

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
Toledo Edison Company for Authority) Case No. 11-4290-EL-AIS
to Issue, Sell or Enter into Debt)
Transactions)

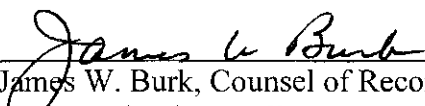
**THE TOLEDO EDISON COMPANY'S
MOTION FOR PROTECTIVE ORDER
AND MEMORANDUM IN SUPPORT**

The Toledo Edison Company ("Applicant"), pursuant to O.A.C. 4901-1-24(D) moves this Commission for a Protective Order regarding protected information contained in the Capital Lease Agreement ("Agreement") executed by Applicant pursuant to the PUCO Order issued in this case being filed under seal contemporaneously herewith. Appended hereto as Attachment A is a copy of the Agreement redacted to identify the designated portions for which Applicant requests confidential treatment.

In support of its motion, and pursuant to the criteria of O.A.C. 4901-1-24(D), Applicant represents that redacted portions of Attachment A reflect the terms and conditions of the Agreement that are proprietary and confidential and were mutually agreed upon by the parties in reliance upon their nondisclosure and continued confidentiality. Moreover, public disclosure of such provisions could impair and negatively impact Applicant and its customers with respect to its bargaining position in future transactions. Accordingly, such materials fall within the scope of the protection afforded under O.A.C. 4901-1-24(D) and Applicant seeks a protective order preventing public disclosure of the designated information.

For the foregoing reasons, Applicant requests the Commission grant its motion and issue its Order protecting the designated portions of the Agreement from public disclosure.

Respectfully submitted,



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MASTER SECURITY LEASE AGREEMENT

This MASTER SECURITY LEASE AGREEMENT (the "Master Lease") is entered into as of August __, 2011, between [REDACTED] a New York corporation (together with its successors and assigns, "Lessor") and THE TOLEDO EDISON COMPANY, an Ohio corporation (together with its successors and permitted assigns, "Lessee"). (The attached Annex A, which is incorporated herein by this reference, contains definitions and rules of construction for certain terms used in this Master Lease and all other attachments, exhibits or schedules thereto.)

1. **AGREEMENT TO LEASE; LEASE TERM.** This Master Lease is effective as of the date specified above. Lessor may enter into one or more Lease Schedules with Lessee, however, Lessor shall have no obligation to do so unless such obligation is expressly set forth in writing and executed and delivered by Lessor (a "Commitment"). By entering into a Lease Schedule, Lessor leases the Equipment covered by the Lease Schedule to Lessee, and Lessee leases such Equipment from Lessor, in each case, for the Lease Term with respect to such Equipment and subject to the terms and conditions in this Master Lease, the Lease Schedule and, to the extent, and only to the extent, related to the Lease Schedule and/or such Equipment, all of the other Lease Documents.

2. **RENT.** Lessee shall pay Lessor, (a) for the Interim Term defined in the respective Lease Schedule, Interim Rent as and when specified in the Lease Schedule, without demand, (b) for the Base Term defined in the respective Lease Schedule, Basic Rent as and when specified in the Lease Schedule, without demand, and (c) all Other Payments payable in accordance with the respective Lease. **EACH LEASE IS NONCANCELABLE BY LESSEE FOR ITS ENTIRE LEASE TERM**, and Lessee's obligation to pay Rent, and otherwise to perform its obligations under or with respect to each Lease, are and shall be absolute and unconditional and shall not be affected by any circumstances whatsoever, including any right of setoff, counterclaim, recoupment, deduction, defense or other right which Lessee may have against Lessor, any Suppliers, or any other person, for any reason whatsoever (each, an "Abatement"). Lessee agrees that all Rent shall be paid in accordance with Lessor's or Assignee's written direction. Time is of the essence with respect to all of Lessee's obligations under each Lease. [REDACTED]

3. **CONDITIONS PRECEDENT.** Lessor's obligation to purchase and lease any Equipment under each Lease Schedule is conditioned upon Lessor's determination that all of the following have been satisfied:

(a) Document Deliveries. Prior to any funding, Lessor must receive the only manually executed original of the Lease Schedule and all other Lease Documents reasonably required by Lessor in connection with the Lease Schedule. Prior to the initial funding Lessor shall receive the following, in form and substance reasonably satisfactory to Lessor: (1) evidence as to due compliance with the insurance provisions of Section 9 below; (2) if requested, lien searches in the jurisdiction of Lessee's organization, and wherever else Lessor reasonably deems appropriate; (3) UCC's, Lien waivers and subordinations, real property waivers and all other filings required by Lessor; (4) a certificate of an appropriate officer of Lessee certifying: (A) resolutions duly authorizing the transactions contemplated in the related Lease Documents, and (B) the incumbency and signature of the officers of Lessee authorized to execute the related Lease Documents and such certificate; (5) if requested by Lessor, an opinion of counsel for Lessee as to each of the matters set forth in Section 4(a) through (c) below; (6) the Supply Contract; (7) if requested by Lessor, good standing certificates from the jurisdiction of Lessee's organization and the location of the Equipment, copies of the organizational documents of Lessee and each Guarantor and evidence of Lessee's organizational number; and (8) such other documents, agreements, instruments, certificates, opinions, and assurances, as Lessor reasonably may require. If any of these items listed above as numbers (1) through (8) has expired or has been modified, a current or revised document will be required prior to any subsequent funding.

(b) Representations. All representations and warranties provided by Lessee in favor of Lessor in each of the Lease Documents shall be true and correct on the Acceptance Date set forth in the Lease Schedule except to the extent that noncompliance does not have a Material Adverse Effect (and Lessee's execution and delivery of the Lease Schedule shall constitute Lessee's acknowledgment of same).

(c) Defaults; Equipment Acceptance. No Default or Event of Default under the Lease Schedule or any other Lease Documents shall exist. Except to the extent expressly provided otherwise in the Lease Schedule, the Equipment covered by the Lease Schedule shall have been delivered to and accepted by Lessee, as evidenced by the Lease Schedule, and shall be in the condition and repair required by the subject Lease; and on the effective date of such Lease Schedule, Lessor shall have received good and marketable title to the Equipment described therein, free and clear of all Liens, other than Permitted Liens.

