

ACCELERATED DISTRIBUTION DEMONSTRATION SYSTEM

REGULATORY INFORMATION DISTRIBUTION SYSTEM (RIDS)

ACCESSION NBR: 9102250184 DOC. DATE: 91/02/15 NOTARIZED: NO DOCKET #
 FACIL: 50-315 Donald C. Cook Nuclear Power Plant, Unit 1, Indiana & 05000315
 50-316 Donald C. Cook Nuclear Power Plant, Unit 2, Indiana & 05000316
 AUTH. NAME AUTHOR AFFILIATION
 ALEXICH, M.P. Indiana Michigan Power Co. (formerly Indiana & Michigan Ele
 RECIP. NAME RECIPIENT AFFILIATION
 MURLEY, T.E. Document Control Branch (Document Control Desk)

SUBJECT: Transmits executed decommissioning trust agreements
 associated w/plant requested by staff & suggested Reg Guide
 1.159 dtd Aug 1990.

DISTRIBUTION CODE: B005D COPIES RECEIVED: LTR 1 ENCL 1 SIZE: 191
 TITLE: Licensing Submittal: Application/General Info Amdt

NOTES:

	RECIPIENT		COPIES			RECIPIENT		COPIES	
	ID CODE/NAME		LTTR	ENCL		ID CODE/NAME		LTTR	ENCL
	PD3-1 LA		1	1		PD3-1 PD		2	2
	COLBURN, T.		1	1					
INTERNAL:	AEOD/DOA		1	1		AEOD/DSP/TPAB		1	1
	NRR/DLPQ/PEPB9D		1	1		OG/LMB		1	0
	OGC/HDS2		1	1		REG FILE 01		1	1
	SP		1	1					
EXTERNAL:	NRC PDR	02	1	1		NSIC	06	1	1

NOTE TO ALL "RIDS" RECIPIENTS:

PLEASE HELP US TO REDUCE WASTE! CONTACT THE DOCUMENT CONTROL DESK,
 ROOM P1-37 (EXT. 20079) TO ELIMINATE YOUR NAME FROM DISTRIBUTION
 LISTS FOR DOCUMENTS YOU DON'T NEED!

TOTAL NUMBER OF COPIES REQUIRED: LTTR 13 ENCL 12



AEP:NRC:1119C

Donald C. Cook Nuclear Plant Units 1 and 2
License Nos. DPR 58 and DPR 74
Docket Nos. 50-315 and 50-316
EXECUTED DECOMMISSIONING TRUST

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555

Attn: T. E. Murley

February 15, 1991

Dear Dr. Murley:

This letter transmits a copy of each of the executed decommissioning trust agreements associated with the Cook Nuclear Plant as requested by your staff and as suggested in Regulatory Guide 1.159 dated August 1990. Please note that we previously complied with the requirements in 10 CFR 50.33 and 10 CFR 50.75 by providing the details of the subject trust (AEP:NRC:1119 dated July 3, 1990).

Cook Nuclear Plant maintains ten nuclear decommissioning trust agreements that involve four banks. It should be noted that these agreements are similar but not completely identical to each other.

This letter has been prepared following Corporate procedures that incorporate a reasonable set of controls to ensure its accuracy and completeness prior to signature.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. P. Alexich".

M. P. Alexich
Vice President

Attachments

B005
11

Dr. T. E. Murley

-2-

AEP:NRC:1119C

cc: D. H. Williams, Jr.
A. A. Blind - Bridgman
G. Charnoff
J. R. Padgett
A. B. Davis - Region III
NFEM Section Chief
NRC Resident Inspector - Bridgman

INDIANA & MICHIGAN ELECTRIC COMPANY
D. C. COOK NUCLEAR GENERATING PLANT
DECOMMISSIONING (INDIANA JURISDICTION) TRUST

TRUST AGREEMENT

Between

INDIANA & MICHIGAN ELECTRIC COMPANY

and

FORT WAYNE NATIONAL BANK

Dated: April 19, 1983

.9102250184



100

101

102

103

104

105

106

107

108



CONTENTS

INDIANA & MICHIGAN ELECTRIC COMPANY D. C. COOK NUCLEAR GENERATING PLANT DECOMMISSING (INDIANA JURISDICTION) TRUST

	<u>Page</u>
-- Introductory Provisions	1
Article 1 Establishment of Trust	1
Article 2 Purpose of Trust	3
Article 3 Contributions by Company	6
Article 4 Indemnification of Trustee	7
Article 5 Trustee's Duties and Powers	7
Article 6 Taxes and Expenses	9
Article 7 Accountings by Trustee	10
Article 8 Removal or Resignation of Trustee	11
Article 9 Action by Company	12
Article 10 Amendment of Agreement	13
Article 11 Termination of Trust	14
Article 12 Miscellaneous Provisions and Effective Date	14
-- Signatures	16

10 11 12 13 14 15 16

17 18 19 20 21 22 23

24

TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 19th day of April, 1983 by and between Indiana & Michigan Electric Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and Fort Wayne National Bank, an Indiana corporation having its principal place of business at 110 West Berry Street, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning its D. C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust to provide for the funding by the Company of the costs of decommissioning said Plant;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money and

二
三
四
五
六
七
八
九
十
十一
十二
十三
十四
十五
十六
十七
十八
十九
二十

(ii) such other property described in Section 2.3 acceptable to the Trustee, as shall from time to time be paid or delivered to the Trustee by the Company and the earnings and profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund." The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.—

Section 1.2 The name of the Trust is the "Indiana & Michigan Electric Company D. C. Cook Nuclear Generating Plant Decommissioning (Indiana Jurisdiction) Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express

100

100

2



五、

22

100

5.

100

terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of its D. C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purposes described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, the Trustee shall make payments from the Fund. The Trustee may

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

rely absolutely on such instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The investments referred to in Section 2.2 are the following:

(a) cash; (b) direct obligations of the United States of America; (c) obligations guaranteed by the United States of America; (d) obligations of any agency or corporation which is, or may hereafter be, created by or pursuant to an Act of Congress as an agency or instrumentality of, and guaranteed by, the United States of America; (e) obligations of any State (or political subdivision thereof) in the United States of America which are exempt from tax under Section 103(a) of the Internal Revenue Code of 1954, as amended, and which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A" or higher as to general obligation bonds and "AA" or higher as to other obligations; (f) repurchase agreements and other investment arrangements with any commercial bank (including the Trustee) organized under the laws of the United States of America or of any State therein and having combined capital, surplus and undivided profits of at least \$25,000,000 or with any securities dealer or insurance company of nationally recognized repute and dealing with any of the above-described securities, provided, however, that such agreements with the Trustee or any of its affiliates shall in no event cover an aggregate of more than \$5,000,000 of such securities at any one time; (g) commercial paper (including participations in variable interest demand notes



and trust demand notes of corporations with which the Trustee has established a contractual relationship), notes and bonds of corporations organized under the laws of any State in the United States of America which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A-2" or higher as to commercial paper and "AA" or higher as to notes and bonds; and (h) interests in investment companies and investment trusts which limit their investments to the foregoing. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4. Subject to Sections 2.3, 2.5 and 2.6, the Trustee may, with the consent of the Company, cause any part or all of the assets of the Fund to be invested collectively with the money and other assets of any other trust or trusts by causing such money and other assets to be invested as part of any such common trust fund, as the same may have heretofore been, or may hereafter be, established by the Trustee.

Section 2.5. Subject to Section 2.6, the Trustee may invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest, provided, however,

23, 24

that Trustee shall make no such investment with itself or any of its affiliates without the consent of the Company, and shall in no event make or maintain investments with itself or any of its affiliates which, at the time of their respective acquisitions, amount to an aggregate of greater than \$5,000,000. To the maximum extent practicable no cash shall be held uninvested, and any funds not otherwise invested shall be invested in one or more interest bearing common trust funds established by the Trustee.

Section 2.6. In addition to complying with the limitations contained in Sections 2.3, 2.4 and 2.5, the Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time such sums of money or property described in Section 2.3 as the Company may determine. The Trustee shall be under no duty to question or verify the amount of any contribution by the Company.

[illegible]

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee.

ARTICLE 4. INDEMNIFICATION OF TRUSTEE

Section 4.1. The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, negligence or willful misconduct.

ARTICLE 5. TRUSTEE'S DUTIES AND POWERS

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in accordance with written instructions fur-

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

nished by the Company and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to bonds, securities, or other property held in the Fund;



13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses of administration, such as (but not limited to) the expenses incurred by the Trustee in con-

[illegible]

2

Figure 1

Figure 1

n

nection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last calendar quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever released and discharged from all



liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR
RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem

一、二、三、四、五、六、七、八、九、十、十一、十二、十三、十四、十五、十六、十七、十八、十九、二十、二十一、二十二、二十三、二十四、二十五、二十六、二十七、二十八、二十九、三十、三十一、三十二、三十三、三十四、三十五、三十六、三十七、三十八、三十九、四十、四十一、四十二、四十三、四十四、四十五、四十六、四十七、四十八、四十九、五十、五十一、五十二、五十三、五十四、五十五、五十六、五十七、五十八、五十九、六十、六十一、六十二、六十三、六十四、六十五、六十六、六十七、六十八、六十九、七十、七十一、七十二、七十三、七十四、七十五、七十六、七十七、七十八、七十九、八十、八十一、八十二、八十三、八十四、八十五、八十六、八十七、八十八、八十九、九十、九十一、九十二、九十三、九十四、九十五、九十六、九十七、九十八、九十九、一百。

advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action by the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

1
2
3
4
5

6
7
8
9
10
11

12
13
14

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) the final payment of all costs of the Company relating to the decommissioning of the D. C. Cook Nuclear Generating Plant.

ARTICLE 12. MISCELLANEOUS PROVISIONS
AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1000, 2000, 3000, 4000, 5000, 6000, 7000, 8000, 9000, 10000

Fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 Except with respect to a transfer of the type described in Section 2.2(c), the Trustee may condition its delivery, transfer or distribution of any assets upon the Trustee's receiving assurances satisfactory to it that the approval of appropriate governmental or other authorities has been secured and that all notice and other procedures required by applicable law have been complied with.

Section 12.5 The provisions of this Agreement shall take effect immediately.

五

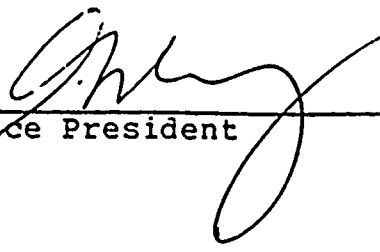
201

15

८१

IN WITNESS WHEREOF the parties hereto have caused
this Agreement to be executed by their respective officers
thereunto duly authorized and their respective seals to be
hereunto affixed and attested as of the day and year first
above written.

