



Municipal Electric Authority of Georgia

ANNUAL INFORMATION STATEMENT

For The Fiscal Year Ended December 31, 2010

The following documents (collectively, the “Annual Information Statement”) set forth certain information concerning MEAG Power (including, among other things, MEAG Power’s outstanding debt, its Projects, certain of its Participants and its audited consolidated financial statements for its fiscal years 2010 and 2009). The information contained in the Annual Information Statement speaks only as of the date thereof, and MEAG Power assumes no duty to update any information contained in the Annual Information Statement.

In accordance with the provisions of Rule 15c2-12, as amended (“Rule 15c2-12”), promulgated by the United States Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended, MEAG Power has filed the Annual Information Statement with the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access (“EMMA”) website currently located at <http://emma.msrb.org> pursuant to Rule 15c2-12 in satisfaction of MEAG Power’s obligations under certain continuing disclosure undertakings made by MEAG Power pursuant to Rule 15c2-12 with respect to certain issues of its bonds. Because of limitations inherent in the electronic transmission of documents, the appearance (but not the content) of the Annual Information Statement on this website may differ from the version thereof filed with the MSRB through the EMMA website.

In accordance with Rule 15c2-12, MEAG Power may, from time to time, include by specific reference in the official statements or other offering documents relating to its securities all or any portion of the information contained in the Annual Information Statement, to the extent specified in such official statements or other offering documents (and subject to any provision of any such official statement or other offering document modifying, supplementing or superseding any such included portion). The Annual Information Statement is provided on this website for informational purposes only and must not be considered to be an offer to sell or the solicitation of an offer to buy any securities of MEAG Power in any jurisdiction, which offer or solicitation may only be made by an official statement or other offering document.

Each viewer acknowledges that (a) MEAG Power is not, by the Annual Information Statement, offering to sell any securities, nor soliciting an offer to buy any securities, (b) the Annual Information Statement will not be construed by the viewer as any description of MEAG Power, any of its Participants or the other parties referred to therein or their respective affairs at any time subsequent to the date of the Annual Information Statement nor will the viewer assume from the availability of the Annual Information Statement on this website that the affairs of MEAG Power, any of its Participants or the other parties referred to therein have not changed since the date of the Annual Information Statement and (c) because the information contained in the Annual Information Statement may be out of date or incomplete, the Annual Information Statement must not be relied upon in connection with any decision to purchase or sell any securities of MEAG Power.

SUMMARY OF VOGTLE UNITS 3&4 BOND RESOLUTIONS

The following is a general summary of certain provisions of (i) the Plant Vogtle Additional Units Non-PPA Bond Resolution adopted by the Municipal Electric Authority of Georgia (“MEAG Power”) on October 16, 2008, as supplemented, amended and restated (the “Project M Bond Resolution”) pursuant to which the Plant Vogtle Additional Units Non-PPA Project Revenue Bonds and the Plant Vogtle Units 3&4 Project M Bonds (together, the “Project M Bonds”) are issued, (ii) the Plant Vogtle Additional Units PPA Bond Resolution adopted by MEAG Power on October 16, 2008, as supplemented, amended and restated (the “Project J Bond Resolution”) pursuant to which the Plant Vogtle Additional Units PPA Project Revenue Bonds and the Plant Vogtle Units 3&4 Project J Bonds (together, the “Project J Bonds”) are issued, and (iii) the Plant Vogtle Additional Units PPA-2 Bond Resolution adopted by MEAG Power on October 16, 2008, as supplemented, amended and restated (the “Project P Bond Resolution” and, together with the Project M Bond Resolution and the Project J Bond Resolution, the “Vogtle Units 3&4 Bond Resolutions” and each individually, a “Vogtle Units 3&4 Bond Resolution”) pursuant to which the Plant Vogtle Additional Units PPA-2 Project Revenue Bonds and the Plant Vogtle Units 3&4 Project P Bonds (together, the “Project P Bonds,” and, together with the Project M Bonds and the Project J Bonds, the “Bonds”) are issued. Summaries of certain definitions are set forth at the end of this APPENDIX M.

Capitalized terms not otherwise defined in this APPENDIX M or defined in the Annual Information Statement shall be defined in the Vogtle Units 3&4 Bond Resolutions.

Application of Revenues

Revenues under each Vogtle Units 3&4 Bond Resolution are pledged to the payment of principal and Redemption Price of and interest on the applicable Bonds of all Series, subject to the provisions of each Vogtle Units 3&4 Bond Resolution permitting application for other purposes. For the application of Revenues, each Vogtle Units 3&4 Bond Resolution establishes a Revenue Fund and a Reserve and Contingency Fund, each held by MEAG Power, as well as a Debt Service Fund and a Subordinated Bond Fund held by the Trustee. Notwithstanding the foregoing or any other provision of the Vogtle Units 3&4 Bond Resolutions, amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund are not pledged to secure, and shall not be applied to the payment of, the principal or Redemption Price of and interest on any Bond Anticipation Notes, the principal or redemption price of and interest on any Parity Obligations, and with respect to the Project J Bond Resolution and the Project P Bond Resolution, the principal or Redemption Price of any interest on any Project J Take-Out Bonds or Project P BANs, as applicable.

The Trustee and MEAG Power may deposit moneys in such Funds in banks or trust companies (“Depositaries”). All moneys held under each Vogtle Units 3&4 Bond Resolution by the Trustee or any Depositary must be either (1) (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) continuously and fully secured by lodging with the Trustee as collateral security, Investment Securities, having a market value (exclusive of accrued interest) not less than the amount of such moneys, or (2) held in such other manner as may then be required by applicable laws and regulations; *provided, however*, that it is not necessary for the Trustee or any Paying Agent to give security for the deposit of any moneys held in trust with them and set aside by them for the payment of the principal or Redemption Price of or interest on any applicable Bonds, or for the Trustee or any Depositary to give security for any moneys which are represented by Investment Securities purchased as an investment of such moneys.

All Revenues received under each Vogtle Units 3&4 Bond Resolution will be deposited promptly in the applicable Revenue Fund.

The Project M Bond Resolution provides that amounts in the Revenue Fund will be paid out from time to time for application therefrom as follows:

1. Amounts in the Revenue Fund shall be paid out from time to time for reasonable and necessary Operating Expenses.

2. No later than the last business day of each month, amounts shall be withdrawn from the Revenue Fund and deposited in the following Funds and Accounts in the following order in the amounts set forth below:

(1) In the Debt Service Fund (i) for credit to the Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service plus, to the extent not theretofore deposited therein as Debt Service, the amount coming due in such month on Parity Obligations (other than Parity Reimbursement Obligations); *provided, however*, that, for the purposes of computing the amount on deposit in said Account, there shall be excluded the amount, if any, set aside in said Account from the proceeds of Project M Bonds, Subordinated Bonds or other evidences of indebtedness less that amount of such proceeds to be applied in accordance with the Project M Bond Resolution to interest accrued and unpaid and to accrue on Project M Bonds to the last day of the then current calendar month; and (ii) subject to the second and third provisos below, for credit to the Debt Service Reserve Account, the amount, if any, required so that the balance in said Account shall equal the Debt Service Reserve Requirement including, without limitation, any amount required to reimburse the issuer of a Financial Guaranty in order to reinstate the maximum limits of such Financial Guaranty (see “Debt Service Fund—Debt Service Reserve Account” herein for a discussion of the ability to deposit a Financial Guaranty in the Debt Service Reserve Account); *provided, however*, that so long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Project M Bonds and Parity Obligations in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Debt Service Fund; and *provided, further*, that any deficiency in such Account attributable to a withdrawal of amounts therefrom to pay the principal or sinking fund Redemption Price of or interest on the Project M Bonds shall be cured by depositing into such Account each month during the next succeeding six months an amount equal to one-sixth (1/6th) of the amount of the withdrawal; and *provided, further*, any other deficiency in such Account shall be cured by depositing into such Account each month during the next succeeding twelve months an amount equal to one-twelfth (1/12th) of the amount of the deficiency, except that, if a new valuation of Investment Securities held in such Account is made pursuant to the Project M Bond Resolution during the period that such deposits are required, then the obligation of MEAG Power to make deposits during the balance of such period on the basis of the preceding valuation shall be discharged and the deposits, if any, required to be made for the balance of such period shall be determined on the basis of the new valuation;

(2) In the Subordinated Bond Fund, such amounts as shall be required to pay (i) principal or sinking fund installments of and interest on each issue of the Subordinated Bonds coming due in such months and reserves therefor, as required by the Supplemental Resolution authorizing such issue of Subordinated Bonds and (ii) amounts coming due in such month on Subordinated Obligations; and

(3) In the Reserve and Contingency Fund, an amount equal to one-twelfth (1/12th) (or such greater fraction as may be appropriate if the period is less than twelve months) of the greater of (a) the total amount provided in the then current annual budget

to be deposited in said Fund during the then current calendar year or (b) an amount equal to ten percent of the sum of (i) the Aggregate Debt Service for the then current calendar year on all Project M Bonds other than Bond Anticipation Notes then Outstanding and all Parity Obligations other than Parity Commercial Paper Notes then Outstanding and (ii) the aggregate amount of the principal of and interest on all Subordinated Bonds and all Subordinated Obligations other than Subordinated Commercial Paper Notes then Outstanding that is deemed to accrue during the then current calendar year, assuming that such principal and interest accrue in the same manner as the principal of and interest on Project M Bonds is deemed to accrue as provided in the definition of Debt Service; *provided, however*, that no such deposit shall be required to be made until the month following the month in which the commercial operation date of the first unit of Plant Vogtle Unit No. 3 and Plant Vogtle Unit No. 4 to achieve commercial operation occurs.

The Project J Bond Resolution provides that amounts in the Revenue Funds will be paid out from time to time for application therefrom as follows:

1. Amounts in the Revenue Fund shall be paid out from time to time for reasonable and necessary Operating Expenses.

2. No later than the last business day of each month, amounts shall be withdrawn from the Revenue Fund and deposited in the following Funds and Accounts in the following order in the amounts set forth below:

(1) In the Debt Service Fund (i) for credit to the Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service plus, to the extent not theretofore deposited therein as Debt Service, the amount coming due in such month on Parity Obligations (other than Parity Reimbursement Obligations); *provided, however*, that, for the purposes of computing the amount on deposit in said Account, there shall be excluded the amount, if any, set aside in said Account from the proceeds of Project J Bonds, Subordinated Bonds or other evidences of indebtedness less that amount of such proceeds to be applied in accordance with the Project J Bond Resolution to interest accrued and unpaid and to accrue on Project J Bonds to the last day of the then current calendar month; and (ii) subject to the second, third and fourth provisos below, for credit to the Debt Service Reserve Account, the amount, if any, required so that the balance in said Account shall equal the Debt Service Reserve Requirement including, without limitation, any amount required to reimburse the issuer of a Financial Guaranty in order to reinstate the maximum limits of such Financial Guaranty (see “Debt Service Fund—Debt Service Reserve Account – *Deposit of Financial Guaranty*” herein for a discussion of the ability to deposit a Financial Guaranty in the Debt Service Reserve Account); *provided, however*, that so long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Project J Bonds and Parity Obligations in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Debt Service Fund; and *provided, further*, that any deficiency in such Account attributable to a withdrawal of amounts therefrom to pay the principal or sinking fund Redemption Price of or interest on the Project J Bonds shall be cured by depositing into such Account each month during the next succeeding six months an amount equal to one-sixth (1/6th) of the amount of the withdrawal; and *provided, further*, except as provided in the following proviso, any other deficiency in such Account shall be cured by depositing into such Account each month during the next succeeding twelve months an amount equal to one-twelfth (1/12th) of the amount of the deficiency, except that, if a new valuation of Investment Securities held in such Account is made pursuant to the Project J Bond Resolution during the period that

such deposits are required, then the obligation of MEAG Power to make deposits during the balance of such period on the basis of the preceding valuation shall be discharged and the deposits, if any, required to be made for the balance of such period shall be determined on the basis of the new valuation; and *provided, further*, that (x) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, no such deposit shall be required in respect of any withdrawal from such Account made as a result of a default by the Initial Power Purchaser in the making of any payment due under the Initial Power Purchase Agreement and (y) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, no such deposit shall be required from payments made to MEAG Power by the Initial Power Purchaser pursuant to the Initial Power Purchase Agreement in respect of any withdrawal from such Account made as a result of a default by any Project J Participant in the making of any payment due under its Project J Power Sales Contract;

(2) In the Subordinated Bond Fund, such amounts as shall be required to pay (i) principal or sinking fund installments of and interest on each issue of the Subordinated Bonds coming due in such month and reserves therefor, as required by the Supplemental Resolution authorizing such issue of Subordinated Bonds and (ii) amounts coming due in such month on Subordinated Obligations; and

(3) In the Reserve and Contingency Fund, an amount equal to one-twelfth (1/12th) (or such greater fraction as may be appropriate if the period is less than twelve months) of the greater of (a) the total amount provided in the then current annual budget to be deposited in said Fund during the then current calendar year or (b) an amount equal to ten percent of the sum of (i) the Aggregate Debt Service for the then current calendar year on all Project J Bonds other than Bond Anticipation Notes and Project J Take-Out Bonds then Outstanding and all Parity Obligations other than Parity Commercial Paper Notes then Outstanding and (ii) the aggregate amount of the principal of and interest on all Subordinated Bonds and all Subordinated Obligations other than Subordinated Commercial Paper Notes then Outstanding that is deemed to accrue during the then current calendar year, assuming that such principal and interest accrue in the same manner as the principal of and interest on Project J Bonds is deemed to accrue as provided in the definition of Debt Service; *provided, however*, that no such deposit shall be required to be made until the month following the month in which the commercial operation date of the first unit of Plant Vogtle Unit No. 3 and Plant Vogtle Unit No. 4 to achieve commercial operation occurs.

The provisions relating to the use of funds in the Revenue Fund under the Project P Bond Resolution are substantially similar to the foregoing provisions relating to the use of funds in the Revenue Fund under the Project J Bond Resolution except that provisions relating to the Project J Take-Out Bonds in the Project J Bond Resolution apply to the Project P BANs in the Project P Bond Resolution.

Each Vogtle Unit 3&4 Bond Resolution provides that during any period during which the Accrued Aggregate Debt Service shall be calculated in the manner provided in the final proviso of the first sentence of the definition thereof, no later than each interest payment date for any Build America Bonds then Outstanding, MEAG Power shall withdraw (a) on or prior to the commercial operation date of the second unit of Plant Vogtle Unit No. 3 and Plant Vogtle Unit No. 4 to achieve commercial operation (the "Second Commercial Operation Date"), from the Construction Fund and (b) after the Second Commercial Operation Date, from the Revenue Fund and, in either such case, transfer to the Trustee, for deposit to the Debt Service Account in the Debt Service Fund, an amount equal to the amount of the cash

subsidy payment payable to MEAG Power by the United States Treasury in respect of the interest payable on such Build America Bonds on such interest payment date.

Transfers from Revenue Fund

With respect to Project M, so long as the amount of Working Capital (as defined below) in the Revenue Fund is equal to or greater than the Working Capital Requirement (as defined below), amounts in the Revenue Fund not required for the purposes set forth under “Application of Revenues” above shall, upon determination of MEAG Power, be applied to or set aside for any one or more of the following: (a) the purchase or redemption of any Project M Bonds, and expenses in connection with the purchase or redemption of any Project M Bonds or any reserves which MEAG Power determines shall be required for such purposes; (b) payments of principal or Redemption Price of and interest on any Subordinated Bonds or any reserves which MEAG Power determines shall be required for such purposes; (c) payments into the Construction Fund for application to the purposes of such Fund; (d) improvements, extensions, betterments, renewals and replacements of any properties of Project M; (e) to reduce the cost of Project M’s power and energy to the Project M Participants; (f) to fund such reserves for Project M as MEAG Power shall determine are necessary or appropriate; and (g) any other lawful purposes of MEAG Power related to Project M, including (without limitation), to the extent permitted by applicable law, the withdrawal of amounts from the Revenue Fund for the purpose of pledging or assigning such amounts to or on behalf of any person or persons in order to secure MEAG Power’s obligations under any contract or agreement entered into by MEAG Power in connection with Project M; *provided, however*, that (i) any proceeds of any insurance paid on account of the damage or destruction of any useful portion of Project M deposited in the Revenue Fund pursuant to the provisions of the Project M Bond Resolution shall be used only for the purposes specified in clauses (a) to (c) above; (ii) any such amounts shall be used only for the purposes specified in clauses (c), (d), (e), (f) and (g) above unless the Board, in its sole discretion, determines that such amounts shall be transferred to the Trustee for deposit to the Bond Retirement Account in the Debt Service Fund and such determination is approved by the Project M Participants whose total Obligation Shares (as defined in the Project M Power Sales Contracts) exceed 66 2/3 percent, in which case, such amounts shall be transferred to the Trustee for deposit to said Bond Retirement Account; and (iii) subject to the provisions of the Project M Bond Resolution, amounts deposited in the Revenue Fund and required by the Project M Bond Resolution to be applied to the purchase or redemption of Project M Bonds shall be applied to such purpose. Application of amounts in the Revenue and Operating Fund shall include, without limitation, payment to an issuer of a Financial Guaranty of interest on amounts advanced under such Financial Guaranty.