4. **REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF LESSEE.** Lessee represents, warrants and agrees that, as of the effective date of this Master Lease and of each Lease Schedule:

(a) Organization. Lessee has the form of business organization indicated, and is and will remain duly organized and existing in good standing under the laws of the state specified, under Lessee's signature hereto and is duly qualified to do business wherever necessary to perform its obligations under the Lease Documents, including each jurisdiction in which Equipment is or will be located, provided however, Lessee may change from a corporation to a limited liability company with prior written notice to Lessor. Lessee shall execute a form of assumption agreement and such vehicle title modifications as reasonably requested by Lessor. Lessee's exact legal name is as shown in the preamble of this Master Lease; and Lessee's Federal Employer Identification Number and organizational number are as set forth under Lessee's signature hereto. Within the previous six (6) years, Lessee has not changed its name, done business under any other name, or merged or been the surviving entity of any merger, except as disclosed to Lessor in writing or in a report filed with or furnished to the Securities and Exchange Commission and publicly available.

(b) Authorization; Non-Contravention. The Lease Documents and the transactions contemplated thereunder (1) have been duly authorized by all necessary action consistent with Lessee's form of organization, (2) do not require the approval of, or giving notice to, any governmental authority, (3) do not contravene or constitute a default under any applicable law, Lessee's organizational documents, or any agreement, indenture, or other instrument to which Lessee is a party or by which it may be bound, and (4) constitute legal, valid and binding obligations of Lessee enforceable against Lessee, in accordance with the terms thereof.

(c) Proceedings. There are no pending actions or proceedings to which Lessee or any Guarantor is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any court, arbitrator or administrative agency, which, either individually or in the aggregate, would have a Material Adverse Effect. Further, neither Lessee nor any Guarantor is in default under any financial or other material agreement that, either individually or in the aggregate, would have the same such effect.

(d) Location. All of the Equipment covered by such Lease Schedule is located (or, if the Equipment is mobile goods, the location of the principal garage or storage site of such Equipment is located) solely in the jurisdiction(s) specified in such Lease Schedule.

(e) Personal Property. Under the applicable laws of each such jurisdiction, such Equipment consists (and shall continue to consist) solely of personal property and not fixtures. Such Equipment is removable from and is not essential to the premises at which it is located.

(f) Financial Condition. The financial statements of Lessee and each Guarantor (copies of which have been furnished to Lessor) have been prepared in accordance with GAAP, and fairly present the financial condition and the results of its operations of such person, respectively, as of the date of and for the period covered by such statements, and since the date of such statements no event or circumstance has occurred or exists that has resulted, or would be reasonably likely to result, in a Material Adverse Effect.

(g) Title Collateral. Lessee has rights in and/or power to transfer all of the Collateral and the security interest granted to Lessor under Section 12(b) below constitutes a valid, first priority Lien in and to all of the Collateral, subject only to Permitted Liens.

(h) Supply Contract. The Supply Contract represents an arms' length transaction and the purchase price for the Equipment specified therein is the amount obtainable in an arms' length transaction between a willing and informed buyer and a willing and informed seller under no compulsion to sell.

5. FURTHER ASSURANCES AND OTHER COVENANTS. Lessee agrees as follows:

(a) Financial Statement Deliveries. Lessee shall with respect to itself and each Guarantor deliver to Lessor, (1) as soon as practicable but in no event later than 120 days after the closing of each fiscal year of such person, complete financial statements of such person, prepared in accordance with GAAP and certified by nationally recognized independent certified public accountants, and (2) as soon as practicable but in no event later than 60 days after the close of each fiscal quarter of such person, copies of such person's quarterly financial report prepared in accordance with GAAP, provided, however, that Lessee shall be deemed to have complied with the foregoing requirements in clauses (1) and (2) with respect to Lessee and/or each Guarantor, as applicable, if such entity files Forms 10-K and 10-Q with the Securities and Exchange Commission that are publicly available within the time frames set forth above, and all such financial statements (or Forms 10-Q and 10-K) shall fairly present the financial condition and the results of operations of the respective person as of the date of and for the period covered by such statements.

(b) Waivers, Releases and Filings. Lessee shall obtain and deliver to Lessor and/or promptly execute or otherwise authenticate any documents, filings, waivers (including any landlord and mortgagee waivers), releases and other records, and will take such further action as Lessor may reasonably request in furtherance of Lessor's rights under any of the Lease Documents. Lessee irrevocably authorizes Lessor to file UCCs and other similar filings and recordings with respect to the Equipment or any Collateral. Without Lessor's prior written consent, Lessee agrees not to file any corrective or termination statements or partial releases with respect to any UCCs or other similar filings or recordings filed by Lessor in connection with any Lease.

(c) Notices. Lessee shall provide written notice to Lessor: (1) at least thirty (30) days prior to any change in Lessee's name or jurisdiction of organization or form of organization; (2) promptly upon the occurrence of any Event of Default or Default; and (3) promptly upon Lessee becoming aware of any alleged violation of applicable law relating to the Equipment or any Lease Document.

(d) Compliance with Laws. Lessee is and will remain in compliance with all applicable laws except to the extent that the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(e) Motor Vehicles. To the extent any of the Equipment constitutes titled vehicles, Lessee shall provide Lessor with written notice of each vehicle's plate number and state of registration at the inception of the Lease and each quarter thereafter, upon any change in the plate number and/or state of registration.

6. ACCEPTANCE UNDER LEASE. Except to the extent expressly provided otherwise in the Lease Schedule, (a) upon delivery of Equipment to be covered by a Lease Schedule, Lessee shall inspect and, if conforming to the condition required by the applicable Supply Contract, accept the Equipment and execute and deliver to Lessor the Lease Schedule covering such Equipment, and (b) the Lease Schedule will evidence Lessee's unconditional and irrevocable acceptance of such Equipment for purposes of the subject Lease. However, if Lessee fails to accept delivery of any item of the Equipment, or accepts such Equipment but fails to satisfy any of the other conditions set forth in Section 3 above, Lessor shall have no obligation to purchase or lease such Equipment. In such event, Lessor's rights shall include the right to demand that Lessee (a) fully assume all obligations as purchaser of such Equipment, with the effect of causing Lessor to be released from any liability relating thereto, (b) immediately remit to Lessor an amount sufficient to reimburse Lessor for all advance payments, costs, taxes or other charges paid or incurred by Lessor with respect to the Equipment (including any of such amounts paid by Lessor under the Supply Contract or as a reimbursement to Lessee), together with interest at the Default Rate accruing from the date of Default or dates such amounts were paid by Lessor until indefeasibly repaid by Lessee in full, and (c) take all other actions necessary to accomplish such assumption.