INDIANA & MICHIGAN ELECTRIC COMPANY

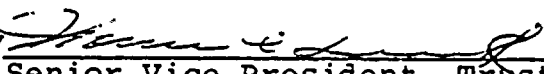
By 
Vice President

Attest:

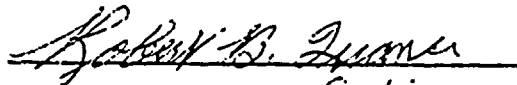

Assistant Secretary

(Seal)

FORT WAYNE NATIONAL BANK

By 
Senior Vice President, Trust Officer
and Manager

Attest:


Cashier

(Seal)

16-75252-20-21

21

22

23

24

25

26

27

28

29

30

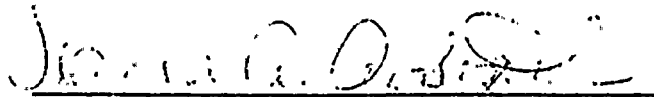
31

32



STATE OF OHIO)
 : SS.:
COUNTY OF FRANKLIN)

On this 19th day of April, in the year 1983, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana & Michigan Electric Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

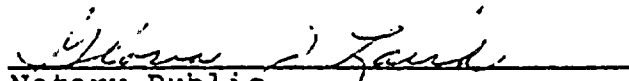


Notary Public

MARSHA A. APPLGARTH
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JANUARY 16, 1985

STATE OF INDIANA)
 : SS.:
COUNTY OF ALLEN)

On this 21st day of April, in the year 1983, before me personally came Thomas E. Quirk, to me known, who, being by me duly sworn, did depose and say that he is a Senior Vice President of Fort Wayne National Bank, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.



Notary Public

Gloria J. Laird
My commission expires August 11, 1984



15

1

2

3

4

5

6

11



10

x
x
x

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 2
QUALIFIED INDIANA JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA MICHIGAN POWER COMPANY

and

FORT WAYNE NATIONAL BANK

1000

1000

1000

1000

1000

1000



CONTENTS

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 2
QUALIFIED INDIANA JURISDICTION DECOMMISSIONING TRUST

	<u>Page</u>
-- INTRODUCTORY PROVISIONS	1
ARTICLE 1 ESTABLISHMENT OF TRUST	1
ARTICLE 2 PURPOSE OF TRUST	3
ARTICLE 3 CONTRIBUTIONS BY COMPANY	5
ARTICLE 4 PROHIBITED TRANSACTIONS AND INDEMNIFICATION OF TRUSTEE	6
ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE	6
ARTICLE 6 TAXES AND EXPENSES	8
ARTICLE 7 ACCOUNTINGS BY TRUSTEE	9
ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE	10
ARTICLE 9 ACTION BY COMPANY	11
ARTICLE 10 AMENDMENT OF AGREEMENT	12
ARTICLE 11 TERMINATION OF TRUST	12
ARTICLE 12 MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE	13
-- SIGNATURES	14

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 15th day of March, 1988 by and between Indiana Michigan Power Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and Fort Wayne National Bank, an Indiana Corporation having its principal place of business at 110 West Berry Street, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning Unit 2 of the Donald C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust which will be qualified under section 468A of the Internal Revenue Code (the Code) to provide for the funding by the Company of the costs of decommissioning said Unit;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money as shall from time to time be paid or delivered to the Trustee by the Company and (ii) such other property as permitted by section 468A of the Code and acceptable to the Trustee and the earnings and



4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.
16.
17.
18.
19.
20.
21.
22.
23.
24.
25.
26.
27.
28.
29.
30.
31.
32.
33.
34.
35.
36.
37.
38.
39.
40.
41.
42.
43.
44.
45.
46.
47.
48.
49.
50.
51.
52.
53.
54.
55.
56.
57.
58.
59.
60.
61.
62.
63.
64.
65.
66.
67.
68.
69.
70.
71.
72.
73.
74.
75.
76.
77.
78.
79.
80.
81.
82.
83.
84.
85.
86.
87.
88.
89.
90.
91.
92.
93.
94.
95.
96.
97.
98.
99.
100.

profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana Michigan Power Company Donald C. Cook Nuclear Generating Plant Unit 2 Qualified Indiana Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

18.

19.

20.

21.

22.

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such



1
2
3
4
5

6

7

8
9
10
11
12
13
14



15
16



instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The Trustee, unless otherwise provided for by this Agreement, shall invest and reinvest the assets without distinction between income and principal. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Section 2.5, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested.

Section 2.5 The Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of



10
11
12
13
14

15
16
17

18
19
20

21
22

Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Further, the Trustee shall make no investments of assets of this section 468A Trust which are not permitted under section 468A of the Code. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time only those amounts with respect to which the Company determines a deduction is allowable under Section 468A(a). The Company shall provide with such contributions statements or documents which will provide sufficient evidence to the Trustee of the deductibility of amounts contributed. The Trustee shall be under no duty to question or verify the determination of the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.



ARTICLE 4. PROHIBITED TRANSACTIONS
AND INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not deal with the Fund in such manner or commit any act, as will constitute "self-dealing" as that term is defined in Section 4951(d) of the Code. The Trustee shall not knowingly permit the Company to deal with the Fund in any manner, or knowingly permit the Company to commit any act, which will constitute self-dealing, but the Trustee shall be under no duty to undertake an independent investigation in order to determine if any proposed action by the Company will constitute self-dealing.

Section 4.2 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in



accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses



of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever



1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the



payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of



the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon substantial completion of the nuclear decommissioning of the Donald C. Cook Nuclear Generating Plant, as provided in Section 468A(e)(7) of the Code.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

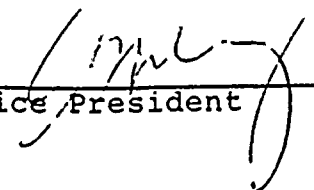
Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 The provisions of this Agreement shall take effect immediately.



IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed and attested as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

By 
Vice President

Attest:

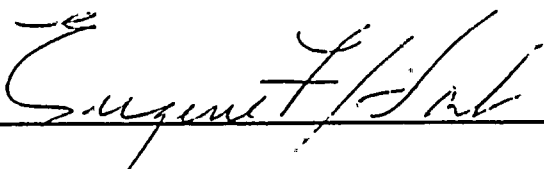

Assistant Secretary

(SEAL)

FORT WAYNE NATIONAL BANK

By 

Attest:



(SEAL)



STATE OF OHIO)
)
COUNTY OF FRANKLIN) ss.:

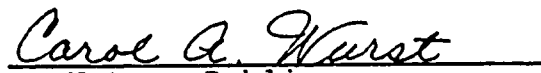
On this 10th day of March, in the year 1988, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana Michigan Power Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.


Notary Public

COLETTE G. MUSSAWIR
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JUNE 14, 1989

STATE OF INDIANA)
)
COUNTY OF ALLEN) ss.:

On this 11th day of March, in the year 1988, before me personally came David M. Meyer, to me known, who, being by me duly sworn, did depose and say that he is a Vice-President and Trust Officer, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.


Notary Public
Carol A. Wurst
Resident of Allen County

My Commission Expires:

7/5/91



Joseph P., Sr. (d.) & Rose Kennedy

✕
 ✕
 ✕

[illegible]

(d.) deceased



INDIANA & MICHIGAN ELECTRIC COMPANY
D. C. COOK NUCLEAR GENERATING PLANT
DECOMMISSIONING (INDIANA JURISDICTION) TRUST

TRUST AGREEMENT

Between

INDIANA & MICHIGAN ELECTRIC COMPANY

and

LINCOLN NATIONAL BANK AND TRUST COMPANY
OF FORT WAYNE

Dated: April 19, 1983



CONTENTS

INDIANA & MICHIGAN ELECTRIC COMPANY D. C. COOK NUCLEAR GENERATING PLANT DECOMMISSING (INDIANA JURISDICTION) TRUST

	<u>Page</u>
-- Introductory Provisions	1
Article 1 Establishment of Trust	1
Article 2 Purpose of Trust	3
Article 3 Contributions by Company	6
Article 4 Indemnification of Trustee	7
Article 5 Trustee's Duties and Powers	7
Article 6 Taxes and Expenses	9
Article 7 Accountings by Trustee	10
Article 8 Removal or Resignation of Trustee	11
Article 9 Action by Company	12
Article 10 Amendment of Agreement	13
Article 11 Termination of Trust	14
Article 12 Miscellaneous Provisions and Effective Date	14
-- Signatures	16



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 19th day of April, 1983 by and between Indiana & Michigan Electric Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and Lincoln National Bank and Trust Company of Fort Wayne, a national banking association having its principal place of business at 116 East Berry Street, Fort Wayne, Indiana 46802 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning its D. C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust to provide for the funding by the Company of the costs of decommissioning said Plant;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money and

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101

(ii) such other property described in Section 2.3 acceptable to the Trustee, as shall from time to time be paid or delivered to the Trustee by the Company and the earnings and profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund." The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana & Michigan Electric Company D. C. Cook Nuclear Generating Plant Decommissioning (Indiana Jurisdiction) Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of its D. C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purposes described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, the Trustee shall make payments from the Fund. The Trustee may

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

18.

19.

20.

21.

22.

23.

24.

25.

26.

27.

28.

rely absolutely on such instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The investments referred to in Section 2.2 are the following:

(a) cash; (b) direct obligations of the United States of America; (c) obligations guaranteed by the United States of America; (d) obligations of any agency or corporation which is, or may hereafter be, created by or pursuant to an Act of Congress as an agency or instrumentality of, and guaranteed by, the United States of America; (e) obligations of any State (or political subdivision thereof) in the United States of America which are exempt from tax under Section 103(a) of the Internal Revenue Code of 1954, as amended, and which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A" or higher as to general obligation bonds and "AA" or higher as to other obligations; (f) repurchase agreements and other investment arrangements with any commercial bank (including the Trustee) organized under the laws of the United States of America or of any State therein and having combined capital, surplus and undivided profits of at least \$25,000,000 or with any securities dealer or insurance company of nationally recognized repute and dealing with any of the above-described securities, provided, however, that such agreements with the Trustee or any of its affiliates shall in no event cover an aggregate of more than \$5,000,000 of such securities at any one time; (g) commercial paper (including participations in variable interest demand notes

Hand

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

18.

19.

20.

21.

22.

23.

24.

25.

26.

27.

28.

29.

30.

and trust demand notes of corporations with which the Trustee has established a contractual relationship), notes and bonds of corporations organized under the laws of any State in the United States of America which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A-2" or higher as to commercial paper and "AA" or higher as to notes and bonds; and (h) interests in investment companies and investment trusts which limit their investments to the foregoing. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4. Subject to Sections 2.3, 2.5 and 2.6, the Trustee may, with the consent of the Company, cause any part or all of the assets of the Fund to be invested collectively with the money and other assets of any other trust or trusts by causing such money and other assets to be invested as part of any such common trust fund, as the same may have heretofore been, or may hereafter be, established by the Trustee.

Section 2.5. Subject to Section 2.6, the Trustee may invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest, provided, however,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

that Trustee shall make no such investment with itself or any of its affiliates without the consent of the Company, and shall in no event make or maintain investments with itself or any of its affiliates which, at the time of their respective acquisitions, amount to an aggregate of greater than \$5,000,000. To the maximum extent practicable no cash shall be held uninvested, and any funds not otherwise invested shall be invested in one or more interest bearing common trust funds established by the Trustee.

