2(e)(v) of the Participation Agreement, or (II) for purposes of the Seven-Year NCSC Rate to take effect on any date after the Funding Date, a rate of interest, not to exceed 19% per annum, which is either (whichever NCSC shall specify in the applicable NCSC Rate Notice) (A) the rate specified by NCSC in the applicable NCSC Rate Notice or (B) the sum of (i) (x) the yield of United States Treasury bonds or notes maturing on the maturity date which is 7 years following the month and year which includes the date such Seven-Year NCSC Rate takes effect, (y) the average yield of all such bonds or notes maturing on such maturity date if there shall be two or more issues of such bonds or notes or (z) if there are no such bonds or notes maturing on such maturity date, the yield (in the case of one issue) or average yield (in the case of two or more issues) of United States Treasury bonds or notes maturing in the first month preceding such maturity date in which there are any such bonds or notes, and (ii) the number of basis points specified in such NCSC Rate Notice. For purposes hereof, the yield of United States Treasury bonds or notes shall mean that yield published in the "Treasury Issues" column (or, if such column shall cease to be published therein, the equivalent column or table) of the Eastern edition of The Wall Street Journal on the second Business Day prior to the Funding Date (in the case of clause (I) of the preceding sentence) or on the date on which the applicable Seven-Year NCSC Rate is to take effect (in the case of clause (II) of the preceding sentence), or if such date of determination is not a publication day for The Wall Street Journal, then such yield shall be established by reference to such column or table as of the next preceding publication day. If The Wall Street Journal shall cease to be published or if no such column or table shall be published therein, then such yield shall be determined by Loan Participant by reference to another publication quoting the yield of United States Treasury bonds or notes in the same manner.

"Severable", when used with respect to any Alteration, shall mean any Alteration which can be readily removed from the Facility Assets without materially damaging the Facility Assets or materially diminishing or impairing the value, utility or condition which the Facility would have had if the applicable Alteration had not been made.

"Site" shall mean the real property described in Exhibit A to the Ground Lease.

"Special Casualty Value", as of any Basic Rent Payment Date, shall mean (i) during the Basic Term, the amount determined by multiplying Facility Cost by the percentage in Schedule 4 of the Lease (including the footnote thereto) set forth opposite such Basic Rent Payment Date and (ii) during any Renewal Term or Extension Period, the amount determined, in accordance with Section 5.05 of the Lease, by amortizing ratably the Fair Market Sales Value of the Facility as of the day following the last day of the Basic Term in semiannual steps over the remaining Ground Lease Term, which amortized amounts shall be set forth in a revised Schedule 4 to the Lease prior to the last day of the Basic Term; provided, however, that Special Casualty Value as of any date shall be, under any circumstances and in any event, an amount at least sufficient to pay in full the aggregate unpaid principal amount of all Notes then outstanding, together with all accrued and unpaid interest thereon, plus, when there is added to such Special Casualty Value all other amounts of Supplemental Rent paid on such date, the aggregate amount, if any, of all sums which on such date of payment, if Section 3.03 of the Indenture were applicable, would be entitled to be paid in priority to or on a parity with the payment specified in clause "Fifth" thereof.

"Special Construction Fund" shall mean the fund established pursuant to Section 3.09 of the Indenture.

"Standby Purchase Agreement" shall have the meaning set forth in Article B-I of the Authority Indenture.

"Standby Purchaser" shall have the meaning set forth in Article B-I of the Authority Indenture.

"STC" shall mean a subordinated term certificate of CFC issued to Loan Participant in connection with the issuance of the Collateral Trust Notes and the Notes, which subordinated term certificate, with respect to the Series 1, 2 or 3 Note, or any portion thereof, (i) is in an original principal amount equal to 11% of the original principal amount of such Series 1, 2 or 3 Note, or portion thereof, and provides for amortization of principal in all respects proportionate to the amortization of principal of such

Series 1, 2 or 3 Note, or portion thereof, (ii) bears interest at a rate at all times equal to 10.35% per annum (computed on the basis of a 360-day year of twelve 30-day months) and (iii) is not capable of acceleration before the Note, or portion thereof, to which it relates has been paid or otherwise discharged in full.