7. DISCLAIMER; QUIET ENJOYMENT. (a) Disclaimer. **THE EQUIPMENT IS LEASED UNDER THE SUBJECT LEASE AS IS, WHERE IS. LESSOR SHALL NOT BE DEEMED TO HAVE MADE, AND HEREBY DISCLAIMS, ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING ANY PART, OR ANY MATTER WHATSOEVER, INCLUDING, AS TO EACH ITEM OF EQUIPMENT, ITS DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, TITLE, ABSENCE OF ANY PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR LATENT DEFECT (WHETHER OR NOT DISCOVERABLE BY LESSEE), COMPLIANCE OF SUCH ITEM WITH ANY APPLICABLE LAW, CONFORMITY OF SUCH ITEM TO THE PROVISIONS AND SPECIFICATIONS OF ANY SUPPLY CONTRACT OR TO THE DESCRIPTION SET FORTH IN THE RELATED LEASE SCHEDULE OR ANY OTHER LEASE DOCUMENT, OR ANY INTERFERENCE OR INFRINGEMENT, OR ARISING FROM ANY COURSE OF DEALING OR USAGE OF TRADE, NOR SHALL LESSOR BE LIABLE, FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR STRICT OR ABSOLUTE LIABILITY IN TORT; AND LESSEE HEREBY WAIVES ANY CLAIMS ARISING OUT OF ANY OF THE FOREGOING.** Without limiting the foregoing, Lessor will not be responsible to Lessee or any other person with respect to, and Lessee agrees to bear sole responsibility for, any risk or other matter that is the subject of Lessor's disclaimer; and Lessor's agreement to enter into this Master Lease, each Lease Schedule and other Lease Document is in reliance upon the freedom from and complete negation of liability or responsibility for the matters so waived or disclaimed herein or covered by the indemnity in this Master Lease. So long as no Event of Default has occurred, Lessee may exercise Lessor's rights, if any, under any warranty from any Supplier with respect to Equipment. Lessee's exercise of such rights shall be at its sole risk, shall not result in any prejudice to Lessor, and may be exercised only during the Lease Term with respect to the subject Equipment.

(b) Quiet Enjoyment. Lessor covenants and agrees that so long as no Event of Default has occurred and is continuing, Lessor shall not disturb or otherwise interfere with Lessee's possession of the Equipment. The preceding covenant is in lieu of all warranties by Lessor, whether written, oral or implied, with respect to this Master Lease, any Lease Schedule, the Equipment and any Lease. Any actual or purported breach of this covenant shall not give rise to any Abatement, but Lessee may bring a direct cause of action against Lessor for any actual damages directly resulting from any such breach.

8. USE AND MAINTENANCE. (a) Basic Standards. Lessee shall (1) use the Equipment solely in the continental United States and in the conduct of its business, for the purpose for which the Equipment was designed, in a careful and proper manner, and shall not permanently discontinue use of the Equipment; (2) operate, maintain, service and repair the Equipment, and maintain all records and other materials relating thereto, (A) in accordance and consistent with (i) the Supplier's recommendations (except where the failure to comply with such recommendations would not violate or void any warranty with respect to such Equipment) and all maintenance and operating manuals or service agreements, whenever furnished or entered into, including any subsequent amendments or replacements thereof, issued by the Supplier or service provider, (ii) the requirements of all applicable insurance policies, (iii) the Supply Contract, so as to preserve all of Lessee's and Lessor's rights thereunder, including all rights to any warranties, indemnities or other rights or remedies, (iv) all applicable laws, and (v) the prudent practice of other similar persons in the same business as Lessee, but in any event, to no lesser standard than that employed by Lessee for comparable equipment owned or leased by it; and (B) without limiting the foregoing, so as to cause all Equipment to be in good repair and operating condition and in at least the same condition as when first delivered to Lessee, except for ordinary wear and tear resulting despite Lessee's full compliance with the terms of the subject Lease; (3) provide written notice to Lessor not more than thirty (30) days after any change of the location of any Equipment (or the location of the principal garage of any Equipment, to the extent that such Equipment is mobile equipment) as specified in the related Lease Schedule; (4) not attach or incorporate the Equipment to or in any other property in such a manner that the Equipment may be deemed to have become an accession to or a part of such other property; and (5) maintain the Equipment in a manner consistent with the

manufacturer's requirements. All damaged, broken or worn parts or components shall be promptly repaired according to the manufacturer's specifications and by use of the original equipment manufacturer ("OEM") approved parts of similar type and quality or quality equivalent aftermarket parts of similar type and quality as when originally delivered to Lessee. The Equipment shall at all times be mechanically and structurally sound and capable of performing the functions for which the manufacturer designed it; and (6) keep and maintain for each item of Equipment a set of current and up to date maintenance records, logs, repair orders and other similar documents. Lessor or its agents shall have free access to such materials at all reasonable times.

(b) Improvements. Lessee shall promptly replace any parts of the Equipment that become worn out, lost, destroyed, damaged beyond repair or otherwise unfit for use with Replacement Parts. Further, Lessee, at its own expense, shall promptly make all Required Alterations. Lessee may alter vehicles as required for a change of use.

(c) Inspections. Upon forty-eight (48) hours' notice, Lessee shall afford Lessor and/or its designated representatives access to the premises where the Equipment is located for the purpose of inspecting such Equipment and all applicable maintenance or other records relating thereto at any reasonable time during normal business hours and Lessor agrees to comply with Lessee's reasonable security measures; provided, however, if a Default or Event of Default shall exist, no prior notice or other limitation shall apply to Lessor's inspection rights. Lessee shall, whenever reasonably requested by Lessor, advise Lessor of the exact location of any and all items of Equipment.

9. INSURANCE. With respect to Equipment, Lessee shall, at its own expense, maintain insurance covering the respective interests of Lessor and Lessee covering (i) physical damage to Equipment and (ii) liability for personal injury, death and property damage resulting from the operation, ownership, use and possession of Equipment including environmental or pollution liability. Policies covering physical damage risks shall be in an amount not less than the Stipulated Loss Value of Equipment. Lessee shall maintain third-party liability insurance covering personal injury, death and property damage liability as a result of one accident including environmental or pollution liability in the same amount as that insurance coverage maintained by Lessee with respect to Lessee's owned equipment of the same types as the Equipment leased hereunder, but in no event shall such coverage be less than \$15,000,000. All policies covering physical damage risks and all third party liability insurance required hereunder shall be subject to the same self-insured retention or deductible amounts as are applicable to Lessee's owned equipment of the same types as the Equipment leased hereunder. Lessor and its direct affiliates shall be named as additional insureds to the liability insurance policies required under this Section. All such policies shall provide for at least thirty (30) days' written notice to Lessor of any cancellation or material alteration of such policies. Lessee shall furnish Lessor certificates or other evidence satisfactory to Lessor of compliance by Lessee with the provisions hereof, but Lessor shall be under no duty to examine such certificates or to advise Lessee in the event its insurance is not in compliance herewith. Lessee covenants that it will not use or operate or permit the use or operation of any Equipment at any time when the insurance required by this Section is not in force with respect to such Equipment. Lessee's obligation to maintain insurance with respect to any Equipment shall commence on the actual day of delivery of the Equipment and shall continue until the Equipment is sold or the lease of the Equipment terminates, whichever is later.