Section 2.6. In addition to complying with the limitations contained in Sections 2.3, 2.4 and 2.5, the Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time such sums of money or property described in Section 2.3 as the Company may determine. The Trustee shall be under no duty to question or verify the amount of any contribution by the Company.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1

100

100

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee.

ARTICLE 4. INDEMNIFICATION OF TRUSTEE

Section 4.1. The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, negligence or willful misconduct.

ARTICLE 5. TRUSTEE'S DUTIES AND POWERS

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in accordance with written instructions fur-

[illegible]

nished by the Company and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to bonds, securities, or other property held in the Fund;

一、
 二、
 三、
 四、
 五、
 六、
 七、
 八、
 九、
 十、





3



3

241

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses of administration, such as (but not limited to) the expenses incurred by the Trustee in con-



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

nection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last calendar quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever released and discharged from all

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem



advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action by the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.



so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) the final payment of all costs of the Company relating to the decommissioning of the D. C. Cook Nuclear Generating Plant.

ARTICLE 12. MISCELLANEOUS PROVISIONS
AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such

Fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 Except with respect to a transfer of the type described in Section 2.2(c), the Trustee may condition its delivery, transfer or distribution of any assets upon the Trustee's receiving assurances satisfactory to it that the approval of appropriate governmental or other authorities has been secured and that all notice and other procedures required by applicable law have been complied with.

Section 12.5 The provisions of this Agreement shall take effect immediately.

101

102

103


104

105


106

IN WITNESS WHEREOF the parties hereto have caused
this Agreement to be executed by their respective officers
thereunto duly authorized and their respective seals to be
hereunto affixed and attested as of the day and year first
above written.

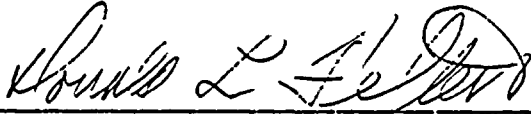
INDIANA & MICHIGAN ELECTRIC COMPANY

By 
Vice President

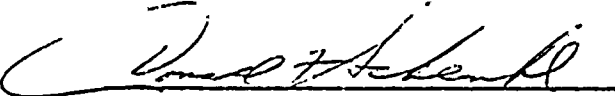
Attest:


Assistant Secretary
(Seal)

LINCOLN NATIONAL BANK AND TRUST COMPANY
OF FORT WAYNE

By 
Senior Vice President and
Senior Trust Officer

Attest:


(Seal)



STATE OF OHIO)
 : SS.:
COUNTY OF FRANKLIN)

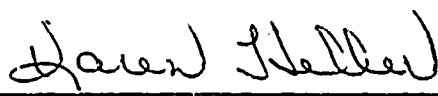
On this 19th day of April, in the year 1983,
before me personally came G. P. Maloney, to me known,
who, being by me duly sworn, did depose and say that he is
a Vice President of Indiana & Michigan Electric Company,
the corporation described in and which executed the above
instrument; that he knows the seal of said corporation;
that the seal affixed to said instrument is such corporate
seal; that it was so affixed by order of the Board of
Directors of said corporation, and that he signed his name
thereto by like order.


Notary Public

MARSHA A. APPLGART,
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JANUARY 15, 1985

STATE OF INDIANA)
 : SS.:
COUNTY OF ALLEN)

On this 22 day of April, in the year 1983,
before me personally came Donald L. Felten, to me known,
who, being by me duly sworn, did depose and say that he is
a Senior Vice President of Lincoln National Bank and Trust
Company of Fort Wayne, the association described in and
which executed the above instrument; that he knows the seal
of said association; that the seal affixed to said instrument
is such seal; that it was so affixed by order of the Board
of Directors of said association, and that he signed his
name thereto by like order.


Notary Public

KAREN HELLER, Notary Public
My Commission expires 5-3-84
Resident of Adams County



121

122

123

124

125

126



127



KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

x

x

[illegible]

三

11

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 1
QUALIFIED INDIANA JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA MICHIGAN POWER COMPANY

and

LINCOLN NATIONAL BANK AND TRUST COMPANY OF FORT WAYNE



1

2

3

4

5

6

7

8

9



CONTENTS

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 1
QUALIFIED INDIANA JURISDICTION DECOMMISSIONING TRUST

| | <u>Page</u> |
|---|-------------|
| -- INTRODUCTORY PROVISIONS | 1 |
| ARTICLE 1 ESTABLISHMENT OF TRUST | 1 |
| ARTICLE 2 PURPOSE OF TRUST | 3 |
| ARTICLE 3 CONTRIBUTIONS BY COMPANY | 5 |
| ARTICLE 4 PROHIBITED TRANSACTIONS AND
INDEMNIFICATION OF TRUSTEE | 6 |
| ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF
THE TRUSTEE | 6 |
| ARTICLE 6 TAXES AND EXPENSES | 8 |
| ARTICLE 7 ACCOUNTINGS BY TRUSTEE | 9 |
| ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE | 10 |
| ARTICLE 9 ACTION BY COMPANY | 11 |
| ARTICLE 10 AMENDMENT OF AGREEMENT | 12 |
| ARTICLE 11 TERMINATION OF TRUST | 12 |
| ARTICLE 12 MISCELLANEOUS PROVISIONS AND
EFFECTIVE DATE | 13 |
| -- SIGNATURES | 14 |

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 15th day of March, 1988 by and between Indiana Michigan Power Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and Lincoln National Bank and Trust Company of Fort Wayne, a national banking association having its principal place of business at 116 East Berry Street, Fort Wayne, Indiana 46802 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust which will be qualified under section 468A of the Internal Revenue Code (the Code) to provide for the funding by the Company of the costs of decommissioning said Unit;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money as shall from time to time be paid or delivered to the Trustee by the Company and (ii) such other property as permitted by section 468A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200



of the Code and acceptable to the Trustee and the earnings and profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana Michigan Power Company Donald C. Cook Nuclear Generating Plant Unit 1 Qualified Indiana Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16



ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40



instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The Trustee, unless otherwise provided for by this Agreement, shall invest and reinvest the assets without distinction between income and principal. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Section 2.5, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested.

Section 2.5 The Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of

1
2
3
4
5

6
7
8

9
10
11

12
13
14



Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Further, the Trustee shall make no investments of assets of this section 468A Trust which are not permitted under section 468A of the Code. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time only those amounts with respect to which the Company determines a deduction is allowable under Section 468A(a). The Company shall provide with such contributions statements or documents which will provide sufficient evidence to the Trustee of the deductibility of amounts contributed. The Trustee shall be under no duty to question or verify the determination of the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

ARTICLE 4. PROHIBITED TRANSACTIONS
AND INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not deal with the Fund in such manner or commit any act, as will constitute "self-dealing" as that term is defined in Section 4951(d) of the Code. The Trustee shall not knowingly permit the Company to deal with the Fund in any manner, or knowingly permit the Company to commit any act, which will constitute self-dealing, but the Trustee shall be under no duty to undertake an independent investigation in order to determine if any proposed action by the Company will constitute self-dealing.

Section 4.2 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101

102

103

104

105

106

107

108

011
accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

10
Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to



11

12

13

14

15

16

17

18

19

20

21



pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the



4

10



2

Σ

1

1. 1

1. 100%

1

1

知

30

4

64

22

4

1

10



payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.



1
2
3
4
5
6

7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200



Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon substantial completion of the nuclear decommissioning of the Donald C. Cook Nuclear Generating Plant, as provided in Section 468A(e) (7) of the Code.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 The provisions of this Agreement shall take effect immediately.



10

11

12

13

14

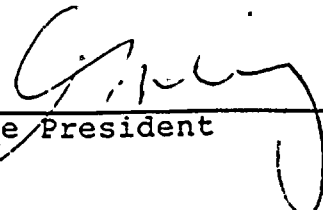
15

16



IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed and attested as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

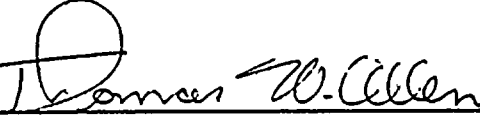
By 
Vice President

Attest:

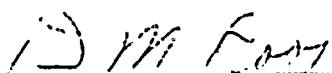

Assistant Secretary

(SEAL)

LINCOLN NATIONAL BANK AND TRUST
COMPANY OF FORT WAYNE

By 

Attest:



(SEAL)

THE UNIVERSITY OF CHICAGO

1961

1962

1963

STATE OF OHIO)
)
COUNTY OF FRANKLIN) ss.:

On this 10th day of *March*, in the year 1988, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana Michigan Power Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

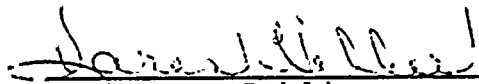


Notary Public

COLETTE G. MUSSAWIR
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JUNE 14, 1989

STATE OF INDIANA)
)
COUNTY OF ALLEN) ss.:

On this 11 day of March, in the year 1988, before me personally came Thomas W. Allen, to me known, who, being by me duly sworn, did depose and say that he is a of Senior Vice President, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.



Notary Public
Karen Heller
Notary Public
Adams County
My Commission expires 5-3-90



1

2

3

4

5

6

7

8

9

10



KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

X
X
X

| | | | | | | | | |
|----------------------------|---|---------------------|---|---------------------------|---|-----------------------|---|---------------------|
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| <u>Joseph P., Jr. (d.)</u> | X | <u>John F. (d.)</u> | X | <u>Kathleen (d.)</u> | X | <u>Robert F. (d.)</u> | X | <u>Edward Moore</u> |
| | X | | X | | X | | X | |
| None | X | Caroline | X | None | X | Kathleen | X | Kara Ann |
| | X | John F., Jr. | X | | X | Hartington | X | Edward Moore |
| | X | Patrick | X | | X | Robert F., Jr. | X | Patrick |
| | X | Bouvier (d.) | X | | X | Joseph Patrick | X | Joseph |
| | X | | X | | X | David | X | |
| | X | | X | | X | Anthony (d.) | X | |
| | X | | X | | X | Mary Courtney | X | |
| | X | | X | | X | Michael L. | X | |
| | X | | X | | X | Mary K. | X | |
| | X | | X | | X | Christopher G. | X | |
| | X | | X | | X | Matthew | X | |
| | X | | X | | X | Douglas | X | |
| | X | | X | | X | Rory | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| <u>Eunice (Shriver)</u> | X | <u>Jean (Smith)</u> | X | <u>Patricia (Lawford)</u> | X | <u>Rosemary</u> | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| Robert Sargent III | | Willie | | Christopher | | None | | |
| Maria Owings | | Stephen, Jr. | | Sydney | | | | |
| Timothy Perry | | | | Victoria | | | | |
| Mark Kennedy | | | | Robin | | | | |
| Anthony Paul Kennedy | | | | | | | | |