"Stipulated Interest Rate" at any time shall mean the greater of (x) the weighted average rate of interest payable in respect of overdue payments on the Notes at such time and (y) 3% in excess of the Prime Rate (or 4% in excess of the Prime Rate if such weighted average rate is calculated by reference to the Prime Rate, but only with respect to the portion of the payment to which the Stipulated Interest Rate is applicable which is payable in respect of the Notes).

"Subordinated Mortgage" shall mean the Subordinated Mortgage, Security Agreement and Financing Statement, dated February 29, 1984, made by and among Lessee and the mortgagees named therein.

"Supplemental Financing" shall have the meaning set forth in Section 10.08 of the Lease.

"Supplemental Rent" shall mean any and all amounts, liabilities and obligations other than Interim Rent (if any) and Basic Rent which Lessee assumes or agrees to pay to Lessor, Owner Trustee, any Participant, Indenture Trustee, Collateral Trust Trustee, Authority Trustee, Authority, CFC, Depository (as defined in the Authority Indenture), Indexing Agent, Remarketing Agents, Paying Agent or any Indemnitee under any Operative Document (whether or not designated as Supplemental Rent), including without limitation Casualty Value, Special Casualty Value, Fair Market Sales Value, Fair Market Rental Value and Early Purchase Floor Value payments, damages for breach of any covenants, representations, warranties, indemnities or agreements therein and amounts payable by Lessor under Sections 2.03 (to the extent not borrowed in connection with a refunding), 2.15, 3.04, 3.09, 5.04(a) and 9.01 of the Indenture, Sections 2(e)(iv), 2(e)(vii), 2(e)(viii), 2(e)(ix) and 11 of the Participation Agreement and paragraph 8 of the Paying Agency Agreement, but excluding amounts payable pursuant to Section 3.08 of the Lease. An amount equal to any premium payable in connection with a prepayment or redemption of Notes, to the extent not borrowed in connection with a refunding thereof, shall be deemed to be Supplemental Rent payable by Lessee on the same date as such premium is payable.

"Support Agreement" shall mean the Support Agreement, to be dated the Funding Date and substantially in the form of Exhibit F to the Participation Agreement, between Lessor and Lessee.

"Synchronization" shall mean the time at which Seminole Unit 2's generator becomes electrically connected to the electrical systems of other utilities, which in turn occurs when the Seminole Unit 2 generator, operating on coal (the primary fuel), is rotating at a speed such that the resulting electrical frequency is equal to the electrical frequency of such systems, the voltage developed is compatible with that of such systems and the Seminole Unit 2 generator circuit breaker is closed.

"Synchronization Date" shall mean the date on which Synchronization of Seminole Unit 2 shall occur.

"Tax" shall mean any and all fees (including without limitation documentation, recording, license and registration fees), taxes (including without limitation income, gross receipts, sales, use, property (personal and real, tangible and intangible), intangibles, excise and stamp taxes), levies, imposts, duties, charges, assessments or withholdings of any nature whatsoever, general or special, ordinary or extraordinary, together with any and all penalties, fines, additions to tax and interest thereon.

"Tax Indemnification Agreement" shall mean the Tax Indemnification Agreement, to be dated the Funding Date and substantially in the form of Exhibit J to the Participation Agreement, between Owner Participant and Lessee.

"Transaction Expenses" shall mean and include the fees, expenses, disbursements and costs incurred in connection with the preparation, execution and delivery of the Operative Documents and Debt Operative Documents and the acquiring, financing and leasing on the Funding Date of the Facility by Lessor and Owner Participant, including without limitation (i) fees and expenses of Cravath, Swaine & Moore; Sullivan & Cromwell; Day, Berry & Howard; Holland & Knight; Milbank, Tweed, Hadley & McCloy; Debevoise & Plimpton; Mershon, Sawyer, Johnston, Dunwoody & Cole; and White & Case, (ii) fees and expenses of any accounting or engineering firm retained by Owner Participant, (iii) fees and expenses of the Construction Engineer in respect of the performance of its duties in connection with the Participation Agreement to the extent that such fees and expenses are not payable under the Construction Contract to which the Construction Engineer