With respect to Project J, so long as the amount of Working Capital in the Revenue Fund is equal to or greater than the Working Capital Requirement, amounts in the Revenue Fund not required for the purposes set forth above shall, upon determination of MEAG Power, be applied to or set aside for any one or more of the following: (a) the purchase or redemption of any Project J Bonds, and expenses in connection with the purchase or redemption of any Project J Bonds or any reserves which MEAG Power determines shall be required for such purposes; (b) payments of principal or Redemption Price of and interest on any Project J Subordinated Bonds or any reserves which MEAG Power determines shall be required for such purposes; (c) payments into the Construction Fund for application to the purposes of such Fund; (d) improvements, extensions, betterments, renewals and replacements of any properties of Project J; (e) to reduce the cost of Project J’s power and energy to the Project J Power Purchasers under the Project J Power Contracts; (f) to fund such reserves for Project J as MEAG Power shall determine are necessary or appropriate; and (g) any other lawful purposes of MEAG Power related to Project J, including (without limitation), to the extent permitted by applicable law, the withdrawal of amounts from the Revenue Fund for the purpose of pledging or assigning such amounts to or on behalf of any person or persons in order to secure MEAG Power’s obligations under any contract or agreement entered into by MEAG Power in connection with Project J; *provided, however*, that (i) any proceeds of any insurance paid on account of the damage or destruction of any useful portion of Project J deposited in the Revenue Fund pursuant to the provisions of the Project J Bond Resolution shall be used only for the purposes

specified in clauses (a) to (c) above; (ii) prior to the end of the term of the Initial Power Purchase Agreement, any such amounts shall be used only for the purposes specified in clauses (c), (d), (e), (f) and (g) above; (iii) commencing with the first full calendar year following the end of the term of the Initial Power Purchase Agreement, any such amounts shall be used only for the purposes specified in clauses (c), (d), (e), (f) and (g) above, unless the Board, in its sole discretion, determines that such amounts shall be transferred to the Trustee for deposit to the Bond Retirement Account in the Debt Service Fund and such determination is approved by Project J Participants whose total Obligation Shares (as defined in the Project J Power Sales Contracts) exceed 66 2/3 percent, in which case, such amounts shall be transferred to the Trustee for deposit to said Bond Retirement Account; and (iv) subject to the provisions of the Project J Bond Resolution, amounts deposited in the Revenue Fund and required by the Project J Bond Resolution to be applied to the purchase or redemption of Project J Bonds shall be applied to such purpose. Application of amounts in the Revenue Fund pursuant to this paragraph shall include, without limitation, payment to an issuer of a Financial Guaranty of interest on amounts advanced under such Financial Guaranty.

The Revenue Fund transfer provisions with respect to Project P under the Project P Bond Resolution are substantially similar to the foregoing Revenue Fund transfer provisions of MEAG Power with respect to Project J under the Project J Bond Resolution.

Each Vogtle Units 3&4 Bond Resolution provides that upon any purchase or redemption of Bonds of any Series, maturity and interest rate for which Sinking Fund Installments shall have been established (other than any such purchase or redemption funded from amounts accumulated in the Debt Service Account as provided for in each Vogtle Units 3&4 Bond Resolution), there shall be credited toward such Sinking Fund Installment or Sinking Fund Installments thereafter to become due as MEAG Power shall select in its sole discretion the total principal amount of such Bonds so purchased or redeemed. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

The term "Working Capital" is defined in each Vogtle Units 3&4 Bond Resolution to mean an amount equal to (1) the excess of current assets over the current liabilities of the applicable Vogtle Units 3&4 Project as of such date minus (2) the sum of amounts then on deposit in the Debt Service Account in the Debt Service Fund and the Subordinated Bond Fund (other than amounts, if any, set aside in the Subordinated Bond Fund as reserves for the payment of the principal or sinking fund installments of and interest on Subordinated Obligations). The term "Working Capital Requirement" means the sum of such dollar amounts as MEAG Power shall establish with respect to each of Plant Vogtle Unit No. 3 and Plant Vogtle Unit No. 4, which amounts shall be established initially on or prior to the commercial operation date of each unit and may be changed from time to time in the sole discretion of MEAG Power.

Construction Fund

The Project M Bond Resolution establishes a Construction Fund, held by MEAG Power, into which are paid (i) amounts required by the provisions of the Project M Bond Resolution and any Supplemental Resolution, (ii) all revenues, income, rents and receipts derived from MEAG Power from or attributable to the sale of any Pre-Commercial Generation, and (iii) at the option of MEAG Power, any moneys received for or in connection with Project M by MEAG Power from any other source, unless required to be otherwise applied as provided in the Project M Bond Resolution. In addition, proceeds of insurance for physical loss or damage to Project M or of contractors' performance bonds or liquidated damages payable by any contractor with respect thereto, pertaining to the period of construction thereof, will be paid into the Construction Fund unless required to be applied otherwise pursuant to the provisions of any Vogtle Units 3&4 Project Agreement.

MEAG Power shall withdraw amounts from the Construction Fund for the payment of amounts due and owing on account of the Costs of Acquisition and Construction and Financing Costs of Project M or the costs of the production of Pre-Commercial Generation, as applicable, upon determination of an Authorized Officer of MEAG Power that an obligation in the amount to be paid from the Construction Fund has been incurred by MEAG Power and that each item thereof is a proper and reasonable charge against the Construction Fund and has not been previously paid.

To the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of principal of and interest on the Project M Bonds and Parity Obligations when due. Amounts credited to the Construction Fund which MEAG Power, at any time, determines to be in excess of the amounts required for the purposes thereof shall be transferred to the Trustee for deposit to the Debt Service Reserve Account in the Debt Service Fund, if and to the extent necessary to make the amount therein equal to the Debt Service Reserve Requirement, and any balance of such excess shall be transferred to the Trustee for deposit to the Bond Retirement Account in the Debt Service Fund or, if so determined by an Authorized Officer of MEAG Power, credited to the Revenue Fund; *provided, however*, that the amount of any such credit to such Revenue Fund shall not constitute Revenue for any purpose of the Project M Bond Resolution.

The Construction Fund provisions under each of Project J under the Project J Bond Resolution and Project P under the Project P Bond Resolution, as applicable, are substantially similar to the foregoing Construction Fund provisions with respect to Project M under the Project M Bond Resolution.

Debt Service Fund—Debt Service Account

Each Vogtle Units 3&4 Bond Resolution provides that the Trustee shall pay out of the Debt Service Account in the Debt Service Fund to the respective Paying Agents (i) the amount required for the interest payable on each interest payment date; (ii) the amount required for each Principal Installment payable on the due date therefor; and (iii) the amount required for the payment of interest on the applicable Bonds then to be redeemed. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement and, at the direction of an Authorized Officer of MEAG Power, on or before the due date thereof, amounts due in respect of any Parity Obligation.

Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment may and, if so directed by MEAG Power, shall be applied by the Trustee, on or prior to the 40th day preceding the due date of such Sinking Fund Installment, to (i) the purchase of applicable Bonds of the Series and maturity and interest rate within each maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms. All such purchases shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest. As soon as practicable after the 40th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date Bonds of the Series and maturity and interest rate within each maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Account to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds, and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by MEAG Power from the Revenue Fund.

The amount, if any, deposited in the Debt Service Account from the proceeds of each Series of Bonds shall be set aside in such Account and applied to the payment of interest on Bonds in accordance with certificates (as such certificates have been modified or amended in accordance with the terms of the

applicable Vogtle Units 3&4 Bond Resolution) of Authorized Officers of MEAG Power delivered to the Trustee pursuant to the Bond Resolution.

In the event of the refunding or defeasance of any Bonds, the Trustee shall, upon the direction of an Authorized Officer of MEAG Power, withdraw from the Debt Service Account in the Debt Service Fund all or any portion of the amounts accumulated therein and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the applicable Bonds being refunded or defeased; *provided, however*, that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded or defeased shall be deemed to have been paid pursuant to the defeasance provisions of the Bond Resolution, and (b) the amount remaining in the Debt Service Account in the Debt Service Fund, after giving effect to the issuance of any obligations being issued to refund any Bonds being refunded and the disposition of the proceeds thereof, shall not be less than the requirement of such Account pursuant to the applicable Vogtle Units 3&4 Bond Resolution. In the event of such refunding or defeasance, an Authorized Officer of MEAG Power may direct the Trustee to withdraw from the Debt Service Account in the Debt Service Fund all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the applicable Vogtle Units 3&4 Bond Resolution; *provided, however*, that such withdrawal shall not be made unless items (a) and (b) referred to above have been satisfied.

Debt Service Fund—Debt Service Reserve Account

Each Vogtle Units 3&4 Bond Resolution provides that if, on any day on which the principal or sinking fund Redemption Price of or interest on applicable Bonds other than Bond Anticipation Notes (and, in the case of the Project J Bond Resolution and the Project P Bond Resolution, the Project J Take-Out Bonds and the Project P BANS, respectively) shall be due, the amount on deposit in the Debt Service Account shall be less than the amount required therein pursuant to the applicable Vogtle Units 3&4 Bond Resolution, the Trustee shall apply amounts from the Debt Service Reserve Account to correct the deficiency; *provided, however*, that the amounts so applied shall not be applied to the payment of the principal or sinking fund Redemption Price of or interest on any Bond Anticipation Notes (and, in the case of the Project J Bond Resolution and the Project P Bond Resolution, the Project J Take-Out Bonds and the Project P BANS, respectively). If a Financial Guaranty has been deposited in the Debt Service Reserve Account, amounts deposited therein not required to correct the deficiency shall be applied, first, to reimburse the issuer of the Financial Guaranty for any unreimbursed drawings thereunder and then to fund the Debt Service Reserve Account to satisfy the Debt Service Reserve Requirement.

If, on the last day of any calendar year the balance of moneys and securities on deposit in the Debt Service Reserve Account exceed the Debt Service Reserve Requirement, after giving effect to any Financial Guaranty that may be credited to such Account, such excess shall be transferred to the Revenue Fund.

Whenever the amounts in the Debt Service Reserve Account and the Debt Service Account are together sufficient to pay in full all Outstanding Bonds and Parity Obligations in accordance with their terms, the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Additionally, so long as there is an amount sufficient to pay in full all Outstanding Bonds and Parity Obligations in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Debt Service Reserve Account.

In the event of the refunding or defeasance of any Bonds other than Bond Anticipation Notes (and, in the case of the Project J Bond Resolution and the Project P Bond Resolution, the Project J Take-Out Bonds and the Project P BANS, respectively), the Trustee shall, upon the direction of an Authorized Officer of MEAG Power, withdraw from the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts with itself as Trustee to be held for the payment

of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided, however*, that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded or defeased shall be deemed to have been paid, and (b) the amount remaining in the Debt Service Reserve Account, after giving effect to any Financial Guaranty that may be credited thereto, and after giving effect to the issuance of any obligations being issued to refund such Bonds and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Requirement. In the event of such refunding or defeasance, MEAG Power may also direct the Trustee to withdraw from the Debt Service Reserve Account all or any portion of the amounts accumulated therein and deposit such amounts in any Fund or Account under the applicable Vogtle Units 3&4 Bond Resolution; *provided, however*, that such withdrawal shall not be made unless items (a) and (b) referred to above have been satisfied.

The Project M Bond Resolution provides that in lieu of depositing moneys in the Debt Service Reserve Account, or in substitution for moneys previously deposited in the Debt Service Reserve Account, MEAG Power may provide the Trustee with a Financial Guaranty for deposit into the Debt Service Reserve Account. Any such Financial Guaranty shall, together with the moneys and Investment Securities, if any, held in the Debt Service Reserve Account, be in an amount equal to the Debt Service Reserve Requirement and shall be payable or available to be drawn upon, as the case may be (upon the giving of notice of at least one business day pursuant to a demand for payment by the Trustee as required thereunder), on any date on which moneys will be required to be withdrawn from the Debt Service Reserve Account pursuant to the provisions of the Project M Bond Resolution. Any such Financial Guaranty shall have a term not less than the final maturity date of any Series of Project M Bonds then Outstanding under the terms of the Project M Bond Resolution or shall provide that it may be drawn upon if, prior to the termination thereof, a substitute Financial Guaranty is not delivered to the Trustee pursuant to the Project M Bond Resolution. Following a drawing under a Financial Guaranty, MEAG Power shall be obligated to reimburse the issuer of such Financial Guaranty in order to reinstate the maximum limits of such Financial Guaranty, such reimbursement to be made from amounts to be deposited in the Debt Service Reserve Account from the Revenue Fund.

The financial strength of the issuer of any Financial Guaranty shall be rated on the date of deposit of such Financial Guaranty in the Debt Service Reserve Account not lower than two of the following three rating levels: (i) "Aa2" as rated by Moody's Investors Service, Inc., (ii) "AA" as rated by Standard & Poor's, and (iii) "AA" as rated by Fitch Ratings. In the event that the rating of the financial strength of the issuer of any Financial Guaranty shall be reduced below the rating levels set forth in the preceding sentence by two of the three Rating Agencies, MEAG Power shall, within five years of the date of such reduction, replace the Financial Guaranty with either cash or a substitute Financial Guaranty from an issuer with a financial strength rating of: (i) "A2" as rated by Moody's Investors Service, Inc., (ii) "A" as rated by Standard & Poor's, and (iii) "A" as rated by Fitch Ratings. In the event that the rating of the financial strength of the issuer of a Financial Guaranty shall be reduced below two of the three ratings levels set forth in the preceding sentence, MEAG Power shall, within one year of the date of such reduction, replace the Financial Guaranty with either cash or a substitute Financial Guaranty satisfying the criteria set forth in the preceding sentence. Any such substitute Financial Guaranty shall be issued by an issuer whose financial strength is rated in the highest rating category which can be obtained by MEAG Power, using MEAG Power's best efforts, at commercially reasonable rates (but in no event less than the ratings described in clauses (i), (ii) and (iii) of the first sentence of this paragraph.)

Prior to providing the Trustee with a Financial Guaranty for deposit into the Debt Service Reserve Account, there shall be filed with MEAG Power an opinion of tax counsel to MEAG Power to the effect that such deposit will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Outstanding Project M Bonds the interest on which, at the time of the original issuance of such Project M Bonds, was so excluded.

In connection with furnishing a Financial Guaranty to the Trustee, MEAG Power shall also furnish to the Trustee (i) an opinion of counsel to the issuer of such Financial Guaranty, satisfactory to the Trustee, to the effect that such Financial Guaranty is a valid and binding obligation of the issuer thereof, enforceable in accordance with its terms, subject to usual bankruptcy exceptions, and (ii) a certificate of an Authorized Officer of MEAG Power to the effect that there has not occurred any Event of Default or any event which, with the giving of notice or the passage of time or both, would constitute an Event of Default. Upon receipt of such Financial Guaranty and the other items required by the Project M Bond Resolution, the Trustee shall, to the extent that amounts held in the Debt Service Reserve Account, taking into account any Financial Guaranty on deposit in the Debt Service Reserve Account, are in excess of the Debt Service Reserve Requirement, transfer such moneys (or any investments held therein) to or upon the order of MEAG Power, as MEAG Power shall direct in writing.

The Trustee shall maintain adequate records, verified with the issuer of any Financial Guaranty, as to: the amounts available to be drawn under such Financial Guaranty at any given time, the amounts drawn by the Trustee thereunder and the amounts paid by the Trustee to such issuer with respect to any such drawings; *provided, however*, the Trustee shall not be responsible for maintaining records of any other amounts paid and owing by MEAG Power to the issuer of any such Financial Guaranty with respect to any reimbursement agreement between such parties except for drawings under such Financial Guaranty. In the event that (i) cash and (ii) a Financial Guaranty are on deposit in the Debt Service Reserve Account, the Trustee shall first use such cash to make any required deposit to the Debt Service Account prior to drawing on such Financial Guaranty.