(d.) deceased



INDIANA & MICHIGAN ELECTRIC COMPANY
D. C. COOK NUCLEAR GENERATING PLANT
DECOMMISSIONING (FEDERAL ENERGY
REGULATORY COMMISSION JURISDICTION) TRUST

TRUST AGREEMENT

Between

INDIANA & MICHIGAN ELECTRIC COMPANY

and

FIRST SOURCE BANK

Dated: November 22, 1983



2
1
1

2

1

1

2

2

2

2

2



CONTENTS

INDIANA & MICHIGAN ELECTRIC COMPANY
D. C. COOK NUCLEAR GENERATING PLANT
DECOMMISSIONING (FEDERAL ENERGY
REGULATORY COMMISSION JURISDICTION) TRUST

| | <u>Page</u> |
|---|-------------|
| -- Introductory Provisions | 1 |
| Article 1 Establishment of Trust | 1 |
| Article 2 Purpose of Trust | 3 |
| Article 3 Contributions by Company | 6 |
| Article 4 Indemnification of Trustee | 7 |
| Article 5 Trustee's Duties and Powers | 7 |
| Article 6 Taxes and Expenses | 9 |
| Article 7 Accountings by Trustee | 10 |
| Article 8 Removal or Resignation of Trustee | 11 |
| Article 9 Action by Company | 12 |
| Article 10 Amendment of Agreement | 13 |
| Article 11 Termination of Trust | 14 |
| Article 12 Miscellaneous Provisions and
Effective Date | 14 |
| -- Signatures | 16 |

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 22nd day of November, 1983 by and between Indiana & Michigan Electric Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and First Source Bank, a national banking association having its principal place of business at 100 North Michigan, South Bend, Indiana 46601 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning its D. C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust to provide for the funding by the Company of the costs of decommissioning said Plant;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money and

(ii) such other property described in Section 2.3 acceptable to the Trustee, as shall from time to time be paid or delivered to the Trustee by the Company and the earnings and profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana & Michigan Electric Company D. C. Cook Nuclear Generating Plant Decommissioning (Federal Energy Regulatory Commission Jurisdiction) Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35



terms of this Agreement or other written agreement, to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of its D. C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purposes described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, the Trustee shall make payments from the Fund. The Trustee may

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56



rely absolutel on such instructions and all be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The investments referred to in Section 2.2 are the following:

(a) cash; (b) direct obligations of the United States of America; (c) obligations guaranteed by the United States of America; (d) obligations of any agency or corporation which is, or may hereafter be, created by or pursuant to an Act of Congress as an agency or instrumentality of, and guaranteed by, the United States of America; (e) obligations of any State (or political subdivision thereof) in the United States of America which are exempt from tax under Section 103(a) of the Internal Revenue Code of 1954, as amended, and which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A" or higher as to general obligation bonds and "AA" or higher as to other obligations; (f) repurchase agreements and other investment arrangements with any commercial bank (including the Trustee) organized under the laws of the United States of America or of any State therein and having combined capital, surplus and undivided profits of at least \$25,000,000 or with any securities dealer or insurance company of nationally recognized repute and dealing with any of the above-described securities, provided, however, that such agreements with the Trustee or any of its affiliates shall in no event cover an aggregate of more than \$5,000,000 of such securities at any one time; (g) commercial paper (including participations in variable interest demand notes

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34



and trust demand notes of corporations with which the Trustee has established a contractual relationship), notes and bonds of corporations organized under the laws of any State in the United States of America which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A-2" or higher as to commercial paper and "AA" or higher as to notes and bonds; and (h) interests in investment companies and investment trusts which limit their investments to the foregoing. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4. Subject to Sections 2.3, 2.5 and 2.6, the Trustee may, with the consent of the Company, cause any part or all of the assets of the Fund to be invested collectively with the money and other assets of any other trust or trusts by causing such money and other assets to be invested as part of any such common trust fund, as the same may have heretofore been, or may hereafter be, established by the Trustee.

Section 2.5. Subject to Section 2.6, the Trustee may invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest, provided, however,

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101

102

103

that Trustee shall make no such investment with itself or any of its affiliates without the consent of the Company, and shall in no event make or maintain investments with itself or any of its affiliates which, at the time of their respective acquisitions, amount to an aggregate of greater than \$5,000,000. To the maximum extent practicable no cash shall be held uninvested, and any funds not otherwise invested shall be invested in one or more interest bearing common trust funds established by the Trustee.

Section 2.6. In addition to complying with the limitations contained in Sections 2.3, 2.4 and 2.5, the Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time such sums of money or property described in Section 2.3 as the Company may determine: The Trustee shall be under no duty to question or verify the amount of any contribution by the Company.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

100

100

100

100

100

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee.

ARTICLE 4. INDEMNIFICATION OF TRUSTEE

Section 4.1. The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, negligence or willful misconduct.

ARTICLE 5. TRUSTEE'S DUTIES AND POWERS

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in accordance with written instructions fur-

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61

62

63

64

65

66

67

68

69

70

71

72

73

74

75

nished by the Company and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to bonds, securities, or other property held in the Fund;

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24



(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses of administration, such as (but not limited to) the expenses incurred by the Trustee in con-



nection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last calendar quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever released and discharged from all

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101



liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101



advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action by the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution

[illegible]

so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) the final payment of all costs of the Company relating to the decommissioning of the D. C. Cook Nuclear Generating Plant.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such

一、
 二、
 三、
 四、
 五、
 六、
 七、
 八、
 九、
 十、

Fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 Except with respect to a transfer of the type described in Section 2.2(c), the Trustee may condition its delivery, transfer or distribution of any assets upon the Trustee's receiving assurances satisfactory to it that the approval of appropriate governmental or other authorities has been secured and that all notice and other procedures required by applicable law have been complied with.

Section 12.5 The provisions of this Agreement shall take effect immediately.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

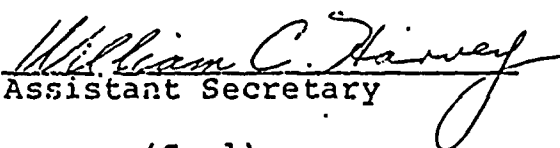


IN WITNESS WHEREOF the parties hereto have caused
this Agreement to be executed by their respective officers
thereunto duly authorized and their respective seals to be
hereunto affixed and attested as of the day and year first
above written.

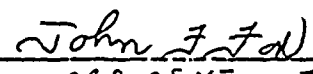
INDIANA & MICHIGAN ELECTRIC COMPANY

By 
Vice President


Attest:


Assistant Secretary
(Seal)

FIRST SOURCE BANK

By 
VICE PRESIDENT - TRUST OFFICER

Attest:


(Seal)



1977-1978

1979

1980

1981

1982

1983

1984



STATE OF OHIO)
) SS.:
COUNTY OF FRANKLIN)

On this 22nd day of November, in the year 1983, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana & Michigan Electric Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Notary Public

PEGGYANN E. HODDEN
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES AUGUST 15, 1987

STATE OF INDIANA)
) SS.:
COUNTY OF ST. JOSEPH)

On this 30th day of NOVEMBER, in the year 1983, before me personally came JOHN E. LUK, to me known, who, being by me duly sworn, did depose and say that he is a VICE PRESIDENT & TRUST OFFICER of First Source Bank, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.

Angelic D. Hall
Notary Public ANGELIC D. HALL
MY COMMISSION EXPIRES 8/15/85

KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

x
x
x

[illegible]



11



INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 1
QUALIFIED FERC JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA MICHIGAN POWER COMPANY

and

FIRST SOURCE BANK

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29



CONTENTS

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 1
QUALIFIED FERC JURISDICTION DECOMMISSIONING TRUST

| | <u>Page</u> |
|---|-------------|
| -- INTRODUCTORY PROVISIONS | 1 |
| ARTICLE 1 ESTABLISHMENT OF TRUST | 1 |
| ARTICLE 2 PURPOSE OF TRUST | 3 |
| ARTICLE 3 CONTRIBUTIONS BY COMPANY | 5 |
| ARTICLE 4 PROHIBITED TRANSACTIONS AND
INDEMNIFICATION OF TRUSTEE | 6 |
| ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF
THE TRUSTEE | 6 |
| ARTICLE 6 TAXES AND EXPENSES | 8 |
| ARTICLE 7 ACCOUNTINGS BY TRUSTEE | 9 |
| ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE | 10 |
| ARTICLE 9 ACTION BY COMPANY | 11 |
| ARTICLE 10 AMENDMENT OF AGREEMENT | 12 |
| ARTICLE 11 TERMINATION OF TRUST | 12 |
| ARTICLE 12 MISCELLANEOUS PROVISIONS AND
EFFECTIVE DATE | 13 |
| -- SIGNATURES | 14 |

1
2
3
4
5
6
7

8
9
10
11
12

13
14

15

16
17

18
19

20

21

22

23



TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 15th day of March, 1988 by and between Indiana Michigan Power Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and First Source Bank, a national banking association having its principal place of business at 100 North Michigan, South Bend, Indiana 46601 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust which will be qualified under section 468A of the Internal Revenue Code (the Code) to provide for the funding by the Company of the costs of decommissioning said Unit;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money as shall from time to time be paid or delivered to the Trustee by the Company and (ii) such other property as permitted by section 468A of the Code and acceptable to the Trustee and the earnings and

profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana Michigan Power Company Donald C. Cook Nuclear Generating Plant Unit 1 Qualified FERC Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.



ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The Trustee, unless otherwise provided for by this Agreement, shall invest and reinvest the assets without distinction between income and principal. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Section 2.5, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested.

Section 2.5 The Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of



Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Further, the Trustee shall make no investments of assets of this section 468A Trust which are not permitted under section 468A of the Code. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time only those amounts with respect to which the Company determines a deduction is allowable under Section 468A(a). The Company shall provide with such contributions statements or documents which will provide sufficient evidence to the Trustee of the deductibility of amounts contributed. The Trustee shall be under no duty to question or verify the determination of the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300

301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400



401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500

ARTICLE 4. PROHIBITED TRANSACTIONS
AND INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not deal with the Fund in such manner or commit any act, as will constitute "self-dealing" as that term is defined in Section 4951(d) of the Code. The Trustee shall not knowingly permit the Company to deal with the Fund in any manner, or knowingly permit the Company to commit any act, which will constitute self-dealing, but the Trustee shall be under no duty to undertake an independent investigation in order to determine if any proposed action by the Company will constitute self-dealing.

Section 4.2 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to



pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses



1
2
3
4
5

6

7

8
9
10
11
12
13
14

15

16

17

18
19



of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the

payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

THE UNITED STATES OF AMERICA



the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.

1.

2.

3.

4.

5.

6.

7.

THE UNITED STATES OF AMERICA

8.

9.

10.

11.

12.

13.

14.

15.

16.

17.

18.

19.

20.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon substantial completion of the nuclear decommissioning of the Donald C. Cook Nuclear Generating Plant, as provided in Section 468A(e) (7) of the Code.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

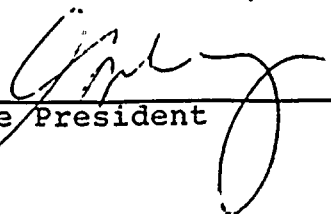
Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 The provisions of this Agreement shall take effect immediately.



IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed and attested as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

By 
Vice President

Attest:

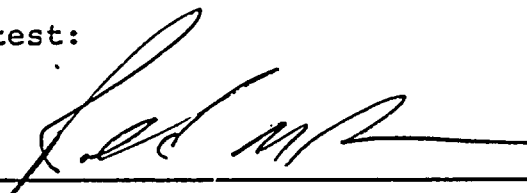

Assistant Secretary

(SEAL)

FIRST SOURCE BANK

By 

Attest:



(SEAL) RONALD M. BROWN
ASSISTANT SECRETARY



STATE OF OHIO)
)
COUNTY OF FRANKLIN) ss.:

On this 10th day of March, in the year 1988, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana Michigan Power Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Colette G. Mussawir
Notary Public

STATE OF INDIANA)
)
COUNTY OF ST. JOSEPH) ss.:

COLETTE G. MUSSAWIR
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JUNE 14, 1989

On this 11th day of March, in the year 1988, before me personally came ROBERT B. KUNTZ, to me known, who, being by me duly sworn, did depose and say that he is a
of 1ST SOURCE BANK, the association described
in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.

Robert B. Kuntz
Notary Public

SPRINT C. PETERSON

My Commission Expires June 14, 1989



KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

X
X
X

[illegible]

(d.) deceased

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 2
QUALIFIED FERC JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA MICHIGAN POWER COMPANY

and

FIRST SOURCE BANK



CONTENTS

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 2
QUALIFIED FERC JURISDICTION DECOMMISSIONING TRUST

| | <u>Page</u> |
|---|-------------|
| -- INTRODUCTORY PROVISIONS | 1 |
| ARTICLE 1 ESTABLISHMENT OF TRUST | 1 |
| ARTICLE 2 PURPOSE OF TRUST | 3 |
| ARTICLE 3 CONTRIBUTIONS BY COMPANY | 5 |
| ARTICLE 4 PROHIBITED TRANSACTIONS AND
INDEMNIFICATION OF TRUSTEE | 6 |
| ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF
THE TRUSTEE | 6 |
| ARTICLE 6 TAXES AND EXPENSES | 8 |
| ARTICLE 7 ACCOUNTINGS BY TRUSTEE | 9 |
| ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE | 10 |
| ARTICLE 9 ACTION BY COMPANY | 11 |
| ARTICLE 10 AMENDMENT OF AGREEMENT | 12 |
| ARTICLE 11 TERMINATION OF TRUST | 12 |
| ARTICLE 12 MISCELLANEOUS PROVISIONS AND
EFFECTIVE DATE | 13 |
| -- SIGNATURES | 14 |

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 15th day of March, 1988 by and between Indiana Michigan Power Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and First Source Bank, a national banking association having its principal place of business at 100 North Michigan, South Bend, Indiana 46601 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning Unit 2 of the Donald C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust which will be qualified under section 468A of the Internal Revenue Code (the Code) to provide for the funding by the Company of the costs of decommissioning said Unit;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money as shall from time to time be paid or delivered to the Trustee by the Company and (ii) such other property as permitted by section 468A of the Code and acceptable to the Trustee and the earnings and



profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana Michigan Power Company Donald C. Cook Nuclear Generating Plant Unit 2 Qualified FERC Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.



ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of Unit 2 of the Donald C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such

instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The Trustee, unless otherwise provided for by this Agreement, shall invest and reinvest the assets without distinction between income and principal. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Section 2.5, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested.

Section 2.5 The Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Indiana for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Further, the Trustee shall make no investments of assets of this section 468A Trust which are not permitted under section 468A of the Code. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time only those amounts with respect to which the Company determines a deduction is allowable under Section 468A(a). The Company shall provide with such contributions statements or documents which will provide sufficient evidence to the Trustee of the deductibility of amounts contributed. The Trustee shall be under no duty to question or verify the determination of the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.



519

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22



ARTICLE 4. PROHIBITED TRANSACTIONS
AND INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not deal with the Fund in such manner or commit any act, as will constitute "self-dealing" as that term is defined in Section 4951(d) of the Code. The Trustee shall not knowingly permit the Company to deal with the Fund in any manner, or knowingly permit the Company to commit any act, which will constitute self-dealing, but the Trustee shall be under no duty to undertake an independent investigation in order to determine if any proposed action by the Company will constitute self-dealing.

Section 4.2 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in

[illegible]

accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.2 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.3 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to



pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositories and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300

301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400

401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500

501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600

601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700

of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

11/17/77 10:00 AM

11/17/77 10:00 AM

11/17/77 10:00 AM

11/17/77 10:00 AM

payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by the transfers and payments described in Section 2.2.

多
年
來
各
部
隊
之
分
別
駐
紮
地
點
及
其
駐
紮
之
日
數
如
左
表

第一師駐紮地點及日數表

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon substantial completion of the nuclear decommissioning of the Donald C. Cook Nuclear Generating Plant, as provided in Section 468A(e) (7) of the Code.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Indiana.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 The provisions of this Agreement shall take effect immediately.



10

11

12

13

14

15

16

17

18

19



IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed and attested as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

By


Vice President

Attest:


Assistant Secretary


(SEAL)

FIRST SOURCE BANK

By



Attest:



RONALD M. BROWN
(SEAL) ASSISTANT SECRETARY



STATE OF OHIO)
) ss.:
COUNTY OF FRANKLIN)

On this *10th* day of *March*, in the year 1988, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana Michigan Power Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Colette G. Mussawir

Notary Public

COLETTE G. MUSSAWIR
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JUNE 14, 1989

STATE OF INDIANA)
) ss.:
COUNTY OF ST. JOSEPH)

On this *11th* day of *March*, in the year 1988, before me personally came *Robert B. Buntline*, to me known, who, being by me duly sworn, did depose and say that he is a *VP of S.A.T.A. Corp. 1st Source Bank*, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.

Janet L. Peterson

Notary Public

JANET L. PETERSON

MY COMMISSION EXPIRES 12-31-92



..

14

15

16

17

18



19

20

21



KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

x

x

x

| | | | | | | | | |
|----------------------------|---|---------------------|---|----------------------|---|-----------------------|---|---------------------|
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| <u>Joseph P., Jr. (d.)</u> | X | <u>John F. (d.)</u> | X | <u>Kathleen (d.)</u> | X | <u>Robert F. (d.)</u> | X | <u>Edward Moore</u> |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| None | x | Caroline | X | None | X | Kathleen | X | Kara Ann |
| | X | John F., Jr. | X | | X | Hartington | X | Edward Moore |
| | X | Patrick | X | | X | Robert F., Jr. | X | Patrick |
| | X | Bouvier (d.) | X | | X | Joseph Patrick | X | Joseph |
| | X | | X | | X | David | X | |
| | X | | X | | X | Anthony (d.) | X | |
| | X | | X | | X | Mary Courtney | X | |
| | X | | X | | X | Michael L. | X | |
| | X | | X | | X | Mary K. | X | |
| | X | | X | | X | Christopher G. | X | |
| | X | | X | | X | Matthew | X | |
| | X | | X | | X | Douglas | X | |
| | X | | X | | X | Rory | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | | | | |

(d.) deceased



INDIANA & MICHIGAN ELECTRIC COMPANY
D. C. COOK NUCLEAR GENERATING PLANT
MICHIGAN JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA & MICHIGAN ELECTRIC COMPANY

and

NATIONAL BANK OF DETROIT

1

2

3

4

5

6

7

8

9

10

11

12

13

CONTENTS.

INDIANA & MICHIGAN ELECTRIC COMPANY
D. C. COOK NUCLEAR GENERATING PLANT
MICHIGAN JURISDICTION DECOMMISSIONING TRUST

| | <u>Page</u> |
|---|-------------|
| -- INTRODUCTORY PROVISIONS | 1 |
| ARTICLE 1 ESTABLISHMENT OF TRUST | 1 |
| ARTICLE 2 PURPOSE OF TRUST | 2 |
| ARTICLE 3 CONTRIBUTIONS BY COMPANY | 6 |
| ARTICLE 4 PROHIBITED TRANSACTIONS AND
INDEMNIFICATION OF TRUSTEE | 7 |
| ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF
THE TRUSTEE | 7 |
| ARTICLE 6 TAXES AND EXPENSES | 9 |
| ARTICLE 7 ACCOUNTINGS BY TRUSTEE | 10 |
| ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE | 11 |
| ARTICLE 9 ACTION BY COMPANY | 12 |
| ARTICLE 10 AMENDMENT OF AGREEMENT | 13 |
| ARTICLE 11 TERMINATION OF TRUST | 13 |
| ARTICLE 12 MISCELLANEOUS PROVISIONS AND
EFFECTIVE DATE | 14 |
| -- SIGNATURES | 15 |



TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 1st day of December, 1986 by and between Indiana & Michigan Electric Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and National Bank of Detroit, a national banking association having its principal place of business at 611 Woodward Avenue, Detroit, Michigan 48226 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning its D.C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust to provide for the funding by the Company of the costs of decommissioning said Plant;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money as shall from time to time be paid or delivered to the Trustee by the Company and (ii) such other property described in Section 2.3 acceptable to the Trustee and the earnings and profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200



proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement); and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana & Michigan Electric Company D. C. Cook Nuclear Generating Plant Michigan Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

1945年12月15日

第100号

第100号

第100号

第100号

1945年12月15日

第100号

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of its D. C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The investments referred to in Section 2.2 are the following: (a) cash; (b) direct obligations of the United

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

100

States of America; (c) obligations guaranteed by the United States of America; (d) obligations of any agency or corporation which is, or may hereafter be, created by or pursuant to an Act of Congress as an agency or instrumentality of, and guaranteed by, the United States of America; (e) obligations of any State (or political subdivision thereof) in the United States of America which are exempt from tax under Section 103(a) of the Internal Revenue Code of 1954, as amended, and which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A" or higher as to general obligation bonds and "AA" or higher as to other obligations; (f) repurchase agreements and other investment arrangements with any commercial bank including the Trustee organized under the laws of the United States of America or of any State therein and having combined capital, surplus and undivided profits of at least \$25,000,000 or with any securities dealer or insurance company of nationally recognized repute and dealing with any of the above-described securities; (g) commercial paper, including participations in variable interest demand notes (commonly known as "Trust Demand Notes") of those several Corporations with which the Trustee may, from time to time, maintain a contractual arrangement, notes and bonds of corporations organized under the laws of any State in the United States of America which, at the time of acquisition, have a rating from a nationally recognized rating service equivalent to "A-2" or higher as to commercial paper and "AA" or higher as to notes and bonds; and (h) units of any of the several money



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



market funds of high credit quality with which the Trustee may, from time to time, maintain a contractual arrangement. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Sections 2.3, 2.5 and 2.6, the Trustee may, at the Company's direction, cause any part or all of the assets of the Fund to be invested collectively with the money and other assets of any other trust or trusts by causing such money and other assets to be invested as part of any such common trust fund, as the same may have heretofore been, or may hereafter be, established by the Trustee.