is a party, (iv) fees of PaineWebber Incorporated and Shearson Lehman/American Express, Inc. (other than fees as underwriters for the Authority Bonds), (v) initial (but not ongoing) fees of Owner Trustee, Paying Agent, Indenture Trustee, Collateral Trust Trustee and NCSC, (vi) commitment fees payable pursuant to Paragraph 8(m) of the Note Purchase Agreements, as originally executed, (vii) fees payable pursuant to Paragraph 3(d) of the Note Purchase Agreements, as originally executed, except in circumstances where such fees are payable in respect of the failure to satisfy any condition set forth in Paragraph 8 of the Note Purchase Agreements which relates specifically to, and is within the reasonable control of, NCSC or CFC, (viii) taxes paid on the Funding Date in respect of the recording of the Bill of Sale, REA Consent, Ground Lease, Mortgage and Lease (or memoranda thereof), (ix) reproduction costs, (x) initial (but not ongoing) fees of Authority Trustee and rating agencies, printing and engraving and costs, fee of CFC's accountant and the fees of Chapman & Cutler for services in connection with the qualification and determination of eligibility for investment of the Authority Bonds ("blue sky" services), in each case in connection with the issuance of the Authority Bonds (but not the fees of Chapman & Cutler for any other purpose nor of the underwriters for the Authority Bonds nor of Authority nor of counsel for Authority Trustee), and (xi) any other costs relating to the transactions contemplated by the Operative Documents or the Debt Operative Documents which may not, for tax purposes, be borne by Lessee and which have not been paid and are not payable from the proceeds of the Authority Bonds; but "Transaction Expenses" shall not include the fees and expenses of Lessee, Lessee's special counsel, Lessee's general counsel or Lessee's accountants (whether or not in connection with the issuance of the Authority Bonds) or the fees, expenses, disbursements and costs referred to in Section 11 of the Participation Agreement.

"Transfer" shall mean the transfer, by bill of sale or otherwise, by Lessor to Lessee of all Lessor's right, title and interest in and to the Facility Assets on an "as is, where is" basis, free and clear of all Lessor's Liens but otherwise without recourse, representation or warranty, express or implied, including an express disclaimer of representations and warranties in a manner comparable to that set forth in the second sentence of Section 8.02 of the Lease, together with the due assumption by Lessee of, and the due release of Lessor from, all Lessor's obligations and liabilities under the Related Agreements by instrument or instruments satisfactory in form

and substance to Lessor, and "Transferred" shall be construed accordingly.

"Transmission Facilities" shall mean, collectively, those assets constructed in conjunction with Seminole Unit 1 and Seminole Unit 2 which are described in Exhibit B-3 to the Participation Agreement, together with all replacements thereof, substitutions therefor, additions thereto and modifications thereof made from time to time by Lessee or any other Person during the Ground Lease Term for use in conjunction with Seminole Unit 1, Seminole Unit 2 or any other facility at the Plant Site.

"Trust Estate" shall have the meaning set forth in the Trust Agreement.

"Trust Agreement" shall mean the Trust Agreement dated as of August 1, 1984, substantially in the form attached as Exhibit H to the Participation Agreement, between GECC and the Owner Trustee.

"Two-Thirds in Interest of Holders of Series A Collateral Trust Notes" as of any date of determination shall mean the holder or holders of not less than two-thirds in aggregate unpaid principal amount at the time outstanding of all Series A Collateral Trust Notes voting as a separate class; provided, however, that any Series A Collateral Trust Note held by Lessee, Owner Participant, Owner Trustee, CFC, Loan Participant or any Affiliate of any thereof shall not be considered outstanding for purposes of determining such Two-Thirds unless (i) in the case of Owner Participant, Owner Trustee, CFC, Loan Participant and any Affiliate of any thereof, such Persons (and their Affiliates) together hold all Series A Collateral Trust Notes or (ii) in the case of Owner Participant and any Affiliate of Owner Participant, Owner Participant and its Affiliates together hold not less than 80% in aggregate unpaid principal amount at the time outstanding of each of the Series A Collateral Trust Notes, if any, and Series B Collateral Trust Notes, if any, held by Non-CFC Holders and Owner Participant and its Affiliates.