In the event more than one Financial Guaranty is on deposit in the Debt Service Reserve Account, any drawings thereunder and payments made in the reinstatement thereof shall be on a *pro rata* basis.

Notwithstanding anything in the Project M Bond Resolution to the contrary, there shall be no optional redemption of Project M Bonds other than Bond Anticipation Notes by MEAG Power unless all amounts owed to the issuer of any Financial Guaranty have been paid in full.

For purposes of determining the amount on deposit in the Debt Service Reserve Account, the amount available to be drawn under any Financial Guaranty shall be deemed to be on deposit therein.

The provisions relating to the deposit of a Financial Guaranty under each of the Project J Bond Resolution and Project P Bond Resolution, respectively, are substantially similar to the foregoing provisions relating to the deposit of a Financial Guaranty under the Project M Bond Resolution.

Additionally, both the Project J Bond Resolution and the Project P Bond Resolution provide that notwithstanding anything in the applicable resolution to the contrary, there shall be no optional redemption of Bonds other than Bond Anticipation Notes and Project J Take-Out Bonds or Project P BANS, as applicable, by MEAG Power unless all amounts owed to the issuer of any Financial Guaranty have been paid in full.

Subordinated Bond Fund

The Project M Bond Resolution provides that the Trustee shall apply amounts in the Subordinated Bond Fund to the payment of (i) the principal or sinking fund installments of and interest on each issue of Subordinated Bonds and reserves therefor in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the applicable Supplemental Resolution authorizing each issue of such Subordinated Bonds and (ii) Subordinated Obligations.

Notwithstanding the foregoing, if at any time the amount in the Debt Service Account in the Debt Service Fund shall be less than the amount required to be in such Account pursuant to the Project M Bond Resolution, or the amount in the Debt Service Reserve Account in the Debt Service Fund shall be less

than the Debt Service Reserve Requirement, and there shall not be on deposit in the Revenue Fund or the Reserve and Contingency Fund available moneys sufficient to cure such deficiency, then the Trustee shall withdraw from the Subordinated Bond Fund and deposit in the Debt Service Account or the Debt Service Reserve Account, as the case may be, the amount necessary (or all the moneys in said Fund, if less than the amount necessary) to make up such deficiency (or, if the amount in the Subordinated Bond Fund shall be less than the amount necessary to make up the deficiencies of both Accounts, then the amount in the Subordinated Bond Fund shall be applied first to make up the deficiency in the Debt Service Account, and any balance remaining shall be applied to make up the deficiency with respect to the Debt Service Reserve Account).

The provisions relating to the Subordinated Bond Fund under each of Project J under the Project J Bond Resolution and Project P under the Project P Bond Resolution, as applicable, are substantially similar to the foregoing provisions relating to the Subordinated Bond Fund with respect to Project M under the Project M Bond Resolution.

Reserve and Contingency Fund

Amounts in the Reserve and Contingency Fund are to be applied to the costs of any major renewals, replacements, repairs, additions, betterments and improvements with respect to Project M as necessary, in the opinion of an Authorized Officer of MEAG Power, to keep the same in good operating condition or to prevent a loss of revenues therefrom, or required by any governmental authority having jurisdiction over Project M or any part thereof or for which MEAG Power is responsible by virtue of any obligation of MEAG Power arising out of any contract to which MEAG Power is a party relating to ownership of the Authority's Ownership Interest or any part thereof.

If and to the extent provided in a Supplemental Resolution authorizing Project M Bonds of a Series, amounts from the proceeds of such Project M Bonds may be deposited in the Reserve and Contingency Fund and set aside therein for any purpose of such Fund.

No payments shall be made from the Reserve and Contingency Fund if and to the extent that the proceeds of insurance or other moneys recoverable as the result of damage, if any, are available to pay such cost.

The Reserve and Contingency Fund provisions under the Project J Bond Resolution and Project P Bond Resolution, respectively, are substantially similar to the foregoing provisions relating to the Reserve and Contingency Fund under the Project M Bond Resolution. The differences between the Reserve and Contingency Fund provisions in the Project M Bond Resolution as compared to the applicable provisions in the Project J Bond Resolution and the Project P Bond Resolution are noted below.

The Project M Bond Resolution provides that, if at any time the amounts in the Debt Service Account or in the Debt Service Reserve Account are less than the amounts required by the Project M Bond Resolution, then MEAG Power, upon requisition by the Trustee, will transfer from the Reserve and Contingency Fund to the Trustee the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiency (or, if the amount in the Reserve and Contingency Fund shall be less than the amount necessary to make up the deficiencies, then the amount in the Reserve and Contingency Fund shall be applied first to make up the deficiency in the Debt Service Account, and any balance remaining shall be applied to make up the deficiency with respect to the Debt Service Reserve Account).

If on the last day of any calendar year the amount in the Reserve and Contingency Fund exceeds the Reserve and Contingency Fund Requirement, all or a portion of the amount of such excess shall be transferred to the Trustee for deposit in the Debt Service Account or the Debt Service Reserve Account, as the case may be, in the Debt Service Fund, if and to the extent such amount is required to make up any

deficiency in either such Account, and the balance, if any, of such excess shall be transferred to the Revenue Fund.

The Project J Bond Resolution provides that, if at any time the amounts in the Debt Service Account or in the Debt Service Reserve Account are less than the amounts required by the Project J Bond Resolution, then MEAG Power, upon requisition by the Trustee, will transfer from the Reserve and Contingency Fund to the Trustee the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiency (or, if the amount in the Reserve and Contingency Fund shall be less than the amount necessary to make up the deficiencies, then the amount in the Reserve and Contingency Fund shall be applied first to make up the deficiency in the Debt Service Account, and any balance remaining shall be applied to make up the deficiency with respect to the Debt Service Reserve Account); *provided, however*, that (x) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, amounts deposited to the Reserve and Contingency Fund from payments made to MEAG Power by the Project J Participants pursuant to the Project J Bond Resolution shall not be so withdrawn if the purpose for such withdrawal is to make up any such deficiency that resulted from a default by the Initial Power Purchaser in the making of any payment due under the Initial Power Purchase Agreement and (y) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, amounts deposited to the Reserve and Contingency Fund from payments made to MEAG Power by the Initial Power Purchaser pursuant to the Project J Bond Resolution shall not be so withdrawn if the purpose for such withdrawal is to make up any such deficiency that resulted from a default by any Project J Participant in the making of any payment due under its Project J Power Sales Contract.

If on the last day of any calendar year the amount in the Reserve and Contingency Fund exceeds the Reserve and Contingency Fund Requirement, all or a portion of the amount of such excess shall be transferred to the Trustee for deposit in the Debt Service Account or the Debt Service Reserve Account, as the case may be, in the Debt Service Fund, if and to the extent such amount is required to make up any deficiency in either such Account; *provided, however*, that (x) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, amounts deposited to the Reserve and Contingency Fund from payments made to MEAG Power by the Project J Participants pursuant to the Project J Bond Resolution shall not be so withdrawn if the purpose for such withdrawal is to make up any such deficiency that resulted from a default by the Initial Power Purchaser in the making of any payment due under the Initial Power Purchase Agreement and (y) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, amounts deposited to the Reserve and Contingency Fund from payments made to MEAG Power by the Initial Power Purchaser pursuant to the Project J Bond Resolution shall not be so withdrawn if the purpose for such withdrawal is to make up any such deficiency that resulted from a default by any Project J Participant in the making of any payment due under its Project J Power Sales Contract; and the balance, if any, of such excess shall be transferred to the Revenue Fund.

The Reserve and Contingency Fund provisions under the Project P Bond Resolution are substantially similar to the foregoing Reserve and Contingency Fund provisions under the Project J Bond Resolution.

Initial Power Purchaser Arrearages Funds

Both the Project J Bond Resolution and the Project P Bond Resolution provide for Initial Power Purchaser Arrearages Funds. The following describes the Initial Power Purchaser Arrearages Fund

provisions as set forth in the Project J Bond Resolution. The Project P Bond Resolution contains substantially similar provisions.

General

If at any time during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, either (a) amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund shall be applied to cure a deficiency in the Debt Service Account in said Debt Service Fund, or (b) the principal or Redemption Price of, or interest on, any Project J Bond shall be due and unpaid, in either such case, as a result of a default by the Initial Power Purchaser in the making of any payment due under the Initial Power Purchase Agreement, there shall be established an Initial Power Purchaser Arrearages Fund, to be held by the Trustee, into which all Initial Power Purchaser Arrearages Payments and all Initial Power Purchaser Resale Revenues shall be deposited and from which, among other things, unpaid principal or Redemption Price of, or interest on, the Project J Bonds shall be paid, as more fully provided in the Project J Bond Resolution.

Application of Funds in Initial Power Purchaser Arrearages Fund

Amounts on deposit in the Initial Power Purchaser Arrearages Fund shall be applied by the Trustee as follows and in the following order: (a) to the payment of Operating Expenses that are due and have not been paid with amounts on deposit in the Revenue Fund or the Project J Participant Arrearages Fund; (b) unless otherwise required by the Project J Bond Resolution, first, to the payment of interest on any Project J Bonds and the interest component of any Parity Obligations that are due and unpaid; and, second, to the payment of the principal or Redemption Price of any Project J Bonds and the principal component of any Parity Obligations that are due and unpaid; (c) if the amount on deposit in the Debt Service Reserve Account in the Debt Service Fund shall be less than the Debt Service Reserve Requirement, the Trustee shall transfer from the Initial Power Purchaser Arrearages Fund to the Debt Service Reserve Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency; (d) if the amount on deposit in the Subordinated Bond Fund shall be less than the sum of (i) the principal or redemption price of, and interest on, all Subordinated Bonds then outstanding that is due and unpaid, (ii) all amounts due and unpaid with respect to all Subordinated Obligations then outstanding and (iii) the amount required to be deposited to the Subordinated Bond Fund during the then current month, the Trustee shall transfer from the Initial Power Purchaser Arrearages Fund to the Subordinated Bond Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency; and (e) if the amount on deposit in the Reserve and Contingency Fund shall be less than the amount that would have been on deposit therein on such date had the Initial Power Purchaser not defaulted in the making of any payment owed under the Initial Power Purchase Agreement, the Trustee shall transfer from the Initial Power Purchaser Arrearages Fund to the Reserve and Contingency Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such difference.

On the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, the Initial Power Purchaser Arrearages Fund shall be terminated, and any amount remaining on deposit therein shall be transferred by the Trustee to MEAG Power, for deposit in the Revenue Fund.

Participant Arrearages Funds

Each of the Project J Bond Resolution and the Project P Bond Resolution provide for a Project J Participant Arrearages Fund and a Project J Participant Arrearages Fund, respectively. The following describes the Project J Participant Arrearages Fund provisions as set forth in the Project J Bond Resolution. The Project P Bond Resolution contains substantially similar provisions.

General

If at any time during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, either (a) amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund shall be applied to cure a deficiency in the Debt Service Account in said Debt Service Fund, or (b) the principal or Redemption Price of, or interest on, any Project J Bond shall be due and unpaid, in either such case, as a result of a default by any Project J Participant in the making of any payment due under its Project J Power Sales Contract, there shall be established a Project J Participant Arrearages Fund, to be held by the Trustee, into which all Project J Participant Arrearages Payments and all Project J Participant Resale Revenues shall be deposited and from which, among other things, unpaid principal or Redemption Price of, or interest on, the Project J Bonds shall be paid, as more fully provided in the Project J Bond Resolution.

Application of Funds in Project J Participant Arrearages Fund

Amounts on deposit in the Project J Participant Arrearages Fund shall be applied by the Trustee as follows and in the following order: (a) to the payment of Operating Expenses that are due and have not been paid with amounts on deposit in the Revenue Fund or the Initial Power Purchaser Arrearages Fund; (b) unless otherwise required the Project J Bond Resolution, first, to the payment of interest on any Project J Bonds and the interest component of any Parity Obligations that are due and unpaid; and, second, to the payment of the principal or Redemption Price of any Project J Bonds and the principal component of any Parity Obligations that are due and unpaid; (c) if the amount on deposit in the Debt Service Reserve Account in the Debt Service Fund shall be less than the Debt Service Reserve Requirement, the Trustee shall transfer from the Project J Participant Arrearages Fund to the Debt Service Reserve Account the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency; (d) if the amount on deposit in the Subordinated Bond Fund shall be less than the sum of (i) the principal or redemption price of, and interest on, all Subordinated Bonds then outstanding that is due and unpaid, (ii) all amounts due and unpaid with respect to all Subordinated Obligations then outstanding and (iii) the amount required to be deposited to the Subordinated Bond Fund during the then current month, the Trustee shall transfer from the Project J Participant Arrearages Fund to the Subordinated Bond Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency; and (e) if the amount on deposit in the Reserve and Contingency Fund shall be less than the amount that would have been on deposit therein on such date had no Project J Participant defaulted in the making of any payment owed under its Project J Power Sales Contract, the Trustee shall transfer from the Project J Participant Arrearages Fund to the Reserve and Contingency Fund the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such difference.

On the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, the Project J Participant Arrearages Fund shall be terminated, and any amount remaining on deposit therein shall be transferred by the Trustee to MEAG Power, for deposit in the Revenue Fund.

Conditions to Issuance of Bonds

MEAG Power may issue Project M Bonds provided that it satisfies the following conditions, among others:

- (a) MEAG Power provides to the Trustee the amount, if any, specified in the Supplemental Resolution authorizing the additional Project M Bond of such Series for deposit in the Debt Service Account in the Debt Service Fund for the payment of interest on Project M Bonds and, except in the case of Bond Anticipation Notes, the amount, if any, necessary for deposit in the Debt Service Reserve Account so that the amount on deposit in such Account shall equal the Debt

Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Project M Bonds;

- (b) Except in the case of Refunding Bonds, MEAG Power must certify that either (a) no Event of Default has occurred and is continuing under the Project M Bond Resolution or (b) the application of the proceeds of the sale of such Series of Project M Bonds as required by the Supplemental Resolution authorizing such Series of Project M Bonds will cure any such Event of Default;
- (c) In the case of each Series of Project M Bonds, any portion of the proceeds of which is to be deposited in the Debt Service Account in the Debt Service Fund (other than any accrued interest that is to be applied to the payment of interest on Project M Bonds on the interest payment date next following the date of issuance of such Project M Bonds), a certificate of an Authorized Officer of MEAG Power setting forth the then estimated application of such proceeds so deposited for the payment of interest on any particular Series of Project M Bonds, whether or not such Series of Project M Bonds is then Outstanding, or then being issued, or to be issued thereafter.

The conditions for the issuance of Project J Bonds under the Project J Bond Resolution and Project P Bonds under the Project P Bond Resolution, as applicable, are substantially similar to the foregoing conditions for the issuance of Project M Bonds under the Project M Bond Resolution, except that both the Project J Bond Resolution and the Project P Bond Resolution provide that MEAG Power's obligation in clause (a) above to provide the Trustee the amount, if any, necessary for deposit in the Debt Service Reserve Account so that the amount on deposit in such Account shall equal the Debt Service Reserve Requirement shall not apply to the Project J Take-Out Bonds or the Project P BANs, as applicable.

Bonds Other than Refunding Bonds

The Project M Bond Resolution provides that one or more Series of Project M Bonds may be issued at any time for the purpose of paying all or a portion of the Costs of Acquisition and Construction and Financing Costs of Project M.

The Project J Resolution provides that one or more Series of Project J Bonds may be issued at any time for the purpose of paying all or a portion of the Costs of Acquisition and Construction and Financing Costs of Project J.

The Project P Resolution provides that one or more Series of Project P Bonds may be issued at any time for the purpose of paying all or a portion of the Costs of Acquisition and Construction and Financing Costs of Project P.

Refunding Bonds

The Project M Bond Resolution provides that one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any portion of any Outstanding Project M Bonds or all or any portion of any Outstanding Subordinated Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Project M Bond Resolution required by the provisions of the Supplemental Resolution authorizing such Refunding Bonds, to pay costs of issuing the Refunding Bonds and related costs.

The conditions for the issuance of Refunding Bonds under the Project J Bond Resolution and Project P Bond Resolution, respectively, are substantially similar to the foregoing conditions for the issuance of Refunding Bonds under the Project M Bond Resolution.