Section 2.5 Subject to Section 2.6, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which



bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested, and any funds not otherwise invested shall be invested in one or more interest bearing common trust funds established by the Trustee.

Section 2.6 In addition to complying with the limitations contained in Sections 2.3 and 2.4, the Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of Michigan for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time such sums of money or property described in Section 2.3 as the Company may determine. The Trustee shall be under no duty to question or verify the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.



ARTICLE 4. INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 The Trustee shall have a net worth of at least \$100 million at the time of acceptance of this Trust. If the net worth of the Trustee falls below \$100 million at any time during which it continues as Trustee under this Agreement, the Trustee shall so notify the Company and shall resign as Trustee.

Section 5.2 It shall be the duty of the Trustee (i) to : hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written



instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.3 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.4 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;



(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositories and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys

51
employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

10
Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such

12

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the

[illegible]

Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by distribution to the Company, as described in Section 2.2, to be used or disposed of in the manner which the Michigan Public Service Commission, by order to the Company, directs.



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon final payment of all the costs of the nuclear decommissioning of the D. C. Cook Nuclear Generating Plant.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Michigan.

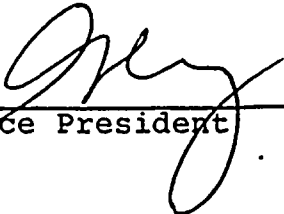
Section 12.3 The fiscal year of the Trust shall be the calendar year.

Section 12.4 The provisions of this Agreement shall take effect immediately.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto

duly authorized and their respective seals to be hereunto affixed
and attested as of the day and year first above written.

INDIANA & MICHIGAN ELECTRIC
COMPANY


By 
Vice President

Attest:

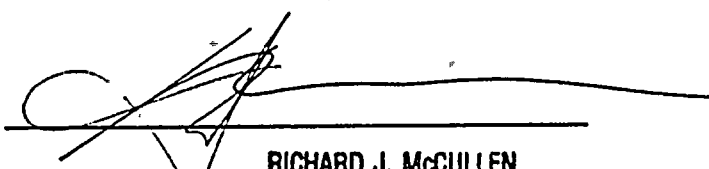

Assistant Secretary

(SEAL)

NATIONAL BANK OF DETROIT

By 

Attest:


RICHARD J. McCULLEN
Second Vice President & Deputy Cashler
(SEAL)



11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

11-2-77

STATE OF OHIO)
)
COUNTY OF FRANKLIN) ss.:

On this 1st day of December, in the year 1986, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana & Michigan Electric Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Barbara Ann Winkler
Notary Public

BARBARA ANN WINKLER
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES MARCH 12, 1991

STATE OF MICHIGAN)
)
COUNTY OF WAYNE) ss.:

On this 4th day of December, in the year 1986, before me personally came **H. LOEHER**, to me known, who, being by me duly sworn, did depose and say that he **SECOND VICE-PRESIDENT** of **NATIONAL BANK OF DETROIT**, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.

Diana M. Jordan
Notary Public

DIANA M. JORDAN
Notary Public, Oakland County, Michigan
Acting in Wayne County
My Commission Expires December 3, 1989



KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

X
X
X

| | | | | | | | | |
|----------------------------|---|---------------------|---|---------------------------|---|-----------------------|---|---------------------|
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| <u>Joseph P., Jr. (d.)</u> | X | <u>John F. (d.)</u> | X | <u>Kathleen (d.)</u> | X | <u>Robert F. (d.)</u> | X | <u>Edward Moore</u> |
| | X | | X | | X | | X | |
| None | X | Caroline | X | None | X | Kathleen | X | Kara Ann |
| | X | John F., Jr. | X | | X | Hartington | X | Edward Moore |
| | X | Patrick | X | | X | Robert F., Jr. | X | Patrick |
| | X | Bouvier (d.) | X | | X | Joseph Patrick | X | Joseph |
| | X | | X | | X | David | X | |
| | X | | X | | X | Anthony (d.) | X | |
| | X | | X | | X | Mary Courtney | X | |
| | X | | X | | X | Michael L. | X | |
| | X | | X | | X | Mary K. | X | |
| | X | | X | | X | Christopher G. | X | |
| | X | | X | | X | Matthew | X | |
| | X | | X | | X | Douglas | X | |
| | X | | X | | X | Rory | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| <u>Eunice (Shriver)</u> | X | <u>Jean (Smith)</u> | X | <u>Patricia (Lawford)</u> | X | <u>Rosemary</u> | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| Robert Sargent III | | Willie | | Christopher | | None | | |
| Maria Owings | | Stephen, Jr. | | Sydney | | | | |
| Timothy Perry | | | | Victoria | | | | |
| Mark Kennedy | | | | Robin | | | | |
| Anthony Paul Kennedy | | | | | | | | |

(d.) deceased

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 1
QUALIFIED MICHIGAN JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA MICHIGAN POWER COMPANY

and

NATIONAL BANK OF DETROIT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

CONTENTS

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 1
QUALIFIED MICHIGAN JURISDICTION DECOMMISSIONING TRUST

| | <u>Page</u> |
|---|-------------|
| -- INTRODUCTORY PROVISIONS | 1 |
| ARTICLE 1 ESTABLISHMENT OF TRUST | 1 |
| ARTICLE 2 PURPOSE OF TRUST | 3 |
| ARTICLE 3 CONTRIBUTIONS BY COMPANY | 5 |
| ARTICLE 4 PROHIBITED TRANSACTIONS AND
INDEMNIFICATION OF TRUSTEE | 6 |
| ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF
THE TRUSTEE | 6 |
| ARTICLE 6 TAXES AND EXPENSES | 9 |
| ARTICLE 7 ACCOUNTINGS BY TRUSTEE | 9 |
| ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE | 10 |
| ARTICLE 9 ACTION BY COMPANY | 11 |
| ARTICLE 10 AMENDMENT OF AGREEMENT | 12 |
| ARTICLE 11 TERMINATION OF TRUST | 13 |
| ARTICLE 12 MISCELLANEOUS PROVISIONS AND
EFFECTIVE DATE | 13 |
| -- SIGNATURES | 15 |



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

TRUST AGREEMENT (hereinafter referred to as the "Agreement") made this 15th day of March, 1988 by and between Indiana Michigan Power Company, an Indiana corporation having its principal place of business at One Summit Square, Fort Wayne, Indiana 46801 (hereinafter referred to as the "Company"), and National Bank of Detroit, a national banking association having its principal place of business at 611 Woodward Avenue, Detroit, Michigan 48226 (hereinafter referred to as the "Trustee"),

W I T N E S S E T H

WHEREAS, amounts have been included in the cost of service charged by the Company to its ratepayers for the specific purpose of providing funds for the costs to be incurred by the Company in decommissioning Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

WHEREAS, the Company desires to establish a trust which will be qualified under section 468A of the Internal Revenue Code (the Code) to provide for the funding by the Company of the costs of decommissioning said Unit;

NOW, THEREFORE, the Company and the Trustee hereby agree as follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

Section 1.1 The Company hereby establishes with the Trustee a trust consisting of (i) such sums of money as shall from time to time be paid or delivered to the Trustee by the Company and (ii) such other property as permitted by section 468A of the Code and acceptable to the Trustee and the earnings and



1

2

3

.

4

5

6

7

8

9

10

.

.

11



12



profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana Michigan Power Company Donald C. Cook Nuclear Generating Plant Unit 1 Qualified Michigan Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

1000

1000

1000

1000

1000

1000

1000

1000

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of Unit 1 of the Donald C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101



instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The Trustee, unless otherwise provided for by this Agreement, shall invest and reinvest the assets without distinction between income and principal. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Section 2.5, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested.

Section 2.5 The Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



Michigan for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Further, the Trustee shall make no investments of assets of this section 468A Trust which are not permitted under section 468A of the Code. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time only those amounts with respect to which the Company determines a deduction is allowable under Section 468A(a). The Company shall provide with such contributions statements or documents which will provide sufficient evidence to the Trustee of the deductibility of amounts contributed. The Trustee shall be under no duty to question or verify the determination of the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.

100

101
102
103
104
105

106
107

108
109
110
111
112
113
114
115

116
117
118
119
120
121
122

123
124
125



ARTICLE 4. PROHIBITED TRANSACTIONS
AND INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not deal with the Fund in such manner or commit any act, as will constitute "self-dealing" as that term is defined in Section 4951(d) of the Code. The Trustee shall not knowingly permit the Company to deal with the Fund in any manner, or knowingly permit the Company to commit any act, which will constitute self-dealing, but the Trustee shall be under no duty to undertake an independent investigation in order to determine if any proposed action by the Company will constitute self-dealing.

Section 4.2 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 The Trustee shall have a net worth of at least \$100 million at the time of acceptance of this Trust. If the net worth of the Trustee falls below \$100 million at any time

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

1

2

3

during which it continues as Trustee under this Agreement, the Trustee shall so notify the Company and shall resign as Trustee.

Section 5.2 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.3 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.4 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to



purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositories and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

100



ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by distribution to the Company, as described in Section 2.2, to be used or disposed of in the manner which the Michigan Public Service Commission, by order to the Company, directs.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon substantial completion of the nuclear decommissioning of the Donald C. Cook Nuclear Generating Plant, as provided in Section 468A(e) (7) of the Code.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.



3
*
*
.

Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Michigan.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

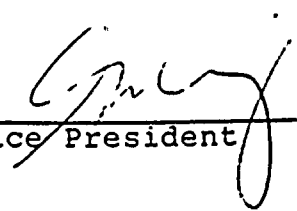
Section 12.4 The provisions of this Agreement shall take effect immediately.



IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed and attested as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

By


Vice President

Attest:


Assistant Secretary

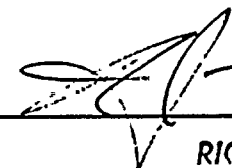
(SEAL)

NATIONAL BANK OF DETROIT

By


B. LOEHLER
Second Vice President

Attest:


(SEAL) RICHARD J. McCULLEN
Second Vice President and
Deputy Cashier

1000 1000 1000 1000

1000 1000 1000 1000

1000 1000

1000

STATE OF OHIO)
)
COUNTY OF FRANKLIN)

SS.:

On this 10th day of March, in the year 1988, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana Michigan Power Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.


Notary Public

COLETTE G. MUSSAWIR
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES JUNE 14, 1989

STATE OF MICHIGAN)
)
COUNTY OF WAYNE)

SS.:

On this 11 day of March, in the year 1988, before me personally came B. LOSHER, to me known, who, being by me duly sworn, did depose and say that he is a ^{DISSENT} ~~OF SECOND VICE-PRESIDENT OF NATIONAL BOARD OF~~, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.