"Two-Thirds in Interest of Holders of Series B Collateral Trust Notes" as of any date of determination shall mean the holder or holders of not less than two-thirds in aggregate unpaid principal amount at the time outstanding of all Series B Collateral Trust Notes voting as a separate class; provided, however, that any Series B Collateral Trust Note held by Lessee, Owner Participant, Owner Trustee, CFC, Loan Participant or any Affiliate of any thereof shall not

be considered outstanding for purposes of determining such Two-Thirds unless (i) in the case of Owner Participant, Owner Trustee, CFC, Loan Participant and any Affiliate of any thereof, such Persons (and their Affiliates) together hold all Series B Collateral Trust Notes or (ii) in the case of Owner Participant and any Affiliate of Owner Participant, Owner Participant and its Affiliates together hold not less than 80% in aggregate unpaid principal amount at the time outstanding of each of the Series A Collateral Trust Notes, if any, and Series B Collateral Trust Notes, if any, held by Non-CFC Holders and Owner Participant and its Affiliates.

"Uncontrollable Forces" shall have the meaning specified in Section 6.4 of the Support Agreement.

"Uniform System of Accounts" shall mean the Uniform System of Accounts for Electric Borrowers of REA (REA Bulletin 181-1), as such Bulletin is in effect from time to time.

"Unitary Tax" means a method of state corporate income taxation under which a corporation is required to include in the income that is the measure of the corporation's income tax the income of all affiliated corporations conducting a unitary or integrated business with such corporation, regardless of whether the income of such affiliated corporation is distributed to that corporation or that corporation's transactions with its Affiliates are conducted at arms-length.

"Unit 2 Common Facilities" shall mean the undivided interest in the Common Facilities leased to the Owner Trustee under the Ground Lease, as such Common Facilities are varied from time to time in accordance with the terms of the Support Agreement.

"Variable CFC Rate" shall mean a rate of interest (computed on the basis of a 360-day year of twelve 30-day months) equal from time to time to the greater of (A) the Authority Bond Rate or (B) the lesser of (i) the Bank Prime Rate plus 1.55% per annum and (ii) such other rate of interest as CFC generally charges from time to time for similarly classified variable intermediate term loans, which rate shall not change during the period between the giving of any notice pursuant to Section 2(e)(vi) of the Participation Agreement and the Basic Rent Payment Date to which such notice relates.

"Variable NCSC Rate" shall mean a rate of interest (computed on the basis of a 360-day year of twelve 30-day months) equal to the least of (A) the Bank Prime Rate plus 1.55% per annum, (B) such other rate of interest as Loan Participant generally charges from time to time for similarly classified variable intermediate term loans and (C) 18% per annum or (after the seventh anniversary of the Funding Date) 19% per annum, which rate shall not change during the period between the giving of any notice pursuant to Section 2(e)(vi) of the Participation Agreement and the Basic Lease Commencement Date or the Basic Rent Payment Date to which such notice relates.

"Water Cost" shall mean the cost of water determined in accordance with Section 2.5 of the Support Agreement.

"Wheeling Costs" shall mean the costs for the wheeling services provided in respect of the Power and Energy delivered from Seminole Unit 2, determined in accordance with Section 3.3 of the Support Agreement.

CERTIFICATE

STATE OF New York

COUNTY OF New York

I, James Lettiere, a notary public in the State of New York, have compared the copy of this document entitled "Assignment of Coal Transportation Leases" with the original and have found the copy to be complete and identical in all respects to the original document.

Dated this 7 day of December, 1984.

[SEAL]

James Lettiere  
Notary Public

My Commission Expires:

JAMES LETTIERE  
Notary Public, State of New York  
No. 4702137  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires March 30, 1985

ACKNOWLEDGEMENT OF ASSIGNMENT  
OF COAL TRANSPORTATION LEASES

STATE OF New York

COUNTY OF New York

On this 7 day of December, 1984 before me personally appeared, W.M. C. Wellbridge, to me personally known, who being by me duly sworn, says that he is the V.P. of Seminole Electric Cooperative, Inc., that the seal affixed to the foregoing instrument is the cooperative association seal of said cooperative association, that said instrument was signed and sealed on behalf of said cooperative association by authority of its Board of Trustees, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said cooperative association.

SEMINOLE ELECTRIC COOPERATIVE, INC.

By: W.M. C. Wellbridge

[SEAL]

James Lettiere  
Notary Public

My Commission Expires:

JAMES LETTIERE  
Notary Public, State of New York  
No. 4702137  
Qualified in Kings County  
Certificate filed in New York County  
Commission Expires March 30, 1985