10. LOSS AND DAMAGE. (a) Risk of Loss. During the entire Lease Term with respect to the Equipment covered by a Lease Schedule and until all of such Equipment is returned to Lessor, or if applicable, purchased by Lessee, in accordance with the subject Lease, Lessee shall bear the risk of the occurrence of a Casualty to Equipment and LESSEE SHALL NOT BE RELEASED FROM ITS OBLIGATIONS UNDER THE SUBJECT LEASE IF A CASUALTY OCCURS.

(b) Casualty Notice. Lessee shall provide prompt written notice to Lessor of any Casualty to any Equipment where the repairs or replacement costs are likely to exceed \$100,000. Each such notice must be provided together with any damage reports provided to any governmental authority, the insurer or Supplier, and any documents pertaining to the repair of such Casualty, including copies of work orders, and all invoices for related charges.

(c) Casualty Cure. In the event a Casualty occurs with respect to any Equipment (1) if Lessor determines the Casualty does not constitute a Total Loss, then Lessee shall promptly repair the Casualty Equipment by utilizing Replacement Parts in accordance with Section 8(b) above or (2) if Lessor determines the Casualty constitutes a Total Loss, on the Loss Payment Date, Lessee shall pay to Lessor (A) the Basic Rent due on the Loss Payment Date, plus (B) the Stipulated Loss Value of the Casualty Equipment as of the Loss Payment Date, plus (C) all Other Payments then due. Upon full and indefeasible payment to Lessor of the sum described in clause (2) of the preceding sentence (x) Lessee's obligation to pay future Basic Rent shall terminate solely with respect to the Casualty Equipment so paid for, but Lessee shall remain liable for, and pay, all Other Payments, if any, whenever arising connected with the Casualty Equipment and all Rent related to the remainder of the Equipment as and when due, and (y) Lessor, without further action, shall be deemed to have conveyed to Lessee all of Lessor's right, title and interest in the Casualty Equipment AS IS, WHERE IS, but subject to the requirements of any third party insurance carrier in order to settle an insurance claim.

(d) No Lessor Duty. Lessor shall be under no duty to Lessee to pursue any claim against any person in connection with a Total Loss or other Casualty to any Equipment.

(e) Insurance Proceeds Credit. If Lessor receives a payment under an insurance policy required under any Lease Document in connection with any Total Loss or other Casualty to Equipment, and such payment is both unconditional and indefeasible, then provided Lessee shall have complied with the applicable provisions of this Section 10, Lessor shall either (1) if received pursuant to a Total Loss, remit such proceeds to Lessee up to an amount equal to the amount paid by Lessee to Lessor as the Stipulated Loss Value of the Casualty

Equipment, or credit such proceeds against any amounts owed by Lessee pursuant to Section 10(c)(2), or (2) if received with respect to repairs or replacements made pursuant to Section 10(c)(1), remit such proceeds to Lessee up to an amount equal to the out-of-pocket costs of repair or replacement actually incurred by Lessee, as established to Lessor's reasonable satisfaction.

f) Surplus. If Lessee determines at any time that any Equipment is surplus to its operations, Lessee may pay off such Equipment by paying to Lessor on the next payment date the applicable Stipulated Loss Value and the accrued Rent to date and any other amounts then due and owing with respect to the Equipment.

11. REDELIVERY. (a) Return Conditions. If requested by Lessor, pursuant to Section 17, Lessee shall (1) return such Equipment to Lessor or Lessor's designee free and clear of all Liens whatsoever, other than Permitted Liens (except for those described in clause (b) of the definition of Permitted Liens), to such place(s) within the continental United States as Lessor shall designate, (2) provide, at Lessee's expense, transit insurance for the redelivery period in an amount equal to the replacement value of such Equipment and Lessor shall be named as the loss payee on all such policies of insurance, (3) cause: (A) the Supplier's representative or other qualified person acceptable to Lessor to de-install such Equipment in accordance with the Supplier's specifications (as applicable) and pack such Equipment properly and in accordance with the Supplier's recommendations (as applicable); and (B) such Equipment to be transported in a manner consistent with the Supplier's recommendations and practices (as applicable); and (C) such Equipment to be in the same condition as when delivered to Lessee under the related Lease Schedule, ordinary wear and tear excepted and otherwise in the condition (and to comply with) the terms of the subject Lease. Lessee shall be responsible for the cost of all repairs, alterations, inspections, appraisals, storage charges, insurance costs, demonstration costs and other related costs necessary to cause such Equipment to be in full compliance with the terms of the subject Lease.

(b) Delivery of Records. If requested by Lessor, Lessee shall also promptly deliver to Lessor all Records related to such Equipment. All manuals or other documents delivered to Lessor that are subject to periodic revision shall be fully up-to-date and current to the latest revision standard of any particular manual or document. In the event any such Records are missing or incomplete, Lessor shall have the right to cause the same to be reconstructed at Lessee's expense.

(c) Rent Accrual. In addition to Lessor's other rights and remedies hereunder, if such Equipment and the related Records are not returned in a timely fashion, or if repairs are necessary to place any Equipment in the condition required in this Section, Lessee shall (1) continue to pay to Lessor per diem Rent at the last prevailing Basic Rent (as applicable) under the applicable Lease Schedule for the period of delay in redelivery, and/or for the period of time reasonably necessary to accomplish such repairs, and (2) pay to Lessor an amount equal to the aggregate cost of any such repairs, plus interest thereon at the Default Rate. Lessor's acceptance of such Rent on account of such delay and/or repair does not constitute an extension or renewal of the Lease Term with respect to such Equipment or a waiver of Lessor's right to prompt return of the Equipment in proper condition. Such amount shall be payable upon the earlier of Lessor's demand or the return of such Equipment in accordance with the subject Lease.

(d) Specific Performance. Without limiting any other terms or conditions of this Master Lease, the provisions of this Section are of the essence of each Lease, and upon application to any court of equity having jurisdiction, Lessor shall be entitled to a decree against Lessee requiring Lessee's specific performance of its agreements in this Section.

12. TITLE; GRANTING CLAUSE. (a) Parties' Intent. Lessor and Lessee agree that it is their mutual intention that for commercial law purposes and for purposes of income, property, sales, use, excise, privilege, franchise, value added and other taxes, Lessee shall be considered the owner of all of the Equipment covered by this Master Lease. However, Lessor shall hold title until the Lease is fully performed in accordance with its terms.

(b) Collateral Grant. To secure the prompt payment and performance when due of all of Lessee's obligations under a subject Lease, including its obligation to pay Rent when due, Lessee hereby collaterally assigns, grants, and conveys to Lessor, a first priority security interest in and Lien on all of Lessee's right, title and interest in and to all of the Collateral related to the subject Lease.