Subordinated Bonds

The Project M Bond Resolution provides that MEAG Power may issue Subordinated Bonds for any lawful purpose related to Project M, which will be payable out of, and may be secured by a pledge of, such amounts in the Subordinated Bond Fund as may from time to time be available therefor. Such pledge, however, will be subordinate in all respects to the pledge of the Trust Estate created by the Project M Bond Resolution as security for the Project M Bonds.

The conditions for the issuance of Subordinated Bonds under the Project J Bond Resolution and Project P Bond Resolution, respectively, are substantially similar to the foregoing conditions for the issuance of Subordinated Bonds under the Project M Bond Resolution.

Credit Facilities, Liquidity Facilities and Qualified Hedging Contracts

Subject to the terms of each of the Vogtle Units 3&4 Bond Resolutions, MEAG Power may include provisions in a Supplemental Resolution authorizing the issuance of a Series of Bonds secured by a Credit Facility or supported by a Liquidity Facility as MEAG Power determines appropriate, and no such provisions shall be deemed to constitute an amendment to the Vogtle Units 3&4 Bond Resolution requiring the consent of the Trustee or any Bondholders.

Such Supplemental Resolution may provide that (i) so long as a Credit Facility is in full force and effect, and payment on the Credit Facility is not in default, then, in all such events, the issuer of the Credit Facility shall be deemed to be the sole Holder of the Outstanding Bonds, the payment of which such Credit Facility secures when the approval, consent or action of the Holders of such Bonds is required or may be exercised under the Vogtle Units 3&4 Bond Resolution, or, in the alternative, that the approval, consent or action of the issuer of the Credit Facility shall be required in addition to the approval, consent or action of the applicable percentage of the Holders of the Outstanding Bonds under the Vogtle Units 3&4 Bond Resolution; and (ii) in the event that the principal or Redemption Price, if applicable, and interest due on any Outstanding Bonds shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of MEAG Power to the Holders of such Bonds shall continue to exist and such issuer of the Credit Facility shall be subrogated to the rights of such Holders in accordance with the terms of such Credit Facility.

MEAG Power may secure such Credit Facility or such Liquidity Facility by an agreement providing for the purchase of Bonds supported thereby with such adjustments to the rate of interest, method of determining interest, maturity or redemption provisions as specified by MEAG Power in a Supplemental Resolution. MEAG Power may also agree to reimburse directly such issuer for amounts paid under the terms of such Credit Facility or Liquidity Facility (together with interest thereon, the "Reimbursement Obligation"); *provided, however*, that no Reimbursement Obligation shall be created until amounts are paid under such Credit Facility or Liquidity Facility. Any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the Bonds, shall be secured by a pledge of, and a lien on, the Trust Estate on a parity with the pledge and lien created in the Vogtle Units 3&4 Bond Resolution to secure the Bonds (a "Parity Reimbursement Obligation"), but only to the extent principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration, or may be secured by a pledge of, and a lien on, the Subordinated Bond Fund, which pledge and lien shall be subordinate in all respects to the pledge of the Revenues (and, in the case of the Project J Bond Resolution, the Initial Power Purchaser Arrearages Payments, the Initial Power Purchaser Resale Revenues, the Project J Participant Arrearages Payments and the Project J Participant Resale Revenues, and in the case of the Project P Bond Resolution,

the Initial Power Purchaser Arrearages Payments, the Initial Power Purchaser Resale Revenues, the Project P Arrearages Payments and the Project P Participant Resale Revenues), moneys, securities and funds created by the Vogtle Units 3&4 Bond Resolution in favor of the Bonds and Parity Obligations but on a parity with the pledge and lien securing Subordinated Bonds and Subordinated Obligations (a “Subordinated Reimbursement Obligation”), as determined by MEAG Power. Parity Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification or other obligations to any such provider, or any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such Bonds, which payments shall be Subordinated Reimbursement Obligations.

Except as otherwise provided in a Supplemental Resolution authorizing Parity Reimbursement Obligations, for the purposes of (i) receiving payment of a Parity Reimbursement Obligation, whether at maturity, upon redemption or if the principal of all Bonds is declared immediately due and payable following the occurrence of an Event of Default, or (ii) computing the principal amount of Bonds held by the Holder of a Parity Reimbursement Obligation in giving to MEAG Power or the Trustee any notice, consent, request or demand pursuant to the Vogtle Units 3&4 Bond Resolution for any purpose whatsoever, the principal amount of a Parity Reimbursement Obligation shall be deemed to be the actual principal amount that MEAG Power shall owe thereon, which shall equal the aggregate of the amounts advanced to, or on behalf of, MEAG Power in connection with the Bonds to which such Parity Reimbursement Obligation relates, less any prior repayments thereof.

Except as otherwise provided in a Supplemental Resolution and notwithstanding anything to the contrary provided in the Vogtle Units 3&4 Bond Resolution, Bonds paid or deemed paid with moneys drawn under or pursuant to a Credit Facility shall be deemed to be Outstanding until MEAG Power has reimbursed the Credit Facility Provider in full for all amounts so drawn and has paid or reimbursed the Credit Facility Provider for interest thereon and for any other amounts and Reimbursement Obligations then due and payable.

MEAG Power may enter into Qualified Hedging Contracts and any obligation to pay any amount thereunder may be secured by a pledge of, and lien on, the Trust Estate on a parity with the pledge and lien created by the Vogtle Units 3&4 Bond Resolution to secure the Bonds (a “Parity Hedging Contract Obligation”), or may be secured by a pledge of, and a lien on, the Subordinated Bond Fund which pledge and lien shall be subordinate in all respects to the pledge of the Revenues (and, in the case of the Project J Bond Resolution, the Initial Power Purchaser Arrearages Payments, the Initial Power Purchaser Resale Revenues, the Project J Participant Arrearages Payments and the Project J Participant Resale Revenues, and in the case of the Project P Bond Resolution, the Initial Power Purchaser Arrearages Payments, the Initial Power Purchaser Resale Revenues, the Project P Participant Arrearages Payments and the Project P Participant Resale Revenues), moneys, securities and funds created by the Vogtle Units 3&4 Bond Resolution in favor of the Bonds and Parity Obligations but on a parity with the pledge and lien securing Subordinated Bonds and Subordinated Obligations (a “Subordinated Hedging Contract Obligation”), as determined by MEAG Power. Notwithstanding the foregoing, Parity Hedging Contract Obligations shall not include any payments of any termination payments owed to a counterparty to a Qualified Hedging Contract, which payments shall be Subordinated Hedging Contract Obligations.

Commercial Paper Notes

The Project M Bond Resolution provides for the issuance of Commercial Paper Notes from time to time to be secured by a pledge of, and a lien on, the Trust Estate on a parity with the pledge and lien created by the Project M Bond Resolution to secure the Project M Bonds (“Parity Commercial Paper Notes”). Commercial Paper Notes may also be issued from time to time to be secured by a pledge of, and a lien on, the Subordinated Bond Fund which pledge shall be subordinate in all respects to the pledge of the Revenues, moneys, securities and funds created by the Project M Bond Resolution in favor of the Project M Bonds and Parity Obligations but on a parity with the pledge and lien securing Subordinated

Bonds and Subordinated Obligations (“Subordinated Commercial Paper Notes”). The Trustee shall authenticate and deliver Commercial Paper Notes to MEAG Power or upon its order, but only upon satisfaction of the following conditions, among others: (i) if required by a Supplemental Resolution, the receipt of the Trustee of a Board-approved Credit Facility or a Liquidity Facility with respect to such Commercial Paper Notes; and (ii) receipt of a certificate of an Authorized Officer of MEAG Power (as may be amended from time to time) setting forth the Commercial Paper Payment Plan with respect to such Commercial Paper Notes.

The Project J Bond Resolution also provides for the issuance of Commercial Paper Notes from time to time to be secured by a pledge of, and a lien on, the Trust Estate on a parity with the pledge and lien created by the Project J Bond Resolution to secure the Project J Bonds (“Parity Commercial Paper Notes”). Commercial Paper Notes may also be issued from time to time to be secured by a pledge of, and a lien on, the Subordinated Bond Fund which pledge shall be subordinate in all respects to the pledge of the Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project J Participant Arrearages Payments, Project J Participant Resale Revenues, moneys, securities and funds created by the Project J Bond Resolution in favor of the Project J Bonds and Parity Obligations but on a parity with the pledge and lien securing Subordinated Bonds and Subordinated Obligations (“Subordinated Commercial Paper Notes”). The Trustee shall authenticate and deliver Commercial Paper Notes to MEAG Power or upon its order, but only upon satisfaction of the following conditions, among others: (i) if required by a Supplemental Resolution, the receipt of the Trustee of a Board-approved Credit Facility or a Liquidity Facility with respect to such Commercial Paper Notes; and (ii) receipt of a certificate of an Authorized Officer of MEAG Power (as may be amended from time to time) setting forth the Commercial Paper Payment Plan with respect to such Commercial Paper Notes.

The Commercial Paper Notes provisions under the Project P Bond Resolution are substantially similar to the foregoing Commercial Paper Notes provisions under the Project J Bond Resolution.

Special Provisions Relating to Capital Appreciation Bonds

The Project M Bond Resolution provides that, for the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Project M Bonds is declared immediately due and payable following the occurrence of an Event of Default, as provided in the Project M Bond Resolution or (iii) computing the principal amount of Project M Bonds held by the Holder of a Capital Appreciation Bond in giving to MEAG Power or the Trustee any notice, consent, request or demand pursuant to the Project M Bond Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

The principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service, Accrued Aggregate Debt Service, Aggregate Debt Service and Adjusted Aggregate Debt Service only from and after the date (the “Calculation Date”) which is one year prior to the date on which such Accreted Value becomes so due, and the principal and interest portions of such Accreted Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date (calculated, unless otherwise specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds, on the basis of a 360-day year consisting of twelve 30-day months).

The provisions relating to Capital Appreciation Bonds each of the Project J Bond Resolution and the Project P Bond Resolution, respectively, are substantially similar to the foregoing provisions relating to Capital Appreciation Bonds under the Project M Bond Resolution.

Investment of Certain Funds and Accounts

Each Vogtle Unit 3&4 Bond Resolution provides that moneys held in the Funds and Accounts established under such Vogtle Units 3&4 Bond Resolution shall be invested and reinvested to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee shall make all such investments of moneys held by it in accordance with instructions received from any Authorized Officer of MEAG Power.

With respect to the Project M Bond Resolution, interest earned on any moneys or investments in any Fund or Account (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) shall be paid into the Revenue Fund except that such net interest earned on any moneys or investments in (a) the Construction Fund (or any separate account or subaccount therein) shall be held in such Fund (or such separate account or subaccount, as applicable) for the purposes thereof or, upon determination of an Authorized Officer of MEAG Power, may be transferred to any other separate account or subaccount of the Construction Fund; (b) the Debt Service Reserve Account in the Debt Service Fund shall be held in such Account until the end of each calendar year at which time such net interest shall be retained therein to the extent necessary to satisfy the Debt Service Reserve Requirement and the balance shall be applied as set forth in the Project M Bond Resolution; *provided, however*, that prior to the Second Commercial Operation Date, on April 1 and October 1 of each year and on the Second Commercial Operation Date, such net interest shall be retained therein to the extent necessary to satisfy the Debt Service Reserve Requirement and the balance shall be transferred by the Trustee to MEAG Power for deposit to the Construction Fund (or any separate account or subaccount therein); and (c) the Reserve and Contingency Fund shall be held in such Fund until the end of each calendar year at which time such net interest shall be retained therein to the extent necessary to satisfy the Reserve and Contingency Fund Requirement and all or a portion of the amount of such excess shall be transferred to the Trustee for deposit in the Debt Service Account or the Debt Service Reserve Account, as the case may be, in the Debt Service Fund if and to the extent such amount is required to make up any deficiency in either such Account; shall be transferred to the Revenue Fund.

With respect to the Project J Bond Resolution, interest earned on any moneys or investments in any Fund or Account (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) shall be paid into the Revenue Fund except that such net interest earned on any moneys or investments in (a) the Construction Fund (or any separate account or subaccount therein) shall be held in such Fund (or such separate account or subaccount, as applicable) for the purposes thereof or, upon determination of an Authorized Officer of MEAG Power, may be transferred to any other separate account or subaccount of the Construction Fund; (b) the Debt Service Reserve Account in the Debt Service Fund shall be held in such Account until the end of each calendar year at which time such net interest shall be retained therein to the extent necessary to satisfy the Debt Service Reserve Requirement and the balance shall be applied as set forth in the Project J Bond Resolution; *provided, however*, that prior to the Second Commercial Operation Date, on April 1 and October 1 of each year and on the Second Commercial Operation Date, such net interest shall be retained therein to the extent necessary to satisfy the Debt Service Reserve Requirement and the balance shall be transferred by the Trustee to MEAG Power for deposit to the Construction Fund (or any separate account or subaccount therein); (c) the Reserve and Contingency Fund shall be held in such Fund until the end of each calendar year at which time such net interest shall be retained therein to the extent necessary to satisfy the Reserve and Contingency Fund Requirement and all or a portion of the amount of such excess shall be transferred to the Trustee for deposit in the Debt Service Account or the Debt Service Reserve Account, as the case may be, in the Debt Service Fund if and to the extent such amount is required to make up any deficiency in either such Account; *provided, however*, that (x) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, amounts deposited to the Reserve and Contingency Fund from payments made to MEAG Power by the Project J Participants shall not be so withdrawn if the

purpose for such withdrawal is to make up any such deficiency that resulted from a default by the Initial Power Purchaser in the making of any payment due under the Project J PPA and (y) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, amounts deposited to the Reserve and Contingency Fund from payments made to MEAG Power by JEA shall not be so withdrawn if the purpose for such withdrawal is to make up any such deficiency that resulted from a default by any Project J Participant in the making of any payment due under its Project J Power Sales Contract; and the balance, if any, of such excess shall be transferred to the Revenue Fund; (d) the Initial Power Purchaser Arrearages Fund shall be held in such Fund until expended in accordance with the Project J Bond Resolution; and (e) the Project J Participant Arrearages Fund shall be held in such Fund until expended in accordance with the Project J Bond Resolution.

The provisions relating to the investment of certain Funds and Accounts under the Project P Bond Resolution are substantially similar to the foregoing provisions relating to the investment of certain Funds and Accounts under the Project J Bond Resolution.

Encumbrances; Disposition of Properties

In each Vogtle Units 3&4 Bond Resolution, MEAG Power covenants that it will not issue bonds or other evidences of indebtedness of similar nature, other than Bonds payable out of or secured by a pledge of the Trust Estate and shall not create or cause to be created any lien or charge thereon; *provided, however*, that nothing contained in each Vogtle Units 3&4 Bond Resolution shall prevent MEAG Power from issuing, if and to the extent permitted by the Act, (1) bond anticipation notes (as such term is defined in the Act), (2) evidences of indebtedness (a) payable out of moneys in the Construction Fund as part of the Costs of Acquisition and Construction of the applicable Vogtle Units 3&4 Project or (b) payable out of, or secured by a pledge of, Revenues to be received after the discharge of the pledge of Revenues provided in the applicable Vogtle Units 3&4 Bond Resolution, (3) Subordinated Bonds, or (4) Parity Obligations or Subordinated Obligations.

MEAG Power further covenants in each Vogtle Units 3&4 Bond Resolution that it will not sell, lease, mortgage or otherwise dispose of any part of the applicable Vogtle Units 3&4 Project, except as follows:

(A) MEAG Power may sell or exchange any property or facilities constituting part of the applicable Vogtle Units 3&4 Project if it shall determine that the sale or exchange of such property or facilities (1) will not impair the ability of MEAG Power to comply during the current or any future year with the rate covenant contained in the applicable Vogtle Units 3&4 Bond Resolution and (2) it is in the best interests of MEAG Power and the applicable Vogtle Units 3&4 Participants. In each of the Project J Bond Resolution and the Project P Bond Resolution, MEAG Power also covenants that it will not sell or exchange any property or facilities constituting part of the applicable Vogtle Units 3&4 Project if it shall determine that the sale or exchange of such property or facilities is not in the best interests of the applicable Initial Power Purchaser. The proceeds of any such sale or exchange may be applied for any lawful purpose of MEAG Power relating to the applicable Vogtle Units 3&4 Project including, but not limited to, the acquisition or construction of other property necessary or desirable for the operation of such project or the retirement of the applicable Bonds, Subordinated Bonds or Parity Obligations; and

(B) In addition to the Vogtle Units 3&4 Project Agreements, MEAG Power may lease, make contracts, grant licenses for the operation of, make arrangements for the use of, or grant easements or other rights with respect to, any part of the applicable Vogtle Units 3&4 Project; *provided, however*, that any such lease, contract, license, arrangement, easement or right (1) does not impede the operation by MEAG Power or its agent of the applicable Vogtle Units 3&4 Project and (2) does not impair or adversely affect the rights or security of the Bondholders under the

applicable Vogtle Units 3&4 Bond Resolution. Any payments received by MEAG Power under or in connection with any such lease, contract, license, arrangement, easement or right may be applied for any lawful purpose of MEAG Power relating to the applicable Vogtle Units 3&4 Project including, but not limited to, the acquisition or construction of other property necessary or desirable for the operation of the applicable Vogtle Units 3&4 Project or the retirement of applicable Bonds, Subordinated Bonds or Parity Obligations.