Notary Public

C. S. FEGLEY
Notary Public, Macomb County, MI
My Commission Expires July 30, 1991
Acting in Wayne County, MI



100

100

100

100

100 100 100

100 100 100

100

KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

x

x

[illegible]

(d.) deceased

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 2
QUALIFIED MICHIGAN JURISDICTION DECOMMISSIONING TRUST

TRUST AGREEMENT

Between

INDIANA MICHIGAN POWER COMPANY

and

NATIONAL BANK OF DETROIT

CONTENTS

INDIANA MICHIGAN POWER COMPANY
DONALD C. COOK NUCLEAR GENERATING PLANT
UNIT 2
QUALIFIED MICHIGAN JURISDICTION DECOMMISSIONING TRUST

| | <u>Page</u> |
|---|-------------|
| -- INTRODUCTORY PROVISIONS | 1 |
| ARTICLE 1 ESTABLISHMENT OF TRUST | 1 |
| ARTICLE 2 PURPOSE OF TRUST | 3 |
| ARTICLE 3 CONTRIBUTIONS BY COMPANY | 5 |
| ARTICLE 4 PROHIBITED TRANSACTIONS AND
INDEMNIFICATION OF TRUSTEE | 6 |
| ARTICLE 5 QUALIFICATIONS, DUTIES AND POWERS OF
THE TRUSTEE | 6 |
| ARTICLE 6 TAXES AND EXPENSES | 9 |
| ARTICLE 7 ACCOUNTINGS BY TRUSTEE | 9 |
| ARTICLE 8 REMOVAL OR RESIGNATION BY TRUSTEE | 10 |
| ARTICLE 9 ACTION BY COMPANY | 11 |
| ARTICLE 10 AMENDMENT OF AGREEMENT | 12 |
| ARTICLE 11 TERMINATION OF TRUST | 13 |
| ARTICLE 12 MISCELLANEOUS PROVISIONS AND
EFFECTIVE DATE | 13 |
| -- SIGNATURES | 15 |

91
TRUST AGREEMENT (hereinafter referred to as the "Agreement")
made this 15th day of March, 1988 by and between Indiana Michigan
Power Company, an Indiana corporation having its principal place
of business at One Summit Square, Fort Wayne, Indiana 46801
(hereinafter referred to as the "Company"), and National Bank of
Detroit, a national banking association having its principal
place of business at 611 Woodward Avenue, Detroit, Michigan 48226
(hereinafter referred to as the "Trustee"),

W I T N E S S E T H

10
WHEREAS, amounts have been included in the cost of service
charged by the Company to its ratepayers for the specific purpose
of providing funds for the costs to be incurred by the Company in
decommissioning Unit 2 of the Donald C. Cook Nuclear Generating
Plant; and

WHEREAS, the Company desires to establish a trust which will
be qualified under section 468A of the Internal Revenue Code (the
Code) to provide for the funding by the Company of the costs of
decommissioning said Unit;

NOW, THEREFORE, the Company and the Trustee hereby agree as
follows:

ARTICLE 1. ESTABLISHMENT OF TRUST

12
Section 1.1 The Company hereby establishes with the
Trustee a trust consisting of (i) such sums of money as shall
from time to time be paid or delivered to the Trustee by the
Company and (ii) such other property as permitted by section 468A
of the Code and acceptable to the Trustee and the earnings and



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

profits thereon. All such money and property, all investments and reinvestments made pursuant to the following provisions of this Agreement, and proceeds thereof, and all earnings and profits thereon, less the payments which at the time of reference shall have been made by the Trustee, are referred to herein as the "Fund". The Fund shall be held by the Trustee, IN TRUST, shall not be commingled with any other property of the Trustee (except to the extent expressly provided under this Agreement), and shall be dealt with in accordance with the provisions of this Agreement.

Section 1.2 The name of the Trust is the "Indiana Michigan Power Company Donald C. Cook Nuclear Generating Plant Unit 2 Qualified Michigan Jurisdiction Decommissioning Trust".

Section 1.3 The Trustee shall have no responsibility or authority in connection with the determination of the amounts to be transferred to it from time to time as contributions of the Company, nor shall it have any authority on behalf of any party to bring any action or proceeding to enforce the collection of any such amount.

Section 1.4 No duties or obligations shall be imposed upon the Trustee with respect to the Fund unless they have been specifically undertaken by the Trustee by the express terms of this Agreement or other written agreement to which the Trustee is a party, or are otherwise imposed upon the Trustee by applicable law.

1. The first part of the document is a list of names and addresses of the members of the committee.

2. The second part of the document is a list of names and addresses of the members of the committee.

3. The third part of the document is a list of names and addresses of the members of the committee.

4. The fourth part of the document is a list of names and addresses of the members of the committee.

5. The fifth part of the document is a list of names and addresses of the members of the committee.

6. The sixth part of the document is a list of names and addresses of the members of the committee.

7. The seventh part of the document is a list of names and addresses of the members of the committee.

8. The eighth part of the document is a list of names and addresses of the members of the committee.

9. The ninth part of the document is a list of names and addresses of the members of the committee.

10. The tenth part of the document is a list of names and addresses of the members of the committee.

11. The eleventh part of the document is a list of names and addresses of the members of the committee.

12. The twelfth part of the document is a list of names and addresses of the members of the committee.

13. The thirteenth part of the document is a list of names and addresses of the members of the committee.

14. The fourteenth part of the document is a list of names and addresses of the members of the committee.

15. The fifteenth part of the document is a list of names and addresses of the members of the committee.

16. The sixteenth part of the document is a list of names and addresses of the members of the committee.

17. The seventeenth part of the document is a list of names and addresses of the members of the committee.

18. The eighteenth part of the document is a list of names and addresses of the members of the committee.

19. The nineteenth part of the document is a list of names and addresses of the members of the committee.

20. The twentieth part of the document is a list of names and addresses of the members of the committee.

21. The twenty-first part of the document is a list of names and addresses of the members of the committee.

22. The twenty-second part of the document is a list of names and addresses of the members of the committee.

23. The twenty-third part of the document is a list of names and addresses of the members of the committee.

24. The twenty-fourth part of the document is a list of names and addresses of the members of the committee.

25. The twenty-fifth part of the document is a list of names and addresses of the members of the committee.

ARTICLE 2. PURPOSE OF TRUST

Section 2.1 The Trust is created and shall be operated exclusively for the following purposes:

(a) To fund, in whole or in part, the costs of the Company with respect to the decommissioning of Unit 2 of the Donald C. Cook Nuclear Generating Plant; and

(b) To pay administrative and other incidental expenses. For purposes of this subsection, the term "administrative and other incidental expenses" means reasonable expenditures that are incurred in connection with the operation of the Trust including legal, accounting, and trustee fees, taxes and expenses.

Section 2.2 No part of the assets of the Trust may be used for, or diverted to, any purpose other than the following:

(a) The purposes described in Section 2.1;

(b) Investments described in Sections 2.3, 2.4 and 2.5, but only to the extent that a portion of the assets is not currently needed for the purpose described in Section 2.1;

(c) Transfer to another trust, established by the Company or by any governmental instrumentality having jurisdiction over the decommissioning of nuclear generating plants, if the purpose of such trust is to fund the Company's costs of nuclear generating plant decommissioning; and

(d) Distribution to the Company, if it is determined that the assets of the Trust are in excess of what is reasonably required to satisfy the purposes described in Section 2.1, or if there has been an excess contribution within the meaning of Section 3.2.

Upon receipt of written instructions from the Company, which written instructions shall include a certification by an officer of the Company that any payments requested are to be used for the purposes described in this Section, the Trustee shall make payments from the fund. The Trustee may rely absolutely on such

instructions and shall be under no duty to question or verify the accuracy of such instructions.

Section 2.3 The Trustee, unless otherwise provided for by this Agreement, shall invest and reinvest the assets without distinction between income and principal. The Company, at any time and from time to time, may direct the investment policy of the Trust and, in that event, the Trustee shall not be held liable with respect to the selection of the investments which are held, acquired or disposed of in accordance with the Company's investment directions. The assets shall be invested in a manner calculated to optimize the after-tax earnings of the Trust, giving consideration to liquidity, risk, diversification, and other prudent investment objectives. The Trustee shall consult with the Company periodically as to the tax effects of investments and the projected requirements of the Trust in order to optimize the financial performance of the Fund.

Section 2.4 Subject to Section 2.5, the Trustee may, at the Company's direction, invest all or part of the assets of the Fund in interest-bearing deposits with the Trustee in its banking capacity, or with another bank or similar financial institution, including but not limited to investments in time deposits, savings deposits, certificates of deposit or time accounts which bear a reasonable rate of interest. To the maximum extent practicable no cash shall be held uninvested.

Section 2.5 The Trustee shall make only such investments and reinvestments as are authorized by the laws of the State of

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38



Michigan for the investment of trust funds, and shall make no investments in securities issued by the Company or any of its affiliates. Further, the Trustee shall make no investments of assets of this section 468A Trust which are not permitted under section 468A of the Code. Furthermore, the Trustee shall not make any loans from the Fund to the Company or to persons with whom the Company to a significant extent is associated or affiliated, or to persons who have the power, directly or indirectly, significantly to influence or direct the actions or policies of the Company.

ARTICLE 3. CONTRIBUTIONS BY COMPANY

Section 3.1 The Company shall contribute to the Trust from time to time only those amounts with respect to which the Company determines a deduction is allowable under Section 468A(a). The Company shall provide with such contributions statements or documents which will provide sufficient evidence to the Trustee of the deductibility of amounts contributed. The Trustee shall be under no duty to question or verify the determination of the amount of any contribution by the Company.

Section 3.2 If any part of any contribution made to the Trust is subsequently determined by the Company to be in excess of the amount which should have been so contributed, the amount of any such excess contribution shall, at the Company's direction, be repaid to the Company by the Trustee from Trust assets.



ARTICLE 4. PROHIBITED TRANSACTIONS
AND INDEMNIFICATION OF TRUSTEE

Section 4.1 The Trustee shall not deal with the Fund in such manner or commit any act, as will constitute "self-dealing" as that term is defined in Section 4951(d) of the Code. The Trustee shall not knowingly permit the Company to deal with the Fund in any manner, or knowingly permit the Company to commit any act, which will constitute self-dealing, but the Trustee shall be under no duty to undertake an independent investigation in order to determine if any proposed action by the Company will constitute self-dealing.

Section 4.2 The Trustee shall not be answerable or accountable under any circumstances, except for its own bad faith, gross negligence or willful misconduct, and shall be responsible for the performance of only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee. The Company hereby agrees to indemnify the Trustee and hold it harmless from and against any and all costs, expenses or liability (including attorney's fees) which may be incurred by the Trustee or asserted against the Trustee by reason of its acting as Trustee under this Agreement, except for such costs, expenses and liability arising from the Trustee's bad faith, gross negligence or willful misconduct.

ARTICLE 5. QUALIFICATIONS, DUTIES AND POWERS OF THE TRUSTEE

Section 5.1 The Trustee shall have a net worth of at least \$100 million at the time of acceptance of this Trust. If the net worth of the Trustee falls below \$100 million at any time



during which it continues as Trustee under this Agreement, the Trustee shall so notify the Company and shall resign as Trustee.