(c) Secured Party Remedies. Lessee agrees that: (1) with respect to the Equipment covered by such Lease, in addition to all of the other rights and remedies available to Lessor under the subject Lease upon the occurrence of an Event of Default, Lessor shall have all of the rights and remedies of a first priority secured party under the UCC; and (2) any obligation to pay Interim Rent, Basic Rent or any Other Payment, to the extent constituting the payment of interest, shall be at an interest rate that is equal to the lesser of the maximum lawful rate permitted by applicable law or the effective interest rate used by Lessor in calculating such amounts.

13. GENERAL INDEMNITY.

[REDACTED]

[REDACTED]

15. INTENTIONALLY OMITTED.

16. **DEFAULT.** The following events of default by Lessee ("Events of Default") shall give rise to rights on the part of Lessor described in Section 17:

(a) Default in the payment of Rent, Interim Rent or any other payment due from Lessee hereunder beyond ten (10) days from the date the Rent, Interim Rent or other payment is due; or

(b) Default in the covenant of Lessee in Section 9 hereof as to non-use of any Equipment as to which the required liability insurance is not in force; or

(c) Default in the payment or performance of any other liability, obligation, or covenant, condition or agreement to be performed or observed by Lessee hereunder or breaches of any representation or provision contained herein or in any other document furnished to Lessor in connection herewith, and such failure or breach shall continue unremedied for thirty (30) days after written notice to Lessee sent by registered or certified mail by Lessor; or

(d) The termination of existence, the termination of the business of, or the making of an assignment for the benefit of creditors by, Lessee;

(e) The institution of bankruptcy, reorganization, liquidation or receivership proceedings by or against Lessee and, if instituted against Lessee, its consent thereto or the pendency of such proceedings for at least sixty (60) days; or

(f) Lessee shall admit in writing its inability to pay its debts generally when due; or

(g) Lessee shall create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Equipment or this Master Lease or any of Lessor's interests hereunder; or

(h) The dissolution, merger, reorganization or sale of all or substantially all of the assets of the Lessee (all such events collectively herein referred to as a "Merger") without the prior written consent of Lessor; provided, however, that Lessee may engage in a Merger without the prior written consent of Lessor if, following such Merger, either (a) the Lessee, or the successor in interest to Lessee resulting from such Merger, will be rated at least Investment Grade by Moody's or S&P or (b) in the case where the Lessee's investment rating immediately prior to such Merger was below Investment Grade but not lower than Ba3 as determined by Moody's and BB- as determined by S&P, the investment rating of the Lessee, or the successor in interest to Lessee resulting from such Merger, will not be rated any lower (as determined by Moody's and S&P) a result of such Merger;

(i) There shall be a material change in the ownership or control of Lessee by an entity that is not an affiliate or subsidiary of Lessee. Lessee shall be obligated to provide Lessor with written notice of any Event of Default and of any event which, with notice, or the lapse of time, or both, would constitute an Event of Default promptly upon Lessee becoming aware of any such event; or

(j) With respect to Lessee, any default or an event of default (however defined) shall have occurred under any loan or lease from, or guaranty or other financing obligation to, Lessor or any of its affiliates, and in such case the applicable grace period for curing such default or event of default shall have expired.

17. REMEDIES. Upon the occurrence of any of the Events of Default and at any time thereafter Lessor may, with or without terminating the Master Lease, in its discretion do one or more of the following:

(a) Cancel the lease of any or all Equipment upon [REDACTED] written notice to Lessee sent by certified mail;

(b) Whether or not any lease is cancelled, take immediate possession of any or all of the Equipment, including substituted parts, accessories or equipment and/or other equipment or property of Lessor in the possession of Lessee, wherever situated and for such purpose, enter upon any premises without liability for doing so;

(c) Whether or not any action has been taken under Subsections 17(a) or (b) above, Lessor may sell any Equipment (with or without the concurrence or request of Lessee) and Lessor shall retain all proceeds from such sale. In addition, if the sales proceeds (reduced by any legal costs or any costs or expenses of sale, removal, transportation, repair, storage, delivery, or similar costs and expenses) are less than the Stipulated Loss Value of the Equipment sold, Lessee shall pay to Lessor any such shortfall;

(d) Hold, use or lease any Equipment as Lessor in its sole discretion may decide and continue to hold Lessee liable for any deficiency between the rent received by Lessor from others and the Rent and Interim Rent payable hereunder for the balance of the term of the lease of such Equipment;

(e) Equity. Invoke and exercise any other remedy or remedies available to Lessor by law or in equity.

(f) If an Event of Default occurs with respect to a Lease, Lessee shall also be liable to Lessor for all Enforcement Costs.

No remedy referenced to in this Section is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any default shall constitute a waiver of any other default by Lessee or a waiver of any of Lessor's rights. If after default Lessee fails to deliver or converts the Equipment or the Equipment is destroyed, Lessee shall be liable to Lessor for all unpaid Rent and Interim Rent to the date of such failure to deliver, conversion or destruction of such Equipment plus its Stipulated Loss Value at the time and all loss and damages sustained and all costs and expenses incurred by reason of the default, including without limitation reasonable attorneys' fees. If after default Lessee delivers Equipment to Lessor or if Lessor repossesses Equipment, Lessee shall be liable for and Lessor may recover from Lessee all unpaid Rent and Interim Rent to the date of such delivery or repossession plus all loss and damages sustained and all costs and expenses incurred by reason of the default, including without limitation reasonable attorneys' fees. All amounts due under this Section 17 shall accrue interest at the Default Rate.

18. ASSIGNMENT. (a) LESSEE ACKNOWLEDGES NOTICE THAT LESSOR MAY GRANT PARTICIPATIONS OR SECURITY INTERESTS IN OR SELL OR ASSIGN ITS INTERESTS IN SUCH EQUIPMENT, THIS MASTER LEASE OR ANY RENT, INTERIM RENT OR OTHER AMOUNTS DUE HEREUNDER. Any instrument executed in connection with such assignment shall contain a provision to the effect that as long as Lessee is not in default hereunder or under any lease executed pursuant hereto, it shall be entitled to uninterrupted use and quiet enjoyment of the Equipment on the terms herein provided. After such assignment the terms and provisions of this Master Lease may not be altered, modified or waived without the written consent of such assignee. In connection with such assignment Lessee agrees to execute such documents as Lessor or its assignee may reasonably request, including notices, acknowledgements and financing statements. Lessee agrees to permit Lessor to record this Master Lease. Upon the written request of such assignee, the Lessee shall make payment of all Rent, Interim Rent and other payments due hereunder with respect to such assignment to the assignee without abatement, deduction or set off. If payment directions are changed due to a Lessor assignment, Lessee shall be given reasonable time to revise payment records. Such payments shall discharge the obligations of