Additionally, in each of the Vogtle Units 3&4 Bond Resolutions, MEAG Power covenants that, notwithstanding anything to the contrary contained therein, upon satisfaction of the conditions set forth under “– Amendments to Accommodate the Federal Loan Option” below, MEAG Power shall transfer to each Project Entity the related Project Portion of the Authority’s Ownership Interest.

Rate Covenant

MEAG Power covenants in the Project M Bond Resolution that it will at all times charge and collect rates, fees and other charges for the sale of the output, capacity, use or service of Project M so that Revenues, together with other available funds, are at least sufficient to provide funds in each calendar year for the payment of the sum of (1) Operating Expenses during such calendar year, (2) Aggregate Debt Service for such calendar year; *provided, however*, that any Principal Installment which is a Refundable Principal Installment may be excluded from Aggregate Debt Services for purposes of this clause (2) but only to the extent that MEAG Power intends to pay such Principal Installment from sources other than Revenues, (3) any amount to be paid into the Debt Service Reserve Account for such calendar year, (4) the amount to be paid into the Reserve and Contingency Fund for such calendar year, and (5) all other charges or liens payable out of Revenues during such year and, to the extent not otherwise provided for, all amounts payable on Subordinated Bonds and Subordinated Obligations.

The covenants of MEAG Power that are made with respect to Project J and Project P under the Project J Bond Resolution and the Project P Bond Resolution, respectively, are substantially similar to the foregoing covenants of MEAG Power that are made with respect to Project M under the Project M Bond Resolution.

Covenants with Respect to Power Sales Contracts and Vogtle Units 3&4 Project Agreements

MEAG Power covenants in the Project M Bond Resolution that it will collect and deposit in the Revenue Fund amounts received under the Project M Power Sales Contracts and attributable to Project M or Project M’s annual costs or payable to it pursuant to any other contract for the sale of power, energy, or other services from any part of Project M. In addition, MEAG Power will enforce the Project M Power Sales Contracts and the Vogtle Units 3&4 Project Agreements, will duly perform its covenants and agreements thereunder, and will not consent to any amendment to or otherwise take any action in connection with any Project M Power Sales Contract or Vogtle Units 3&4 Project Agreement which would impair or adversely affect the rights of MEAG Power thereunder or the rights or security of Project M Bondholders (determined without regard to any Credit Facility provided with respect to any Project M Bonds) or, in the case of any Project M Power Sales Contracts, would reduce payments required thereunder. Notwithstanding the foregoing, an amendment to any Project M Power Sales Contract that is permitted by the Project M Bond Resolution or assignment to the Project M Entity of that portion of MEAG Power’s rights and obligations under the Vogtle Units 3&4 Project Agreements attributable to the Project M Portion of the Authority’s Ownership Interest in order to accommodate the Federal Loan Option, or any amendments to the Vogtle Units 3&4 Project Agreements made in connection therewith, will not constitute a rescission or amendment under the Project M Bond Resolution for purposes of these provisions so long as the requirements of the Project M Bond Resolution have been satisfied in connection with the making of such assignment and any such amendment.

MEAG Power covenants in the Project J Bond Resolution that it will collect and deposit in the Revenue Fund amounts received under the Project J Power Contracts (other than the Additional Compensation Obligation) and attributable to Project J or Project J's annual costs or payable to it pursuant to any other contract for the sale of power, energy, or other services from any part of Project J; *provided, however,* that (x) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, all Initial Power Purchaser Arrearages Payments and all Initial Power Purchaser Resale Revenues shall be deposited to the Initial Power Purchaser Arrearages Fund and (y) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, all Project J Participant Arrearages Payments and all Project J Participant Resale Revenues shall be deposited to the Project J Participant Arrearages Fund. In addition, MEAG Power will enforce the Project J Power Contracts and the Vogtle Units 3&4 Project Agreements, will duly perform its covenants and agreements thereunder, and will not consent to any amendment to or otherwise take any action in connection with any Project J Power Contract or Vogtle Units 3&4 Project Agreement which would impair or adversely affect the rights of MEAG Power thereunder or the rights or security of Project J Bondholders (determined without regard to any Credit Facility provided with respect to any Project J Bonds) or, in the case of any Project J Power Contracts, would reduce payments required thereunder. Notwithstanding the foregoing, an amendment to any Project J Power Sales Contract that is permitted by the Project J Bond Resolution or assignment to the Project J Entity of that portion of MEAG Power's rights and obligations under the Vogtle Units 3&4 Project Agreements attributable to the Project J Portion of the Authority's Ownership Interest in order to accommodate the Federal Loan Option, or any amendments to the Vogtle Units 3&4 Project Agreements made in connection therewith, will not constitute a rescission or amendment under the Project J Bond Resolution for purposes of these provisions so long as the requirements of the Project J Bond Resolution have been satisfied in connection with the making of such assignment and any such amendment. MEAG Power further covenants that (x) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, all Initial Power Purchaser Arrearages Payments and all Initial Power Purchaser Resale Revenues shall be deposited to the Initial Power Purchaser Arrearages Fund and (y) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, all Project J Participant Arrearages Payments and all Project J Participant Resale Revenues shall be deposited to the Project J Participant Arrearages Fund.

The covenants of MEAG Power in the Project P Bond Resolution are substantially similar to the foregoing covenants of MEAG Power in the Project J Bond Resolution.

Annual Budget

MEAG Power covenants in the Project M Bond Resolution that it will file with the Trustee an annual budget for Project M each calendar year (a "Project M Annual Budget"). The Project M Annual Budget includes estimated Revenues and Operating Expenses and appropriations for the estimated Operating Expenses for such year, the estimated amount to be deposited during such year in the Reserve and Contingency Fund and the amounts estimated to be expended from each Fund and Account established under the Project M Bond Resolution. MEAG Power may at any time adopt an amended Project M Annual Budget for the remainder of the then current calendar year which will be filed promptly with the Trustee.

The practices by MEAG Power with respect to Project J and Project P under the Project J Bond Resolution and Project P under the Project P Bond Resolution, respectively, are substantially similar to the foregoing practices by MEAG Power with respect to Project M under the Project M Bond Resolution.

Insurance

MEAG Power covenants in the Project M Bond Resolution that it will keep the properties of Project M that are of an insurable nature and of the character usually insured by those operating properties similar to Project M, insured against loss or damage by fire and from other causes customarily insured against and in such amounts as are usually obtained. MEAG Power also covenants that it will maintain adequate insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to Project M. Insurance against business interruption loss is maintained whenever, in the judgment of MEAG Power, such insurance is obtainable at commercially reasonable rates.

The insurance covenants by MEAG Power with respect to Project J and Project P under the Project J Resolution and the Project P Resolution, respectively, are substantially similar to the foregoing insurance covenants by MEAG Power with respect to Project M under the Project M Bond Resolution.

Additionally, each of the Vogtle Units 3&4 Bond Resolutions provide that, in the event that MEAG Power shall transfer the any Project Portion of the Authority's Ownership Interest to the related Project Entity, as permitted by each of the Vogtle Units 3&4 Bond Resolutions, following such transfer, MEAG Power may comply with the provisions of the applicable Vogtle Units 3&4 Bond Resolution by causing the related Project Entity, to maintain in effect the insurance referred to in the provisions above.

Accounts and Reports

MEAG Power covenants in the Project M Bond Resolution that it will keep proper and separate books of record and account relating to Project M and the funds and accounts established by the Project M Bond Resolution and relating to costs and charges under the Project M Power Sales Contracts and the Vogtle Units 3&4 Project Agreements. Such books, together with all other books and papers of MEAG Power relating to Project M, are at all times subject to the inspection of the Trustee and the Holders of not less than five percent in principal amount of Project M Bonds then Outstanding.

MEAG Power covenants in the Project M Bond Resolution that it will file annually with the Trustee an annual report, accompanied by an accountant's certificate (Report of Independent Auditors), of the financial position of Project M at the end of the year, including a statement of assets and liabilities for each project as of the end of such year, a statement of Revenues and Operating Expenses or each project for such year, and a statement of receipts and disbursements with respect to Funds and Accounts established by the Project M Bond Resolution.

The reports, statements and other documents required to be furnished to the Trustee pursuant to provisions of the Project M Bond Resolution are available for inspection of Bondholders at the office of the Trustee and will be mailed to each Bondholder who files a written request therefor with MEAG Power.

The practices by MEAG Power with respect to Project J under the Project J Bond Resolution and Project P under the Project P Bond Resolution, respectively, are substantially similar to the foregoing practices by MEAG Power under the Project M Bond Resolution.

Amendments and Supplemental Resolutions

Any of the provisions of the Project M Bond Resolution may be amended or modified by MEAG Power by a Supplemental Resolution, upon the consent of the Holders of at least a majority in principal amount in each case of (1) all Project M Bonds then Outstanding that are affected by such modification or amendment, and (2) if the amendment changes the terms of any Sinking Fund Installment, the Project M Bonds of the Series and maturity for which such Sinking Fund Installment was established; excluding, in

each case, from such consent, and from the Outstanding Project M Bonds, the Project M Bonds of any specified Series and maturity if such amendment by its terms will not take effect so long as any such Project M Bonds remain Outstanding. Any such amendment may not permit a change in the terms of redemption or maturity or any installment of interest or make any reduction in principal, Redemption Price or interest without the consent of each affected Holder, or reduce the percentages of consents required for a further amendment.

MEAG Power may adopt (without the consent of any Holders of the Project M Bonds) Supplemental Resolutions to cure any ambiguity or to correct any defect in the Project M Bond Resolution; to close the Project M Bond Resolution against, or impose limitations upon, issuance of Project M Bonds or other evidences of indebtedness; to authorize Project M Bonds; to authorize Subordinated Project M Bonds, Parity Obligations or Subordinated Obligations; to add to the restrictions contained in the Project M Bond Resolution; to add to the covenants of MEAG Power contained in the Project M Bond Resolution; or to confirm any pledge under the Project M Bond Resolution of Revenues or other moneys.

The amendment and Supplemental Resolution provisions under the Project J Bond Resolution and Project P Bond Resolution, respectively, are substantially similar to the foregoing amendment and Supplemental Resolution provisions under the Project M Bond Resolution.

Amendments to Accommodate the Federal Loan Option

Each of the Vogtle Units 3&4 Bond Resolutions contains a provision providing that MEAG Power may adopt (without the consent of the Holders of the applicable Bonds), at any time or from time to time, a Supplemental Resolution for the purpose of amending the Vogtle Units 3&4 Bond Resolution in any respect determined by MEAG Power to be necessary and desirable in order to accommodate the Federal Loan Option.

With respect to the Project M Bond Resolution, such Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee a copy of such Supplemental Resolution, certified by an Authorized Officer of MEAG Power and the occurrence of each of the following:

1. Transfer to Project M Entity of Project M Ownership Interest: MEAG Power transfers to the Project M Entity the Project M Portion of the Authority's Ownership Interest (such portion being hereinafter referred to as the "Project M Ownership Interest");
2. Assignment to Project M Entity of Applicable Rights and Obligations Under the Vogtle Units 3&4 Project Agreements: MEAG Power assigns to the Project M Entity the portion of its rights and obligations under the Vogtle Units 3&4 Project Agreements attributable to the Project M Ownership Interest;
3. New Power Purchase Agreement with Project M Entity: MEAG Power and the Project M Entity enter into a power purchase agreement (the "Authority/Project M Entity Power Purchase Agreement") that:
 - a. must provide for the sale to MEAG Power of all power, energy and other services produced by the Project M Ownership Interest on the terms set forth therein, and
 - b. may provide that it will terminate following the exercise by the DOE of any remedy of foreclosure (a "DOE Foreclosure") of the Project M Ownership Interest following a default with respect to any Federal Loan;

4. Amendments to Various Documents: the Project M Bond Resolution, the Vogtle Units 3&4 Project Agreements and the Project M Power Sales Contracts are amended as determined by MEAG Power to be necessary or desirable in order to accommodate the Federal Loan Option and the foregoing transactions, including without limitation an amendment to the definition of “Additional Units Non-PPA Project” set forth in the Project M Bond Resolution in order to reflect the transfer to the Project M Entity of the Project M Ownership Interest and the entry by MEAG Power and the Project M Entity into the Authority/Project M Entity Power Purchase Agreement; in the case of the Project M Power Sales Contracts, the amendments must obligate the Project M Participants to pay to MEAG Power, in the same manner and during the same periods of time as theretofore provided, amounts necessary to pay all MEAG Power’s costs and expenses relating to Project M, including without limitation all amounts payable by MEAG Power to the Project M Entity pursuant to the Authority/Project M Entity Power Purchase Agreement, including amounts with respect to debt service on any Federal Loans;
5. Disposition of Project M Excess Proceeds Following DOE Foreclosure: the Authority/Project M Entity Power Purchase Agreement shall provide that the Project M Entity shall pay over to MEAG Power any proceeds received by the Project M Entity from the sale of the Project M Ownership Interest following a DOE Foreclosure that are in excess of the amount needed to pay all Federal Loans and that are not required to be used to satisfy the Project M Entity’s obligations to any other party (“Project M Excess Proceeds”), and the Project M Bond Resolution shall provide that such Project M Excess Proceeds shall be applied to the retirement, by purchase, redemption or defeasance, of the Project M Bonds;
6. Validation of Resolution and Contracts, as Amended: the Project M Bond Resolution, as amended by such Supplemental Resolution, and the Vogtle Units 3&4 Project Agreements and the Project M Power Sales Contracts, as amended, have been the subject of a judgment of validation rendered by the Superior Court of Fulton County, Georgia;
7. Receipt of “No-Adverse-Tax-Effect” Opinion: MEAG Power receives an opinion of tax counsel to MEAG Power to the effect that the transfer, assignment, amendments and other actions referred to in the Project M Bond Resolution will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Project M Bonds the interest on which, at the time of the original issuance of such Project M Bonds, was so excluded; and
8. Ratings Confirmation: each Rating Agency then maintaining a rating for the Project M Bonds notifies MEAG Power in writing of the rating(s) that will apply to the Project M Bonds following the transfer, assignment, amendments and other actions referred to in the Project M Bond Resolution, which rating(s), as a result of such transfer, assignment, amendments and other actions, shall not be lower than such Rating Agency’s rating(s) on the Outstanding Project M Bonds then in effect (without regard to any third-party credit enhancement).