Section 5.2 It shall be the duty of the Trustee (i) to hold and invest the Fund as provided in this Agreement, (ii) to record all charges, credits and other transactions executed in accordance with written instructions furnished by the Company, and (iii) to make payments and distributions from the Fund for the purposes described in Section 2.2 in accordance with written instructions furnished by the Company. The making of any such payments or distributions shall not be interpreted to impose any responsibility on the Trustee with respect to such payment or distribution.

Section 5.3 The Trustee may from time to time consult with counsel, who may be counsel to the Company, and shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 5.4 Without in any way limiting the powers and discretions conferred upon it by the other provisions of this Agreement or by applicable law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer or otherwise dispose of any property held by it, by private contract or at public auction, and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(b) To enter into contracts or to make commitments either alone or in company with others to sell at any future date any property held in the Fund or to



purchase any property which it may be authorized to acquire under this Agreement;

(c) To vote upon any bonds or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of any owner with respect to bonds, securities, or other property held in the Fund;

(d) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(e) To register any investment held in the Fund in its own name or in the name of a nominee and to hold any investment in bearer form, or to combine certificates representing such investments with certificates of the same issue held by the Trustee in other fiduciary capacities; or to deposit or to arrange for the deposit of such securities in a qualified central depository even though, when so deposited such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, or to deposit or to arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a federal reserve bank, but the books and records of the Trustee shall at all times show that all such investments are part of the Fund;

(f) To employ suitable agents, depositaries and counsel and to charge their reasonable expenses and compensation as provided in Section 6.1.;

(g) To compromise or otherwise adjust all claims in favor of or against the Fund, except that it will not exercise this power without the consent of the Company; and

(h) To maintain cash balances to meet anticipated distributions from, or administrative expenses of, the Fund.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

ARTICLE 6. TAXES AND EXPENSES

Section 6.1 All taxes of any kind that may be assessed or levied against or in respect of the Fund, including income taxes, if any, associated with income and transactions of the Fund borne by the Company, and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other reasonable expenses of administration, such as (but not limited to) the expenses incurred by the Trustee in connection with the administration of this Trust, including fees and expenses of agents or attorneys employed by the Trustee (whether or not arising out of a judicial or administrative proceeding and whether or not incurred while it is acting as Trustee), such compensation to the Trustee as may be agreed upon from time to time between the Trustee and the Company on a basis no less favorable to the Company than that which the Trustee generally affords to like customers for like services, and all other proper charges and disbursements of the Trustee, shall be paid from the Fund.

ARTICLE 7. ACCOUNTINGS BY TRUSTEE

Section 7.1 The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company.

Section 7.2 Within 90 days following the close of each calendar quarter, and within 90 days after the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall file with the Company a written account setting forth all



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

investments, receipts, disbursements and other transactions effected by it during such quarter or during the period from the close of the last quarter to the date of such removal or resignation. Upon the expiration of one year from the date of filing such quarterly or other account, the Trustee shall be forever released and discharged from all liability and accountability to the Company with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts or transactions as to which the Company shall within such one year period file with the Trustee written objections.

Section 7.3 In order to protect the Fund against waste, no one other than the Company may require the Trustee to account or may institute an action or proceeding against the Trustee or the Fund. However, nothing herein shall in any way limit the Trustee's right to bring any action or proceeding to settle its account or for such other relief as it may deem appropriate.

ARTICLE 8. REMOVAL OR RESIGNATION OF TRUSTEE

Section 8.1 The Trustee may be removed by the Company at any time upon 60 days' notice in writing to the Trustee. The Trustee may resign at any time upon 60 days' notice in writing to the Company. Upon such removal or resignation of the Trustee, the Company shall appoint and designate a successor trustee who shall be a qualified financial institution and who shall have the same powers and duties as those conferred upon the Trustee hereunder, and upon acceptance of such appointment by the successor trustee, the Trustee shall assign, transfer and pay over to

such successor trustee the funds and properties then constituting the Fund. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees and expenses in connection with the settlement of its account or otherwise, and any balance of such reserve remaining after the payment of such fees and expenses shall be paid over to the successor trustee. In lieu of such reserve the Company may undertake, pursuant to an agreement in form satisfactory to the Trustee, to hold the Trustee harmless and free from loss against such fees and expenses.

Section 8.2 If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided in Section 8.1, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. Any expenses so incurred shall be treated as an expense of administration.

ARTICLE 9. ACTION BY COMPANY

Section 9.1 Any action of the Company required or permitted under this Agreement may be taken by the Board of Directors of the Company or by any committee, officer, employee or agent of the Company duly authorized by its Board of Directors to act on its behalf in such respect. Any such action of the Company or authorization to act on behalf of the Company shall be evidenced by a resolution of its Board of Directors certified, under the corporate seal, to the Trustee over the signature of the Secretary or of any Assistant Secretary of the Company, and



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



the Trustee shall be fully protected in acting in accordance with such resolution so certified to it. The Company shall furnish the Trustee from time to time with certified copies of resolutions of its Board of Directors evidencing the appointment and authorization of any committee, officers, employees or agents of the Company or of any other person authorized by the Board of Directors to act under this Agreement, and the appointment and authorization of any successors thereof.

Section 9.2 All certifications, orders, requests, instructions and objections of the Company to the Trustee shall be in writing and the Trustee shall act and shall be fully protected in acting in accordance with such certifications, orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event terminating the authority of any person authorized to act on its behalf hereunder has occurred.

ARTICLE 10. AMENDMENT OF AGREEMENT

Section 10.1 The Company reserves the right at any time and from time to time to amend, in whole or in part, any or all of the provisions of this Agreement by notice thereof in writing delivered to the Trustee. No amendment which affects the rights, duties or responsibilities of the Trustee may be made without its consent, and no amendment shall authorize or permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than those described in Section 2.2.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100



ARTICLE 11. TERMINATION OF TRUST

Section 11.1 The Company may terminate the Trust at any time by a written notice to the Trustee. Upon such termination the Trustee, pursuant to instructions furnished by the Company, shall dispose of the remaining assets in the Fund by distribution to the Company, as described in Section 2.2, to be used or disposed of in the manner which the Michigan Public Service Commission, by order to the Company, directs.

Section 11.2 In no event shall the Trust extend for a term longer than the earlier of (i) the date which shall be the 21st anniversary of the death of the last survivor of all of the now living children and grandchildren of Rose Kennedy, mother of the late President John F. Kennedy, a list of such children and grandchildren being attached as Exhibit A hereto and (ii) upon substantial completion of the nuclear decommissioning of the Donald C. Cook Nuclear Generating Plant, as provided in Section 468A(e) (7) of the Code.

ARTICLE 12. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

Section 12.1 Upon the termination of the Trust, or upon the removal or resignation of the Trustee as provided in Section 8.1, the Trustee shall continue to have and may exercise all the title, powers, discretions, rights and duties conferred or imposed upon it by law or by this Agreement until the final distribution of such fund, or any portion thereof reserved by the Trustee pursuant to the provisions of this Agreement.



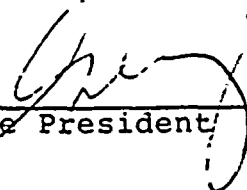
Section 12.2 This Agreement shall be administered, construed and enforced according to the laws of the State of Michigan.

Section 12.3 The fiscal year of the Trust shall be the calendar year.

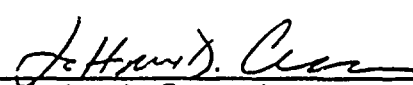
Section 12.4 The provisions of this Agreement shall take effect immediately.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed and attested as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

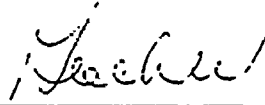
By 
Vice President

Attest:

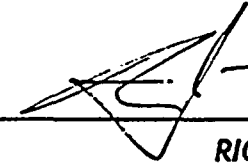

Assistant Secretary

(SEAL)

NATIONAL BANK OF DETROIT

By 
B. LOEHER
Second Vice President

Attest:


RICHARD J. McCULLEN
Second Vice President and
Deputy Cashier

(SEAL)

1944年12月

1

2

3

4

5

6

STATE OF OHIO)

COUNTY OF FRANKLIN)

ss.:

On this 10th day of March, in the year 1988, before me personally came G. P. Maloney, to me known, who, being by me duly sworn, did depose and say that he is a Vice President of Indiana Michigan Power Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Colette G. Mussawir
Notary Public

COLETTE G. MUSSAWIR
NOTARY PUBLIC, STATE OF O. J.
MY COMMISSION EXPIRES JUNE 14, 1989

STATE OF MICHIGAN)

COUNTY OF WAYNE)

ss.:

On this 11 day of March, in the year 1988, before me personally came B. WENER, to me known, who, being by me duly sworn, did depose and say that he is a ~~OF SEWIND VICE PRESIDENT OF NATIONAL ASSOCIATION~~ ^{DETROIT}, the association described in and which executed the above instrument; that he knows the seal of said association; that the seal affixed to said instrument is such seal; that it was so affixed by order of the Board of Directors of said association, and that he signed his name thereto by like order.

C. S. Fegley
Notary Public

C. S. FEGLEY
Notary Public, Macomb County, MI
My Commission Expires July 30, 1991
Acting in Wayne County, MI



KENNEDY FAMILY

Joseph P., Sr. (d.) & Rose Kennedy

x
x
x

| | | | | | | | | |
|----------------------------|---|---------------------|---|----------------------|---|-----------------------|---|---------------------|
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| X | | X | | X | | X | | X |
| <u>Joseph P., Jr. (d.)</u> | X | <u>John F. (d.)</u> | X | <u>Kathleen (d.)</u> | X | <u>Robert F. (d.)</u> | X | <u>Edward Moore</u> |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| None | x | Caroline | X | None | X | Kathleen | X | Kara Ann |
| | X | John F., Jr. | X | | X | Hartington | X | Edward Moore |
| | X | Patrick | X | | X | Robert F., Jr. | X | Patrick |
| | X | Bouvier (d.) | X | | X | Joseph Patrick | X | Joseph |
| | X | | X | | X | David | X | |
| | X | | X | | X | Anthony (d.) | X | |
| | X | | X | | X | Mary Courtney | X | |
| | X | | X | | X | Michael L. | X | |
| | X | | X | | X | Mary K. | X | |
| | X | | X | | X | Christopher G. | X | |
| | X | | X | | X | Matthew | X | |
| | X | | X | | X | Douglas | X | |
| | X | | X | | X | Rory | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| Eunice (Shriver) | | Jean (Smith) | | Patricia (Lawford) | | Rosemary | | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| | X | | X | | X | | X | |
| Robert Sargent III | | Willie | | Christopher | | None | | |
| Maria Owings | | Stephen, Jr. | | Sydney | | | | |
| Timothy Perry | | | | Victoria | | | | |
| Mark Kennedy | | | | Robin | | | | |
| Anthony Paul
Kennedy | | | | | | | | |

(d.) deceased