the Lessee to the Lessor hereunder to the extent of such payments. Lessee further covenants and agrees that it will not assert against Lessor's assignee any defense, counterclaim or set off due to a breach of warranty or otherwise in any action for Rent, Interim Rent or any other amounts due hereunder or for possession of the Equipment which is brought by Lessor's assignee. The assignment by the Lessor to the assignee of rights hereunder shall not impose on the assignee any of the duties or obligations of the Lessor hereunder, but in all other respects the assignee shall have all the rights of the Lessor hereunder to the extent necessary to realize upon Rent, Interim Rent and other amounts due hereunder and to protect the assignee's security interest in Equipment resulting from such assignment. Lessor, from time to time, may assign, sell, or transfer in whole or in part its interests in the leases entered into hereunder, or any of its rights under any of the related lease documents, including servicing rights, whether as part of a securitization transaction or by participation, assignment, sale or other transfer (in each case, a "Lessor Transfer"). Upon a Lessor Transfer of Lessor's entire right and interest under the lease documents, Lessor shall automatically be relieved, from and after the date of such assignment, of liability for the performance of any obligation of Lessor contained in the lease documents. Notwithstanding the foregoing, in no event shall Lessee be liable for any costs and expenses relating to a Lessor Transfer including the re-titling of related Equipment caused by such assignment, sale or transfer.

(b) Except as set forth in the following paragraph, Lessee may not assign any rights or claims, or delegate any duties under any Lease, in whole or in part, without the prior written consent of Lessor. Notwithstanding the foregoing, Lessee may assign, with notice to Lessor, any Lease to a subsidiary or affiliate which is not otherwise insolvent or subject to bankruptcy proceedings and which (1) Lessee owns or controls, or (2) such affiliate owns or controls, or (3) Lessee and such affiliate are each owned or controlled by a common ultimate parent company. Each Assignee must be an Approved Affiliate or Lessee shall remain obligated to Lessor for all obligations under this Lease. Any such permitted assignment shall be (x) subject and subordinate to the terms contained in the applicable transfer and assumption agreement, (y) for a term not to exceed the Lease Term of the Lease and (z) assigned to Lessor as additional collateral hereunder. For purposes of any Lease, the term "assignment" shall not include a transfer of Lessee's rights hereunder, and/or a succession to its obligations hereunder (i) by operation of law, including a merger, consolidation, corporate reorganization, conversion, reclassification or liquidation of Lessee or a sale of all or substantially all of Lessee's assets, or (ii) by a change in the control of Lessee. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of Lessee's management and policies, whether through ownership of or the right to vote a majority of the voting stock in the case of a corporation, or the comparable interest in the case of any other entity, or by contract, or otherwise.

19. **MISCELLANEOUS.** (a) Integration: Amendments. This Master Lease, each Lease Schedule, and all other Lease Documents constitute the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and shall not be amended or modified in any manner except by a document in writing executed by the parties to the primary Lease Document.

(b) Unenforceable Provisions. Any provision of this Master Lease or any other Lease Document that 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.

(c) Survival. The representations, warranties and agreements of Lessee under the Lease Documents shall be deemed to be continuing and to survive the execution and delivery of this Master Lease, each Lease Schedule and each other Lease Document. With respect to each Lease Schedule, the obligations of Lessee under Sections 13, 14 and 15 hereof, together with any of Lessee's obligations under the other provisions of this Master Lease (as incorporated therein) which have accrued but not been fully satisfied, performed or complied with prior to the expiration or earlier cancellation or termination of such Lease Schedule, shall survive the expiration or earlier cancellation or termination thereof.

(d) Expenses: Substitute Performance. All of Lessee's obligations hereunder and under each Lease shall be performed at Lessee's sole expense. Lessee shall reimburse Lessor promptly upon demand for all expenses incurred by Lessor in connection with the enforcement of each Lease and the related Lease Documents including (1) any action taken by Lessor at Lessee's request, or in connection with any option exercised by Lessee under the Lease Documents, (2) the filing of UCCs, recording of documents and instruments in real property records and other filings and recordings in connection with Lessor's rights and interests in and to Equipment and Collateral, (3) any Enforcement Costs not recovered pursuant to Section 17, (4) all inspections after the occurrence of an Event of Default, and (5) all lien search reports (and copies of filings) requested by Lessor. If Lessee fails to perform any of its obligations under any Lease Document, Lessor shall have the right, but shall not be obligated, to effect such performance, and Lessee shall reimburse Lessor, upon demand, for all expenses incurred by Lessor in connection with such performance. Lessor's effecting such compliance shall not be a waiver of Lessee's breach. All amounts payable under this Section, if not paid when due, shall be paid to Lessor together with interest thereon at the Default Rate.

(e) Power of Attorney. Lessee irrevocably appoints Lessor as Lessee's attorney-in-fact (which power shall be deemed coupled with an interest) to execute, endorse and deliver any documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required by the Lease Documents, but only to the extent that the same relates to the subject Equipment; provided however such power of attorney may only be exercised during the continuation of an Event of Default.

(f) Jury Trial Waiver. LESSOR AND LESSEE HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH LESSEE AND/OR LESSOR MAY BE PARTIES ARISING OUT OF OR IN ANY WAY

PERTAINING TO THIS MASTER LEASE, ANY LEASE SCHEDULE, ANY OTHER LEASE DOCUMENTS, ANY LEASE OR ANY EQUIPMENT.

(g) Notices. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, personally delivered, delivered by overnight courier service, sent by facsimile transmission (with confirmation of receipt), or sent by certified mail, return receipt requested, addressed to the party to which it is directed at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt.

(h) Governing Law; Jurisdiction. No Lease Schedule shall be effective unless and until accepted by execution by an officer of Lessor at the address set forth below the signature of Lessor hereto. THIS MASTER LEASE AND ALL OF THE OTHER LEASE DOCUMENTS, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER, SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF OHIO (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE EQUIPMENT. The parties agree that any action or proceeding arising out of or relating to each Lease may be commenced in any state or Federal court located in Summit County, Ohio, and agree that a summons and complaint commencing an action or proceeding in any such court shall be properly served and shall confer personal jurisdiction if served personally or by certified mail to it at the mailing address below Lessee's signature, or as it may provide in writing from time to time, or as otherwise provided under the laws of the State of Ohio.