With respect to the Project J Bond Resolution, such Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee a copy of such Supplemental Resolution, certified by an Authorized Officer of MEAG Power and the occurrence of each of the following:

1. Transfer to Project J Entity of Project J Ownership Interest: MEAG Power transfers to the Project J Entity the Project J Portion of the Authority’s Ownership Interest (such portion being hereinafter referred to as the “Project J Ownership Interest”);
2. Assignment to Project J Entity of Applicable Rights and Obligations Under the Vogtle Units 3&4 Project Agreements: MEAG Power assigns to the Project J Entity the portion of its rights and

obligations under the Vogtle Units 3&4 Project Agreements attributable to the Project J Ownership Interest;

3. New Power Purchase Agreement with Project J Entity: MEAG Power and the Project J Entity enter into a power purchase agreement (the “Authority/Project J Entity Power Purchase Agreement”) that:
 - a. must provide for the sale to MEAG Power of all power, energy and other services produced by the Project J Ownership Interest on the terms set forth therein, and
 - b. may provide that it will terminate following the exercise by the DOE of a DOE Foreclosure of the Project J Ownership Interest following a default with respect to any Federal Loan;
4. Amendments to Various Documents: the Project J Bond Resolution, the Vogtle Units 3&4 Project Agreements and the Project J Power Contracts are amended as determined by MEAG Power to be necessary or desirable in order to accommodate the Federal Loan Option and the foregoing transactions, including without limitation an amendment to the definition of “Additional Units PPA Project” set forth in the Project J Bond Resolution in order to reflect the transfer to the Project J Entity of the Project J Ownership Interest and the entry by MEAG Power and the Project J Entity into the Authority/Project J Entity Power Purchase Agreement; in the case of the Project J Power Contracts, the amendments must obligate the Initial Power Purchaser and the Project J Participants, respectively, to pay to MEAG Power, in the same manner and during the same periods of time as theretofore provided, amounts necessary to pay all MEAG Power’s costs and expenses relating to Project J, including without limitation all amounts payable by MEAG Power to the Project J Entity pursuant to the Authority/Project J Entity Power Purchase Agreement, including amounts with respect to debt service on any Federal Loans;
5. Disposition of Project J Excess Proceeds Following DOE Foreclosure: the Authority/Project J Entity Power Purchase Agreement shall provide that the Project J Entity shall pay over to MEAG Power any proceeds received by the Project J Entity from the sale of the Project J Ownership Interest following a DOE Foreclosure that are in excess of the amount needed to pay all Federal Loans and that are not required to be used to satisfy the Project J Entity’s obligations to any other party (“Project J Excess Proceeds”), and the Project J Bond Resolution shall provide that such Project J Excess Proceeds shall be applied to the retirement, by purchase, redemption or defeasance, of the Project J Bonds;
6. Validation of Resolution and Contracts, as Amended: the Project J Bond Resolution, as amended by such Supplemental Resolution, and the Vogtle Units 3&4 Project Agreements and the Project J Power Contracts, as amended, have been the subject of a judgment of validation rendered by the Superior Court of Fulton County, Georgia;
7. Receipt of “No-Adverse-Tax-Effect” Opinion: MEAG Power receives an opinion of tax counsel to MEAG Power to the effect that the transfer, assignment, amendments and other actions referred to in the Project J Bond Resolution will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Project J Bonds the interest on which, at the time of the original issuance of such Project J Bonds, was so excluded; and
8. Ratings Confirmation: each Rating Agency then maintaining a rating for the Project J Bonds notifies MEAG Power in writing of the rating(s) that will apply to the Project J Bonds following the transfer, assignment, amendments and other actions referred to in the Project J Bond Resolution, which rating(s), as a result of such transfer, assignment, amendments and other

actions, shall not be lower than such Rating Agency's rating(s) on the Outstanding Project J Bonds then in effect (without regard to any third-party credit enhancement).

With respect to the Project P Bond Resolution, such Supplemental Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee a copy of such Supplemental Resolution, certified by an Authorized Officer of MEAG Power and the occurrence of each of the following:

1. Transfer to Project P Entity of Project P Ownership Interest: MEAG Power transfers to the Project P Entity the Project P Portion of the Authority's Ownership Interest (such portion being hereinafter referred to as the "Project P Ownership Interest");
2. Assignment to Project P Entity of Applicable Rights and Obligations Under the Vogtle Units 3&4 Project Agreements: MEAG Power assigns to the Project P Entity the portion of its rights and obligations under the Vogtle Units 3&4 Project Agreements attributable to the Project P Ownership Interest;
3. New Power Purchase Agreement with Project P Entity: MEAG Power and the Project P Entity enter into a power purchase agreement (the "Authority/Project P Entity Power Purchase Agreement") that:
 - c. must provide for the sale to MEAG Power of all power, energy and other services produced by the Project P Ownership Interest on the terms set forth therein, and
 - d. may provide that it will terminate following the exercise by the DOE of a DOE Foreclosure of the Project P Ownership Interest following a default with respect to any Federal Loan;
4. Amendments to Various Documents: the Project P Bond Resolution, the Vogtle Units 3&4 Project Agreements and the Project P Power Contracts are amended as determined by MEAG Power to be necessary or desirable in order to accommodate the Federal Loan Option and the foregoing transactions, including without limitation an amendment to the definition of "Additional Units PPA-2 Project" set forth in the Project P Bond Resolution in order to reflect the transfer to the Project P Entity of the Project P Ownership Interest and the entry by MEAG Power and the Project P Entity into the Authority/Project P Entity Power Purchase Agreement; in the case of the Project P Power Contracts, the amendments must obligate the Initial Power Purchaser and the Project P Participants, respectively, to pay to MEAG Power, in the same manner and during the same periods of time as theretofore provided, amounts necessary to pay all MEAG Power's costs and expenses relating to Project P, including without limitation all amounts payable by MEAG Power to the Project P Entity pursuant to the Authority/Project P Entity Power Purchase Agreement, including amounts with respect to debt service on any Federal Loans;
5. Disposition of Project P Excess Proceeds Following DOE Foreclosure: the Authority/Project P Entity Power Purchase Agreement shall provide that the Project P Entity shall pay over to MEAG Power any proceeds received by the Project P Entity from the sale of the Project P Ownership Interest following a DOE Foreclosure that are in excess of the amount needed to pay all Federal Loans and that are not required to be used to satisfy the Project P Entity's obligations to any other party ("Project P Excess Proceeds"), and the Project P Bond Resolution shall provide that such Project P Excess Proceeds shall be applied to the retirement, by purchase, redemption or defeasance, of the Project P Bonds;
6. Validation of Resolution and Contracts, as Amended: the Project P Bond Resolution, as amended by such Supplemental Resolution, and the Vogtle Units 3&4 Project Agreements and the Project P

Power Contracts, as amended, have been the subject of a judgment of validation rendered by the Superior Court of Fulton County, Georgia;

7. Receipt of “No-Adverse-Tax-Effect” Opinion: MEAG Power receives an opinion of tax counsel to MEAG Power to the effect that the transfer, assignment, amendments and other actions referred to in the Project P Bond Resolution will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Project P Bonds the interest on which, at the time of the original issuance of such Project P Bonds, was so excluded; and
8. Ratings Confirmation: each Rating Agency then maintaining a rating for the Project P Bonds notifies MEAG Power in writing of the rating(s) that will apply to the Project P Bonds following the transfer, assignment, amendments and other actions referred to in the Project P Bond Resolution, which rating(s), as a result of such transfer, assignment, amendments and other actions, shall not be lower than such Rating Agency’s rating(s) on the Outstanding Project P Bonds then in effect (without regard to any third-party credit enhancement).

In addition to the amendments described above, each Vogtle Units 3&4 Bond Resolution provides that, upon the consent of the Trustee, such Vogtle Units 3&4 Bond Resolution may be amended to (i) insert such provisions clarifying matters or questions arising under the Vogtle Units 3&4 Bond Resolution as are necessary or desirable and will not have a material adverse effect on the interests of the Bondholders; or (ii) make any other modification or amendment of the Vogtle Units 3&4 Bond Resolution which the Trustee shall in its sole discretion determine will not have a material adverse effect on the interests of the Bondholders.

Trustee, Paying Agents

The Project M Bond Resolution requires the appointment by MEAG Power of one or more Paying Agents (who may be the Trustee) for the Project M Bonds of each Series. The Trustee may at any time resign on 60 days’ written notice and may at any time be removed by the Holders of a majority in principal amount of the Project M Bonds then Outstanding or, so long as no Event of Default has occurred and is continuing, by MEAG Power. If the Trustee has been removed by MEAG Power, then MEAG Power has the exclusive right to appoint a successor Trustee. In any other case, the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of MEAG Power, may appoint such successor; *provided, however*, that if no successor Trustee shall have been appointed by the Holders within 30 days of the date on which the Trustee (1) shall have mailed notice of its resignation or (2) shall have become incapable of acting, or shall have been adjudged bankrupt or insolvent, or a receiver, liquidator or conservator of the Trustee, or of its property, shall have been appointed, or any public officer shall have taken charge or control of the Trustee, or of its property or affairs, then MEAG Power, subject to the provisions of Project M Bond Resolution, shall have the exclusive right to appoint such successor. Any successor Trustee must be a Bank with its principal office in the City and State of New York or Georgia having capital stock and surplus aggregating at least \$100,000,000 if there be such an entity willing to accept appointment.

The Trustee and Paying Agents provisions under the Project J Bond Resolution and the Project P Bond Resolution are substantially similar to the foregoing Trustee and Paying Agents provisions under the Project M Bond Resolution.

Defeasance

The pledge of any Revenues and other moneys and securities under the applicable Vogtle Units 3&4 Bond Resolution and all covenants and other obligations of MEAG Power under such Vogtle Units 3&4 Bond Resolution will cease, terminate and be discharged and satisfied whenever all Bonds and coupons have been paid in full.

Bonds (or portions thereof) are deemed to have been paid and are not entitled to the lien, benefit or security of the applicable Vogtle Units 3&4 Bond Resolution whenever the following conditions are met: (1) there have been deposited with the Trustee in trust either moneys in an amount which will be sufficient, or Defeasance Securities, the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, also deposited, will be sufficient to pay when due the principal or Redemption Prices, if applicable, and interest due or to become due on such Bonds, (2) in the case of any Bonds to be redeemed prior to maturity, MEAG Power has given to the Trustee instructions to give the notice of redemption therefor, and (3) in the event such Bonds are not to be redeemed or paid at maturity within the next succeeding 60 days, MEAG Power has given the Trustee instructions to give as soon as practicable, a notice to the Holders of such Bonds that the above deposit has been made with the Trustee and that such Bonds are deemed to be paid and stating the maturity or redemption date upon which moneys are to be available to pay the principal or Redemption Price, if applicable, of such Bonds.

Events of Default and Remedies

Events of Default specified in each Vogtle Units 3&4 Bond Resolution include failure to pay the principal or Redemption Price of any Bond when due; failure to pay any interest installment on any Bond or the unsatisfied balance of any Sinking Fund Installment thereon when due; failure to remedy a default for 60 days after written notice of a default in the observance or performance of any other covenants, agreements or conditions; and certain events of bankruptcy or insolvency. Upon the happening of any such Event of Default, the Trustee or the Holders of not less than 25 percent in principal amount of the applicable Bonds then Outstanding may declare the principal of and accrued interest on such Bonds due and payable (subject to a rescission of such declaration upon the curing of such default before the applicable Bonds have matured).

The Project M Bond Resolution provides that, upon the occurrence of any Event of Default which has not been remedied, MEAG Power will, if demanded by the Trustee, (1) account, as a trustee, of an express trust for all Revenues, moneys, securities and funds pledged under the Project M Bond Resolution and (2) pay over or cause to be paid over to the Trustee all assets held by MEAG Power in any fund or account under the Project M Bond Resolution and, as received, all Revenues. The Trustee will apply all moneys, securities, funds and Revenues received during the continuance of an Event of Default in the following order: (1) to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries, (2) to the payment of (X) reasonable and necessary Operating Expenses and (Y) the costs of reasonable renewals, repairs, replacements, additions, betterments and improvements to Project M necessary in the judgment of the Trustee to prevent loss of Revenues or otherwise required to be paid for by MEAG Power pursuant to the Vogtle Units 3&4 Project Agreements, and (3) to the payment of interest and principal or the Redemption Price of Project M Bonds without preference or priority of interest over principal or principal over interest, unless the principal of all Project M Bonds has not been declared due and payable, in which case first to the payment of interest and second to the payment of principal on those Project M Bonds which have become due and payable in order of their due dates. In addition, any Holders of Project M Bonds or the Trustee will have the right to apply in an appropriate proceeding for appointment of a receiver of Project M.

The Project J Bond Resolution provides that, upon the occurrence of any Event of Default which has not been remedied, MEAG Power will, if demanded by the Trustee, (1) account, as a trustee of an express trust, for all Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project J Participant Arrearages Payments, Project J Participant Resale Revenues, moneys, securities and funds pledged under the Project J Bond Resolution and (2) pay over or cause to be paid over to the Trustee all assets held by MEAG Power in any fund or account under the Project J Bond Resolution and, as received, all Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project J Participant Arrearages Payments and Project J Participant Resale Revenues. The Trustee will apply all moneys, securities, funds and Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project J Participant Arrearages

Payments and Project J Participant Resale Revenues received during the continuance of an Event of Default in the following order: (1) to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries, (2) to the payment of (X) reasonable and necessary Operating Expenses and (Y) the costs of reasonable renewals, repairs, replacements, additions, betterments and improvements to Project J necessary in the judgment of the Trustee to prevent loss of Revenues or otherwise required to be paid for by MEAG Power pursuant to the Vogtle Units 3&4 Project Agreements, and (3) to the payment of interest and principal or the Redemption Price of Project J Bonds without preference or priority of interest over principal or principal over interest, unless the principal of all Project J Bonds has not been declared due and payable, in which case first to the payment of interest and second to the payment of principal on those Project J Bonds which have become due and payable in order of their due dates. In addition, any Holders of Project J Bonds or the Trustee will have the right to apply in an appropriate proceeding for appointment of a receiver of Project J.

Notwithstanding the foregoing paragraph, (x) so long as the Initial Power Purchaser is not in payment default under the Initial Power Purchase Agreement, any amounts paid to MEAG Power pursuant to the Initial Power Purchase Agreement and deposited in the Reserve and Contingency Fund may only be applied as set forth in the foregoing clauses (1) and (2), and if not so applied shall promptly be remitted by the Trustee to the Initial Power Purchaser and (y) so long as no Project J Participant is in payment default under its Project J Power Sales Contract, any amounts paid to MEAG Power pursuant to the Project J Power Sales Contracts and deposited in the Reserve and Contingency Fund may only be applied as set forth in the foregoing clauses (1) and (2), and if not so applied shall promptly be remitted by the Trustee to the Project J Participants, *pro rata* in proportion to the respective amounts so paid by them to MEAG Power.

The Project P Bond Resolution provides that, upon the occurrence of any Event of Default which has not been remedied, MEAG Power will, if demanded by the Trustee, (1) account, as a trustee of an express trust, for all Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project P Participant Arrearages Payments, Project P Participant Resale Revenues, moneys, securities and funds pledged under the Project P Bond Resolution and (2) pay over or cause to be paid over to the Trustee all assets held by MEAG Power in any fund or account under the Project P Bond Resolution and, as received, all Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project P Participant Arrearages Payments and Project P Participant Resale Revenues. The Trustee will apply all moneys, securities, funds and Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project P Participant Arrearages Payments and Project P Participant Resale Revenues received during the continuance of an Event of Default in the following order: (1) to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries, (2) to the payment of Operating Expenses and Capital Expenditures, and (3) to the payment of interest and principal or the Redemption Price of Project P Bonds without preference or priority of interest over principal or principal over interest, unless the principal of all Project P Bonds has not been declared due and payable, in which case first to the payment of interest and second to the payment of principal on those Project P Bonds which have become due and payable in order of their due dates. In addition, any Holders of Project P Bonds or the Trustee will have the right to apply in an appropriate proceeding for appointment of a receiver of Project P.

Notwithstanding the foregoing paragraph, (x) so long as the Initial Power Purchaser is not in payment default under the Project P PPA, any amounts paid to MEAG Power pursuant to the Project P PPA and deposited in the Reserve and Contingency Fund may only be applied as set forth in the foregoing clauses (1) and (2), and if not so applied shall promptly be remitted by the Trustee to the Initial Power Purchaser and (y) so long as no Project P Participant is in payment default under its Project P Power Sales Contract, any amounts paid to MEAG Power pursuant to the Project P Power Sales Contracts and deposited in the Reserve and Contingency Fund may only be applied as set forth in the foregoing clauses (1) and (2), and if not so applied shall promptly be remitted by the Trustee to the Project P Participants, *pro rata* in proportion to the respective amounts so paid by them to MEAG Power.

Each Vogtle Units 3&4 Bond Resolution provides that, if an Event of Default has occurred and has not been remedied the Trustee may, or on request of the Holders of not less than 25 percent in principal amount of Bonds Outstanding must, take such steps by a suit or suits in equity or at law, whether for the specific performance of any covenant in the Vogtle Units 3&4 Bond Resolution or in aid of the execution of any power granted in the Vogtle Units 3&4 Bond Resolution, or for an accounting against MEAG Power, or in the enforcement of any other legal or equitable right, as the Trustee deems most effectual to enforce any of its rights or to perform any of its duties under the Vogtle Units 3&4 Bond Resolution. The Trustee may, and upon the request of the Holders of a majority in principal amount of the applicable Bonds then Outstanding and upon being furnished with reasonable security and indemnity must, institute and prosecute proper actions to prevent any impairment of the security under the Vogtle Units 3&4 Bond Resolution or to preserve or protect the interests of the Trustee and of the Bondholders.