(i) Counterpart Originals. This Master Lease and all of the other Lease Documents may be executed in counterparts. Photocopies or facsimile transmissions of signatures shall be deemed original signatures and shall be fully binding on the parties to the same extent as original signatures. The transfer or possession of the "Original" of this Master Lease shall be irrelevant to the full or collateral assignment of, or grant of security interest in, any Lease or any Lease Schedule; provided, however, no security interest in any Lease Schedule may be created through the transfer, possession or control, as applicable, of any counterpart of such Lease Schedule other than the original thereof, which shall be identified as the document or record (as applicable) marked "Original" and all other counterparts shall be marked "Duplicate."

20. MANDATORY PURCHASE OF EQUIPMENT. Upon the expiration of the Base Term, Lessee shall immediately pay to Lessor a purchase price for the Equipment covered by the Lease Schedule equal to \$1.00, plus all taxes and charges, if any, upon sale and all other amounts accrued and unpaid under the Lease Schedule and, upon full and indefeasible payment to Lessor of such sum, Lessor, without further action, shall be deemed to have conveyed to Lessee all of Lessor's right, title and interest in such Equipment on an **AS IS, WHERE IS** basis.

21. REMITTANCES. All amounts due under any Lease Schedule, including but not limited to Interim Rent and Basic Rent, shall be paid in lawful money of the United States of America in immediately available funds to the following account, or to such other account as designated by Lessor to Lessee in writing:

If by Mail:

[REDACTED]

If by Wire Transfer:

[REDACTED]

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS.]

The parties hereto have caused this Master Lease Agreement to be duly executed as of the day and year first above set forth.

LESSOR:

LESSEE:

THE TOLEDO EDISON COMPANY

By: _____

By: James F. Pearson

Name: _____

Name: James F. Pearson

Title: _____

Title: Vice President and Treasurer

Address:

Address: 76 South Main Street
Akron, OH 44308

Attention: Client Services

Attention: Treasurer

Facsimile:

Facsimile: 330-384-3772

Form of Organization: Corporation

Jurisdiction of Organization: Ohio

Organizational No. 15974

Federal Employer Identification No. 34-4375005

ORIGINAL ____ OF ____

[EXECUTION PAGE OF MASTER LEASE AGREEMENT]

Annex A
to
Master Lease Agreement

Definitions and Rules of Construction

1. **DEFINITIONS.** Unless expressly provided otherwise in any Lease Document, the following terms shall have the meaning ascribed thereto as follows when used in each of the Lease Documents (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Abatement" is defined in Section 2 of this Master Lease.

"Acceptance Date" is defined in each respective Lease Schedule.

"Acquisition Cost" means, with respect to Equipment covered by a Lease Schedule, the amount defined as such in the Lease Schedule.

"Addendum" means an amendment, modification or other supplement to this Master Lease from time to time executed and delivered by Lessee and Lessor.

"Approved Affiliates" means The Cleveland Electric Illuminating Company, FirstEnergy Generation Corp., FirstEnergy Nuclear Operating Company, FirstEnergy Service Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Monongahela Power Company, Ohio Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, The Potomac Edison Company, The Toledo Edison Company and West Penn Power Company.

"Assignee" means the beneficiary of any Assignment, together with its successors and assigns.

"Assignment" is defined in Section 18(b) of this Master Lease.

"Base Term" is defined in each respective Lease Schedule.

"Basic Rent" means the scheduled rental installments for Equipment that are due for the Base Term of the related Lease Schedule.

"Casualty" means any loss, theft, confiscation, taking, unavailability, damage or total or partial destruction of Equipment.

"Casualty Equipment" means any Equipment that suffers a Casualty.

"Claim" means all claims, losses, liabilities (including negligence, tort and strict liability), damages, demands, judgments, settlements, suits, and all legal proceedings and any and all costs and expenses in connection therewith (including attorneys' fees and expenses) that in any way relate to or arise out of any Lease, this Master Lease, any Lease Document, the transactions contemplated thereby or any of the Equipment, including (a) the selection, manufacture, condition, purchase, financing, acceptance or rejection of Equipment, (b) the ownership of Equipment, (c) the delivery, nondelivery, installation, lease, possession, maintenance, use, condition, repair, return, operation or disposition of any of the Equipment, (d) any patent, copyright or trademark infringement, (e) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including investigation, removal, cleanup and remedial costs, (f) any personal injury, wrongful death or property damage arising under any statutory or common law or tort law theory whatsoever, (g) any administrative process or proceeding or judicial or other similar proceeding (including any alternative dispute resolution process and any bankruptcy proceeding) in any way connected with any matter addressed in any of the Lease Documents and (h) any latent or other defects in any of the Equipment whether or not discoverable by Lessor.

"Collateral" means, with respect to each Lease, all of the following (whether now or hereafter created or existing and including any other collateral described in the Lease): (a) the Equipment covered by such Lease (including all inventory, fixtures or other property comprising the Equipment), together with all related software (embedded therein or otherwise) and all additions, attachments, accessories and accessions thereto whether or not furnished by the Supplier; (b) any and all substitutions, replacements or exchanges for any item of such Equipment or other collateral described in the Lease; (c) all subleases, chattel paper, accounts, security deposits, documents and general intangibles relating to any of the foregoing; and (d) any and all insurance and/or other proceeds of the Equipment and/or other collateral described in the Lease.

"Commitment" is defined in Section 1 of this Master Lease.

"Default" means any event which, with the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Default Rate" means interest at a rate equal to the lesser of (a) 12% per annum and (b) the highest rate permitted by applicable law under the circumstances.

"Enforcement Costs" means all reasonable legal fees (including for instituting, prosecuting or defending litigation and/or alternative dispute resolution proceedings) and other enforcement costs and expenses incurred by reason of any Default or Event of Default or the exercise of Lessor's rights or remedies, including all expenses incurred in connection with the return or other recovery of any Equipment in accordance with the terms of the subject Lease or in placing Equipment in the condition required thereby, or the sale, re-lease or other disposition of Equipment (including but not limited to costs of transportation, possession, storage, insurance, taxes, lien removal, repair, refurbishing, advertising and brokers' fees), and all other pre-judgment and post-judgment enforcement related actions taken by Lessor or any actions taken by Lessor in any bankruptcy case involving Lessee, any Guarantor, the Equipment, or any other person.

"Equipment" means the equipment and other property described in each Lease Schedule.

"Event of Default" is defined in Section 16 of this Master Lease.

"GAAP" means generally accepted accounting principles in the United States consistently applied with past periods.

"Guarantor" means any person, if any, providing a guarantee of obligations of Lessee under any Lease Document.

"Imposition" is defined in Section 14(c) of this Master Lease.

"Improvement" means any addition, alteration, modification or improvement to Equipment.

"Indemnitee" is defined in Section 13 of this Master Lease.

"Interim Rent"

"Interim Term" is defined in each respective Lease Schedule.

"Late Charge"

"Lease" means each separate, integrated leasing agreement formed under the Lease Documents.

"Lease Documents" means this Master Lease, each Lease Schedule, each Commitment (if any) and all other agreements, documents, certificates, authorizations and instruments executed in connection with this Master Lease and/or any one or more Lease Schedules.

"Lease Schedule" means each Lease Schedule executed pursuant to this Master Lease and incorporating by reference the terms and conditions of this Master Lease.

"Lease Term" means the term of lease with respect to each respective item of Equipment pursuant to the provisions of the related Lease Schedule, which shall commence, in each case, on the Acceptance Date specified in the related Lease Schedule and continue for the period described in that Lease Schedule.

"Lease Term Commencement Date" is defined in each respective Lease Schedule.

"LIBO Rate" means for each calendar month during the Interim Term (including the calendar month during which the Acceptance Date occurs), a rate of interest equal to: (A) the offered rate, as of the day that is two business days prior to the first day of such calendar month (or, if such date is not a day The Royal Bank of Scotland plc is open for business in London, the next preceding day on which The Royal Bank of Scotland plc is open for business in London) (as the case may be, the "LIBO Rate Determination Date"), for deposits of U.S. Dollars in an amount approximately equal to the aggregate of Interim Advances outstanding during such calendar month for a period of one month which the British Bankers' Association fixes as its LIBO Rate as of 11:00 a.m. London time on the

LIBO Rate Determination Date; divided by (B) a number equal to 1.0 minus the maximum aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) under any regulations of the Board of Governors of the Federal Reserve System (the "Board") or other governmental authority having jurisdiction with respect thereto as issued from time to time and then applicable to assets or liabilities consisting of "Eurocurrency Liabilities," as currently defined in Regulation D of the Board.

"Lien" means any claim, lien, encumbrance, attachment or rights of others.

"Loss Payment Date" means the next Payment Date immediately following the notification of a Total Loss of Equipment.

"Margin": [REDACTED]

"Material Adverse Effect" means (a) a materially adverse effect on the business, condition (financial or otherwise), operations, performance or properties of Lessee or any Guarantor taken as a whole, (b) a material impairment of the ability of Lessee or any Guarantor to perform its obligations under or remain in compliance with each Lease Schedule or any of the other Lease Documents, or (c) a materially adverse effect on the validity or enforceability of any Lease Document or the rights and remedies available to Lessor thereunder.

"Other Payment" means any amount payable in accordance with the terms of a Lease that does not constitute Interim Rent or Basic Rent.

"Permitted Lien" means (a) any Lien for taxes, assessments or other governmental charges not yet due and payable, (b) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other similar Liens imposed by law, which are incurred in the ordinary course of Lessee's business for sums that are not delinquent, (c) Liens in favor of Lessor, and (d) Liens explicitly identified in any Lease Document as a "permitted lien."

"Payment Date" is defined in each respective Lease Schedule.

"Records" means, with respect to the Equipment, all records of maintenance, modifications, additions and major repairs, computerized maintenance history, maintenance and repair manuals and all similar items.

"Rent" means, collectively, Interim Rent, Basic Rent, and Other Payments.

"Replacement Part" means a new or reconditioned replacement part that is free and clear of all Liens and has a value, utility and remaining useful life at least equal to the part (or parts) being replaced (assuming the part (or parts) was in the condition required by the subject Lease).

"Required Alteration" means each alteration, addition and/or modification to Equipment as is required from time to time to meet the requirements of applicable law, any applicable insurance policies, the warranty provision of any Supply Contract and/or the subject Lease.

"Rider" means an amendment, modification or other supplement to a Lease Schedule from time to time executed and delivered by Lessee and Lessor.

"Stipulated Loss Value": [REDACTED]

"Supplier" means each manufacturer and/or vendor of Equipment.

"Supply Contract" means each purchase agreement, invoice, document and/or instrument pertaining to the acquisition of Equipment.

"Total Loss" means, with respect to Casualty Equipment, (a) the actual or constructive total loss of the Casualty Equipment, (b) the loss, disappearance, theft or destruction of the Casualty Equipment, or damage thereto that is uneconomical to repair or renders it unfit for normal use, or (c) the condemnation, confiscation, requisition, seizure, forfeiture or other taking of title to or use of the Casualty Equipment or the imposition of any Lien thereon by any governmental authority.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect in the State of Illinois or in any other applicable jurisdiction; and any reference to an article or section thereof shall mean the corresponding article or section (however termed) of any such applicable version of the Uniform Commercial Code.

"UCCs" means UCC financing statements.

2. FURTHER DEFINITIONS; RULES OF CONSTRUCTION. (a) Further Definitions. Unless expressly provided otherwise in any Lease Document, the following terms shall have the meaning ascribed thereto as follows when used in each of the Lease Documents: (1) "affiliate" means, with respect to any given person, (A) each person that directly or indirectly owns or controls, whether beneficially or as a trustee, guardian or other fiduciary, 25% or more of the voting stock, membership interests or similar equity interests having ordinary voting power in the election of directors or managers of such person, (B) each person that controls, is controlled by, or is under common control with, such person, and (C) each of such person's officers, directors, members, joint venturers and partners (and, for the purposes of this definition, "control" of a person means the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise); (2) "applicable law" or "law" means any Federal, state and local law, rule, regulation, ordinance, order, code, common law, interpretation, judgment, directive, decree, treaty, injunction, writ, determination, award, permit or similar norm or decision of any governmental authority as the same may be amended, superseded or replaced from time to time; (3) "AS IS, WHERE IS" means as is, where is, without warranty, express or implied, with respect to any matter whatsoever; (4) "business day" means any day, other than a Saturday, Sunday, or legal holiday for commercial banks under the laws of the State of Illinois; (5) "governmental authority" means any federal, state, county, municipal, regional or other governmental authority, agency, board, body, instrumentality or court, in each case, whether domestic or foreign; and (6) "person" means any individual, corporation, limited liability entity, partnership, joint venture, or other legal entity or a governmental authority.

(b) Rules of Construction. The following terms when used herein or in any other Lease Document shall be construed as follows: (1) "herein," "hereof," "hereunder," *etc.*, means in, of, under, *etc.* this Master Lease or such other Lease Document in which such term appears (and not merely in, of, under, *etc.*, the section or provision where the reference occurs); (2) "including" means including without limitation unless such term is followed by the words "and limited to," or similar words; and (3) "or" means at least one, but not necessarily only one, of the alternatives enumerated. Any defined term used in the singular preceded by "any" indicates any number of the members of the relevant class. Any Lease Document or other agreement or instrument referred to herein or in any other Lease Document means such agreement or instrument as amended, modified and supplemented from time to time. Captions and headings in the Lease Documents are for convenience of reference only and shall not affect the interpretation of the Lease Documents.