Each Vogtle Units 3&4 Bond Resolution provides that no Bondholder has any right to institute any suit, action or proceeding for the enforcement of any provision of the Vogtle Units 3&4 Bond Resolution or the execution of any trust under the Vogtle Units 3&4 Bond Resolution or for any remedy under the Vogtle Units 3&4 Bond Resolution, unless (1) such Bondholder previously has given the Trustee written notice of the Event of Default, (2) the Holders of at least 25 percent in principal amount of the applicable Bonds then Outstanding have filed a written request with the Trustee and have afforded the Trustee a reasonable opportunity to exercise its powers or institute such suit, action or proceeding, (3) there have been offered to the Trustee adequate security and indemnity against its costs, expenses and liability to be incurred and (4) the Trustee has refused to comply with such request within 60 days. Nothing contained in the Vogtle Units 3&4 Bond Resolutions or in the Bonds shall affect or impair MEAG Power's obligation, which is absolute and unconditional, to pay the Bonds and the interest thereon when due, or the right of any Bondholder to enforce such payment.

Each Vogtle Units 3&4 Bond Resolution also provides that the Holders of not less than a majority in principal amount of applicable Bonds then Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred upon the Trustee (subject to the Trustee's right to decline to follow such direction upon advice of counsel as to the unlawfulness thereof or upon its good faith determination that such action would involve the Trustee in personal liability or would be unjustly prejudicial to Bondholders not parties to such direction).

Definitions

Each of the Vogtle Units 3&4 Bond Resolutions has the following defined terms:

Accreted Value. Accreted Value shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a Periodic Compounding Date) next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

Adjusted Aggregate Debt Service. Adjusted Aggregate Debt Service for any period shall mean, as of any date of calculation, the Aggregate Debt Service for such period except that if any Refundable Principal Installment for any Series of Bonds is included in Aggregate Debt Service for such period, Adjusted Aggregate Debt Service shall mean Aggregate Debt Service determined as if each such Refundable Principal Installment had been payable, over a period extending from the due date of such Principal Installment through the later of (x) the 40th anniversary of the issuance of such Series of Bonds or (y) the tenth anniversary of the due date of such Refundable Principal Installment, in installments which would have required equal annual payments of principal and interest over such period. Interest deemed payable in any calendar year after the actual due date of any Refundable Principal Installment of any Series of Bonds shall be calculated at such rate of interest as MEAG Power, or a banking or financial institution selected by MEAG Power, determines would be a reasonable estimate of the rate of interest that would be borne on Bonds maturing at the times determined in accordance with the provisions of the preceding sentence.

Aggregate Debt Service. Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds and all Parity Obligations.

Capital Appreciation Bonds. Capital Appreciation Bonds shall mean any Bonds issued under the Vogtle Units 3&4 Bond Resolution as to which interest is (i) compounded periodically on dates that are specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Vogtle Units 3&4 Bond Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds.

Commercial Paper Note. Commercial Paper Note shall mean any note that has a maturity date not more than 270 days after the date of issuance thereof and that is issued by MEAG Power pursuant to a Supplemental Resolution that designates such note as a Commercial Paper Note.

Commercial Paper Payment Plan. Commercial Paper Payment Plan shall mean, with respect to any Commercial Paper Notes issued under a Supplemental Resolution and as of any time, the then current Commercial Paper Payment Plan for such notes contained in a certificate of an Authorized Officer of MEAG Power delivered pursuant to the Vogtle Units 3&4 Bond Resolution and setting forth the sources of funds expected to be utilized by MEAG Power to pay the principal of and interest on such Commercial Paper Notes.

Credit Facility. Credit Facility shall mean, with respect to any Bonds, any letter of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a Credit Provider pursuant to which such Credit Provider becomes unconditionally obligated to pay when due, to the extent not paid by MEAG Power or otherwise, the principal of and interest on such Bonds.

Credit Provider. Credit Provider shall mean any Bank, insurance company or other institution that has issued or provided a Credit Facility.

Debt Service. Debt Service for any period shall mean, as of any date of calculation, the sum of (i) with respect to the Bonds of any Series, an amount equal to the sum of (a) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits in the Debt Service Account in the Debt Service Fund made from proceeds of Bonds or Subordinated Bonds or other evidences of indebtedness of MEAG Power (including amounts transferred thereto from the Construction Fund) and (b) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if (x) there shall be no such preceding Principal Installment due date or (y) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then from a date one year preceding the due date of

such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later), (ii) with respect to each Parity Reimbursement Obligation, an amount equal to the sum of (a) interest accruing during such period on such Parity Reimbursement Obligation and (b) that portion of each Principal Installment for such Parity Reimbursement Obligation which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Parity Reimbursement Obligation (or, if (x) there shall be no such preceding Principal Installment due date or (y) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then from a date one year preceding the due date of such Principal Installment or from the date of incurrence of such Parity Reimbursement Obligation, whichever date is later) and (iii) with respect to each Parity Obligation (other than any Parity Reimbursement Obligation), an amount equal to the sum of all amounts payable thereunder by MEAG Power during such period, except to the extent that interest on any such Parity Obligation is to be paid from deposits in the Debt Service Account in the Debt Service Fund made from proceeds of Project M Bonds or Subordinated Bonds or other evidences of indebtedness of MEAG Power (including amounts transferred thereto from the Construction Fund). For purposes of this definition, (1) unless otherwise provided in the Supplemental Resolution authorizing any such Bonds or Parity Reimbursement Obligations, such interest and Principal Installments shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and (2) such interest and Principal Installments on Bonds and Parity Reimbursement Obligations shall be calculated on the assumptions that:

- (a) no such Bonds (except for Option Bonds actually tendered for payment prior to the stated maturity thereof and paid, or to be paid, from Revenues) or Parity Reimbursement Obligations Outstanding at the date of calculation will cease to be Outstanding except, in the case of Bonds, by reason of the payment thereof upon stated maturity or upon mandatory redemption by application of Sinking Fund Installments and, in the case of Parity Reimbursement Obligations, by reason of the payment thereof upon the stated due dates thereof,
- (b) the principal amount of Option Bonds tendered for payment before the stated maturity thereof and paid, or to be paid, from Revenues, shall be deemed to accrue on the date required to be paid pursuant to such tender,
- (c) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds shall be included in the calculation of Debt Service at the times and in the manner provided in the Vogtle Units 3&4 Bond Resolution,
- (d) Parity Commercial Paper Notes shall be deemed to be Bonds for purposes of this definition but the principal thereof shall be included in Debt Service only to the extent that the Commercial Paper Payment Plan therefor indicates that such principal is to be paid from Revenues,
- (e) Variable Rate Bonds and Parity Commercial Paper Notes will bear interest at the rate or rates which were assumed by MEAG Power in the annual budget for the applicable year to be borne by Variable Rate Bonds and Parity Commercial Paper Notes, respectively, during such year; *provided, however*, that if MEAG Power has in connection with any Variable Rate Bonds or Parity Commercial Paper Notes entered into a Qualified Hedging Contract that provides that, in respect of a notional amount equal to the Outstanding principal amount of the Variable Rate Bonds or Parity Commercial Paper Notes, MEAG Power is to pay to a Qualified Hedging Contract Provider an amount determined based upon a fixed rate of interest and the Qualified Hedging Contract Provider is to pay to MEAG Power an amount determined based upon a variable rate of interest equal or comparable to the rate at which such Variable Rate Bonds or Parity Commercial Paper Notes bear interest, it will be assumed that such Variable Rate Bonds or Parity Commercial Paper Notes bear interest at the fixed rate of interest to be paid by MEAG Power, and

- (f) fixed rate Bonds will bear interest at the rate or rates specified in such Bonds; *provided, however*, that if MEAG Power has in connection with any such Bonds entered into a Qualified Hedging Contract that provides that, in respect of a notional amount equal to the Outstanding principal amount of such Bonds, MEAG Power is to pay to a Qualified Hedging Contract Provider an amount determined based upon a variable rate of interest and the Qualified Hedging Contract Provider is to pay to MEAG Power an amount determined based upon a fixed rate of interest equal to the rate or rates at which such Bonds bear interest, it will be assumed that such Bonds bear interest at the variable rate of interest to be paid by MEAG Power.

Defeasance Security. Defeasance Security shall mean:

- (a) any bond or other obligation which as to principal and interest constitutes a direct obligation of, or is unconditionally guaranteed by, the United States of America,
- (b) any obligation of any state or political subdivision of a state or of any agency or instrumentality of any state or political subdivision (a Municipal Bond) which Municipal Bond is fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holder of the Municipal Bond, and which Municipal Bond is rated in the highest Rating Category by at least two Rating Agencies, *provided, however*, that such Municipal Bond shall have been the subject of a report of a nationally recognized independent certified accountant or other nationally recognized verification agent verifying that the moneys and obligations so segregated are sufficient to pay the principal of and premium, if any, and interest on the Municipal Bond,
- (c) any certificate of deposit, whether negotiable or nonnegotiable, fully secured as to principal and interest by bonds or other obligations of the character described in (a) above,
- (d) any certificate that evidences ownership of the right to payments of principal and/or interest on obligations described in either of clause (a) or (b) above of this definition, *provided, however*, that such obligations shall be held in trust by a Bank authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$50,000,000 and
- (e) any other security designated in a Supplemental Resolution as a Defeasance Security for purposes of defeasing the Bonds authorized by such Supplemental Resolution.

DOE. DOE shall mean the United States Department of Energy.

Federal Loan Option. Federal Loan Option shall mean the program authorized by Title XVII of the federal Energy Policy Act of 2005, pursuant to which certain loan guarantees provided by the DOE are made available with respect to, among other things, “advanced nuclear energy facilities.”

Financial Guaranty. Financial Guaranty shall mean one or more of an irrevocable and unconditional policy of insurance or surety bond in full force and effect issued by an insurance company or association duly authorized to do business in the State of New York and the State of Georgia the financial strength of which, except as provided in the Vogtle Units 3&4 Bond Resolution, is rated in the highest rating category by Moody’s Investors Service, Standard & Poor’s, Fitch Ratings and, if rated by A.M. Best & Company, A.M. Best & Company, and providing for the payment thereunder of moneys when required pursuant to the Vogtle Units 3&4 Bond Resolution.

Liquidity Facility. Liquidity Facility shall mean, with respect to any Bonds, any letter of credit, standby bond purchase agreement, line of credit or similar instrument issued by a Liquidity Provider pursuant to which such Liquidity Provider becomes obligated to fund when due, to the extent not paid by MEAG Power or otherwise, the purchase price of such Bonds due upon tender thereof or, in the case of Commercial Paper Notes, the principal of and interest thereon when due. Such funding obligation may be subject to such conditions as are permitted by the Rating Agency or Rating Agencies in assigning a short-term or commercial paper rating to such Bonds.

Liquidity Provider. Liquidity Provider shall mean any Bank, insurance company or other institution that has issued or provided a Liquidity Facility.

Option Bonds. Option Bonds shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment by MEAG Power prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

Parity Obligation. Parity Obligation shall mean any Parity Commercial Paper Notes, Parity Reimbursement Obligation or Parity Hedging Contract Obligation.

Project J. Project J shall mean (1) a percentage undivided ownership interest in the Authority's Ownership Interest in an amount equal to the Project J Portion thereof and (2) working capital for Project J required by MEAG Power during construction of Vogtle Units 3&4 and for the placing of Vogtle Units 3&4 in operation, and working capital for Project J for operation of Vogtle Units 3&4.

Project J Portion. Project J Portion shall mean a 41.174636 percent undivided interest in the Authority's Ownership Interest; which interest shall consist of 206.000 MWs of the capacity and output of Vogtle Units 3&4, based upon the nominal ratings of Vogtle Units 3&4.

Project M. Project M shall mean (1) a percentage undivided ownership interest in the Authority's Ownership Interest in an amount equal to the Project M Portion thereof and (2) working capital for Project M required by MEAG Power during construction of Vogtle Units 3&4 and for the placing of Vogtle Units 3&4 in operation, and working capital for Project M for operation of Vogtle Units 3&4.

Project M Portion. Project M Portion shall mean a 33.870736 percent undivided interest in the Authority's Ownership Interest, which interest shall consist of 169.458 MWs of the capacity and output of Vogtle Units 3&4, based upon the nominal ratings of Vogtle Units 3&4.

Project P. Project P shall mean (1) a percentage undivided ownership interest in the Authority's Ownership Interest in an amount equal to the Project P Portion thereof and (2) working capital for Project P required by MEAG Power during construction of Vogtle Units 3&4 and for the placing of Vogtle Units 3&4 in operation, and working capital for Project P for operation of Vogtle Units 3&4.

Project P Portion. Project P Portion shall mean a 24.954628 percent undivided interest in the Authority's Ownership Interest, which interest shall consist of 124.850 MWs of the capacity and output of Vogtle Units 3&4, based upon the nominal ratings of Vogtle Units 3&4.

Qualified Hedging Contract. Qualified Hedging Contract shall mean, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by MEAG Power with an entity that is a Qualified Hedging Contract Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; interest rate swap, including a forward rate or future rate swap; asset, index, price or market-linked-transaction or agreement; other exchange or rate protection transaction agreement; agreement for the future delivery or price management of Fuel or other commodities; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, executed by MEAG Power for the purpose of moderating interest rate or commodity price fluctuations or

otherwise, and (iii) which has been designated in writing to the Trustee by an Authorized Officer of MEAG Power as a Qualified Hedging Contract (which writing shall specify, in the case of a Qualified Hedging Contract that is entered into in connection with any Bonds, the Bonds with respect to which such Qualified Hedging Contract is entered into).

Qualified Hedging Contract Provider. Qualified Hedging Contract Provider shall mean an entity whose senior unsecured long-term debt obligations, financial program rating, counterparty rating or claims-paying ability is rated, or whose payment obligations under a financial arrangement of the type referred in clause (ii) of the definition of Qualified Hedging Contract are guaranteed or insured by an entity whose senior unsecured long-term obligations, financial program rating, counterparty rating or claims paying ability is rated, on the date a Qualified Hedging Contract is entered into, either (i) at least as high as the third highest Rating Category of each Rating Agency then maintaining a rating for the Qualified Hedging Contract Provider, but in no event lower than any Rating Category designated by each such Rating Agency for the Bonds, or (ii) at any such lower Rating Categories which each such Rating Agency indicates in writing to MEAG Power and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Bonds that is in effect prior to entering into such Qualified Hedging Contract and which is an authorized counterparty pursuant to MEAG Power's investment policy as from time to time approved by the Board.

Rating Agency. Rating Agency shall mean each nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of MEAG Power.

Rating Category. Rating Category shall mean one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Refundable Principal Installment. Refundable Principal Installment shall mean any Principal Installment for any Series of Bonds or any Parity Commercial Paper Notes, which MEAG Power intends to pay with moneys which are not Revenues; *provided, however,* that (i) in the case of Bonds, such intent shall have been expressed in the Supplemental Resolution authorizing such Series of Bonds and (ii) in the case of Parity Commercial Paper Notes, such intent shall be expressed in the then current Commercial Paper Payment Plan for such Parity Commercial Paper Notes; and *provided, further,* that any such Principal Installment, other than Principal Installments for Parity Commercial Paper Notes, shall be a Refundable Principal Installment only through the penultimate day of the month preceding the month in which such Principal Installment comes due or such earlier time as MEAG Power no longer intends to pay such Principal Installment with moneys which are not Revenues and with respect to Parity Commercial Paper Notes, any Parity Commercial Paper Note shall cease to be a Refundable Principal Installment at such time, if any, as shall be provided in the Commercial Paper Payment Plan applicable thereto.

Variable Rate Bonds. Variable Rate Bonds shall mean, as of any date of determination, any Bond on which the interest rate borne thereby may vary during any part of its remaining term.

The Project M Bond Resolution

In addition to the defined terms list above under “– Definitions,” the Project M Bond Resolution has the following definitions:

Accrued Aggregate Debt Service. Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series of Bonds and all Parity Reimbursement Obligations, calculating the accrued Debt Service with respect to the Bonds of each Series and each Parity Reimbursement Obligation at an amount equal to the sum of (i) interest on the Bonds of such Series or such Parity Reimbursement Obligation accrued and unpaid and to

accrue to the end of the then current calendar month and (ii) Principal Installments of the Bonds of such Series or such Parity Reimbursement Obligation due and unpaid and that portion of the Principal Installment thereof next due which would have accrued (if deemed to accrue in the manner set forth in the definition of *Debt Service*) to the end of such calendar month; *provided, however*, that (x) there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments, (y) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the Vogtle Units 3&4 Bond Resolution and (z) with respect to Variable Rate Bonds and Parity Commercial Paper Notes, interest on such Variable Rate Bonds and Parity Commercial Paper Notes shall be calculated at the actual rate or rates borne thereby during the period for which such calculation is made unless MEAG Power has in connection with any such Variable Rate Bonds or Parity Commercial Paper Notes entered into a Qualified Hedging Contract that provides that, in respect of a notional amount equal to the Outstanding principal amount of such Variable Rate Bonds or Parity Commercial Paper Notes, MEAG Power is to pay to a Qualified Hedging Contract Provider an amount determined based upon a fixed rate of interest and the Qualified Hedging Contract Provider is to pay to MEAG Power an amount determined based upon a variable rate of interest equal or comparable to the rate at which such Variable Rate Bonds or Parity Commercial Paper Notes bear interest, in which case, it will be assumed that such Variable Rate Bonds or Parity Commercial Paper Notes bear interest at the fixed rate of interest to be paid by MEAG Power; and *provided, further*, that in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then until such time, if any, as MEAG Power, for whatever reason, no longer receives cash subsidy payments from the United States Treasury in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of such subsidy.

Authority's Ownership Interest. Authority's Ownership Interest shall mean MEAG Power's percentage undivided ownership interest in the properties, facilities and rights, with respect to Vogtle Units 3&4, as described in Attachment A of the Project M Bond Resolution.

Bond, Bonds, Project M Bond, Project M Bonds. Bond, Bonds, Project M Bond, Project M Bonds shall mean any bonds, notes or other evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the Project M Bond Resolution but shall not mean Parity Obligations, Commercial Paper Notes, Subordinated Bonds or Subordinated Obligations.

Bond Anticipation Notes. Bond Anticipation Notes shall mean any Bonds issued to finance or refinance the Costs of Acquisition and Construction and Financing Costs of Project M on an interim basis prior to the issuance of other Bonds, which Bond Anticipation Notes shall be issued in the form of notes the principal of which is intended to, and all or a portion of the interest on which may, be paid from the proceeds of other Bonds (including other Bond Anticipation Notes), including any notes issued to secure borrowing arrangements. As such, the Principal Installments for Bond Anticipation Notes initially shall be and constitute Refundable Principal Installments. Bond Anticipation Notes shall not be or be deemed to be "bond anticipation notes" within the meaning of the Act.

Build America Bonds. Build America Bonds shall mean any Bonds with respect to which MEAG Power has irrevocably elected, pursuant to Section 54AA(g) of the Internal Revenue Code of 1986, as amended, or any other similar federal program creating subsidies for municipal borrowers for which MEAG Power qualifies, to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on such Bonds.

Costs of Acquisition and Construction. Costs of Acquisition and Construction shall mean, to the extent not included in Project M's annual costs, all actual costs and expenses incurred by or for the account of MEAG Power for the planning, designing, acquiring, constructing, and installing Project M, including any major renewals, replacements, repairs, additions, betterments or improvements necessary, in the opinion of MEAG Power, to keep Project M in good operating condition or to prevent a loss of

revenues therefrom, placing Project M in operation, disposing of Project M, and obtaining governmental approvals, certificates, permits and licenses with respect thereto heretofore or hereafter paid, incurred by, or for the account of MEAG Power, including the following:

- (a) working capital reserves for Project M in such reasonable amount as may be established by MEAG Power;
- (b) acquisition of initial inventories or prepayment of fuel for Project M and working capital and reserves therefor and working capital and reserves for additional inventories or prepayment of fuel for Project M;
- (c) charges related to processing, design, fabrication, transportation, disposal and storage of fuel for Project M, including but not limited to the following: (i) fuel storage facilities, including spent fuel storage facilities, and (ii) working capital and reserves related to acquisition, processing, design, fabrication, transportation, disposal and storage of Fuel for Project M;
- (d) reserves for renewals and replacements, retirement from service, or disposal of any facility of Project M and contingencies;
- (e) training and testing costs incurred by MEAG Power attributable to Project M;
- (f) preliminary investigation and development costs, engineering fees, contractors' fees, costs of labor, materials, equipment, utility services and supplies and legal costs attributable to Project M; and
- (g) all costs of insurance applicable to the period of construction of Project M.

Costs of Acquisition and Construction shall also include all other costs, except Financing Costs, incurred by MEAG Power and properly allocable to planning, designing, acquiring, constructing and installing Project M including (a) the Additional Costs as described and defined in Section 2.2 of the Vogtle Units 3&4 Development Agreement attributable to Project M and (b) to the extent permitted in accordance with the terms of the Project M Power Sales Contracts, amounts required to reimburse the Project M Participants for amounts paid by them in respect of the principal of maturing Bond Anticipation Notes.

Debt Service Reserve Requirement. Debt Service Reserve Requirement shall mean, as of any date of calculation, an amount equal to the greatest amount of Adjusted Aggregate Debt Service for the then current or any future calendar year; *provided, however,* that in the event that, in the opinion of tax counsel to MEAG Power, the amount of proceeds of the Bonds of any Series that may be used to fund an increase in the Debt Service Reserve Requirement is limited under applicable federal income tax laws and regulations, then in no event may the increase in the Debt Service Reserve Requirement resulting from the issuance of such Bonds exceed the maximum amount of the proceeds of such Bonds that may, in the opinion of tax counsel to MEAG Power, be deposited to the Debt Service Reserve Account under such applicable federal income tax laws and regulations. For purposes of the calculation of the Debt Service Reserve Requirement:

- (a) the Debt Service Reserve Requirement shall take into account any Series of Bonds only for so long as any Bonds of such Series shall remain Outstanding, but Bond Anticipation Notes shall not be deemed to be Bonds for purposes of this definition;
- (b) in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then until such time, if any, as MEAG Power, for whatever reason, no longer receives cash subsidy payments from the United States Treasury in respect of the

interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of such subsidy; *provided, however*, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of the Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to MEAG Power by the United States Treasury, and such increase shall be deemed to accrue in equal monthly amounts over the five-year period that commences on the first day of the first month following the date on which such specified percentage is so reduced; and *provided, further*, that in the event that MEAG Power, for whatever reason, ceases to receive cash subsidy payments from the United States Treasury in respect of the interest payable on any such Bonds, then the amount of the Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be deemed to accrue in equal monthly amounts over the five-year period that commences on the first day of the first month following the date on which MEAG Power does not receive the first such cash subsidy payment that it theretofore was qualified to receive;

- (c) except as provided in the following clause (d), the Debt Service for the Bonds of any Series shall be calculated as of the date of original issuance of the Bonds of such Series; and
- (d) in the event that the Bonds of any Series shall be refunded in whole or in part, the Debt Service Reserve Requirement shall be recalculated, assuming that the refunding Bonds and the Bonds (if any) of the refunded Series to remain Outstanding upon the issuance of the refunding Bonds are part of the same Series.

Federal Loans. Federal Loans shall mean any loans obtained by the Project M Entity pursuant to the Federal Loan Option with respect to the financing of the Costs of Acquisition and Construction of the Project M Portion of the Authority's Ownership Interest.

Financing Costs. Financing Costs shall mean all Financing Costs related to Project M that MEAG Power may finance through the issuance of Bonds or Subordinated Bonds, including, but without limitation, the following:

- (a) costs of issuance, including, without limitation, underwriting fees, bank commitment and letter of credit fees, legal and financial advisory fees, bond insurance and indemnity fees, and any payments on Qualified Hedging Contracts including (i) any periodic "net" payments accruing in whole or in part prior to and during construction and for such additional period as MEAG Power may reasonably determine to be necessary in connection with the placing of Project M in operation, and (ii) any swap premium or swap termination payment;
- (b) interest accruing in whole or in part on Bonds or Subordinated Bonds prior to and during construction and for such additional period as MEAG Power may reasonably determine to be necessary in connection with the placing of Project M in operation in accordance with the provisions of the Project M Bond Resolution; and
- (c) the deposit or deposits from the proceeds of Bonds or Subordinated Bonds issued to finance such costs in any Fund or Account established pursuant to the Project M Bond Resolution to meet debt service reserve requirements for Bonds or Subordinated Bonds, or replenishment of such funds if drawn down.

Investment Securities. Investment Securities shall mean and include any securities, obligations or investments that, at the time, are legal for investment of MEAG Power's funds.

Project M Entity. Project M Entity shall mean a corporation or other entity to be formed by MEAG Power for the sole purpose of owning and operating the Project M Portion of the Authority's Ownership Interest following the transfer thereof to such Entity as permitted by the Project M Bond Resolution, which Entity shall be a wholly-owned subsidiary of, or otherwise controlled by, MEAG Power, the business and activities of which shall be limited to the acquisition, construction, ownership and operation of the Project M Portion of the Authority's Ownership Interest.

Reserve and Contingency Fund Requirement. Reserve and Contingency Fund Requirement shall mean, as of any date, such amount as may be established by the Board and certified to the Trustee by an Authorized Officer of MEAG Power, but in no event less than \$4,082,000.

Revenues. Revenues shall mean (i) all revenues, income, rents and receipts derived by MEAG Power from or attributable to the ownership and operation of Project M, including all revenues attributable to Project M or to the payment of the costs thereof and received by MEAG Power under the Project M Power Sales Contracts or under any other contract for the sale of power, energy or other service from Project M or any part thereof or any contractual arrangement with respect to the use of Project M or any portion thereof or the services, output or capacity thereof, but shall not include any such revenues, income, rents or receipts derived by MEAG Power from or attributable to the sale of any Pre-Commercial Generation; (ii) the proceeds of any insurance covering business interruption loss relating to Project M; (iii) the Project M Portion of the proceeds of any liquidated damages payable by a contractor to or for the account of MEAG Power for delay; and (iv) interest accrued on any moneys or securities held pursuant to the Project M Bond Resolution and paid or required to be paid into the Revenue Fund. Without limiting the generality of the foregoing, all cash subsidy payments received by MEAG Power from the United States Treasury in respect of the interest payable on any Build America Bonds shall constitute Revenues for all purposes of the Project M Bond Resolution.

Subordinated Obligation. Subordinated Obligation shall mean any payment obligation (which does not constitute Bonds, a Parity Obligation or Subordinated Bonds) (a) that is a Subordinated Reimbursement Obligation, (b) that is a Subordinated Hedging Contract Obligation, (c) that is a Subordinated Commercial Paper Note or (d) that arises under any other contract, agreement or other obligation authorized by resolution of MEAG Power and is designated as a "Subordinated Obligation" in a certificate of an Authorized Officer of MEAG Power delivered to the Trustee. Each Subordinated Obligation shall be payable from and secured by a pledge of the Subordinated Bond Fund which pledge shall be subordinate in all respects to the pledge of the Revenues, moneys, securities and funds created by the Project M Bond Resolution in favor of the Bonds and Parity Obligations.

Trust Estate. Trust Estate shall mean (i) the proceeds of the sale of the Bonds, (ii) the Revenues and (iii) all Funds established by the Project M Resolution, including the investments, if any, thereof.

The Project J Bond Resolution

In addition to the defined terms list above under "– Definitions," the Project J Bond Resolution has the following definitions:

Accrued Aggregate Debt Service. Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series of Bonds and all Parity Reimbursement Obligations, calculating the accrued Debt Service with respect to the Bonds of each Series and each Parity Reimbursement Obligation at an amount equal to the sum of (i) interest on the Bonds of such Series or such Parity Reimbursement Obligation accrued and unpaid and to accrue to the end of the then current calendar month and (ii) Principal Installments of the Bonds of such Series or such Parity Reimbursement Obligation due and unpaid (without giving effect to any declaration of the principal of all Bonds outstanding, and the interest accrued thereon, to be due and payable immediately following the occurrence of an Event of Default as provided in the Project J Bond

Resolution) and that portion of the Principal Installment thereof next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; *provided, however*, that (x) there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments, (y) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the Project J Bond Resolution and (z) with respect to Variable Rate Bonds and Parity Commercial Paper Notes, interest on such Variable Rate Bonds and Parity Commercial Paper Notes shall be calculated at the actual rate or rates borne thereby during the period for which such calculation is made unless MEAG Power has in connection with any such Variable Rate Bonds or Parity Commercial Paper Notes entered into a Qualified Hedging Contract that provides that, in respect of a notional amount equal to the Outstanding principal amount of such Variable Rate Bonds or Parity Commercial Paper Notes, MEAG Power is to pay to a Qualified Hedging Contract Provider an amount determined based upon a fixed rate of interest and the Qualified Hedging Contract Provider is to pay to MEAG Power an amount determined based upon a variable rate of interest equal or comparable to the rate at which such Variable Rate Bonds or Parity Commercial Paper Notes bear interest, in which case, it will be assumed that such Variable Rate Bonds or Parity Commercial Paper Notes bear interest at the fixed rate of interest to be paid by MEAG Power; and *provided, further*, that in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then until such time, if any, as MEAG Power, for whatever reason, no longer receives cash subsidy payments from the United States Treasury in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of such subsidy. Notwithstanding any other provision of the Project J Bond Resolution, (a) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, there shall be excluded from the calculation of Accrued Aggregate Debt Service the principal or Redemption Price of, or interest on, any Bonds that is due and unpaid as a result of a default by the Initial Power Purchaser in the making of any payment due under the Initial Power Purchase Agreement and (b) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, there shall be excluded from the calculation of Accrued Aggregate Debt Service the principal or Redemption Price of, or interest on, any Bonds that is due and unpaid as a result of a default by any Project J Participant in the making of any payment due under its Project J Power Sales Contract.

Authority's Ownership Interest. Authority's Ownership Interest shall mean MEAG Power's percentage undivided ownership interest in the properties, facilities and rights, with respect to Vogtle Units 3&4, as described in Attachment A of the Project J Bond Resolution.

Bond, Bonds, Project J Bond, Project J Bonds. Bond, Bonds, Project J Bond, Project J Bonds shall mean any bonds, notes or other evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the Project J Bond Resolution but shall not mean Parity Obligations, Commercial Paper Notes, Subordinated Bonds or Subordinated Obligations.

Bond Anticipation Notes. Bond Anticipation Notes shall mean any Bonds issued to finance or refinance the Costs of Acquisition and Construction and Financing Costs of Project J on an interim basis prior to the issuance of other Bonds, which Bond Anticipation Notes shall be issued in the form of notes the principal of which is intended to, and all or a portion of the interest on which may, be paid from the proceeds of other Bonds (including other Bond Anticipation Notes and Project J Take-Out Bonds), including any notes issued to secure borrowing arrangements. As such, the Principal Installments for Bond Anticipation Notes initially shall be and constitute Refundable Principal Installments. Bond Anticipation Notes shall not be or be deemed to be "bond anticipation notes" within the meaning of the Act.

Build America Bonds. Build America Bonds shall mean any Bonds with respect to which MEAG Power has irrevocably elected, pursuant to Section 54AA(g) of the Internal Revenue Code of 1986, as amended, or any other similar federal program creating subsidies for municipal borrowers for which MEAG Power qualifies, to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on such Bonds.

Costs of Acquisition and Construction. Costs of Acquisition and Construction shall mean, to the extent not included in Project J's annual costs, all actual costs and expenses incurred by or for the account of MEAG Power for the planning, designing, acquiring, constructing, and installing Project J, including any major renewals, replacements, repairs, additions, betterments or improvements necessary, in the opinion of MEAG Power, to keep Project J in good operating condition or to prevent a loss of revenues therefrom, placing Project J in operation, disposing of Project J, and obtaining governmental approvals, certificates, permits and licenses with respect thereto heretofore or hereafter paid, incurred by, or for the account of MEAG Power, including the following:

- (a) working capital reserves for Project J in such reasonable amount as may be established by MEAG Power;
- (b) acquisition of initial inventories or prepayment of fuel for Project J and working capital and reserves therefor and working capital and reserves for additional inventories or prepayment of fuel for Project J;
- (c) charges related to processing, design, fabrication, transportation, disposal and storage of fuel for Project J, including but not limited to the following: (i) fuel storage facilities, including spent fuel storage facilities, and (ii) working capital and reserves related to acquisition, processing, design, fabrication, transportation, disposal and storage of fuel for Project J;
- (d) reserves for renewals and replacements, retirement from service, or disposal of any facility of Project J and contingencies;
- (e) training and testing costs incurred by MEAG Power attributable to Project J;
- (f) preliminary investigation and development costs, engineering fees, contractors' fees, costs of labor, materials, equipment, utility services and supplies and legal costs attributable to Project J; and
- (g) all costs of insurance applicable to the period of construction of Project J.

Costs of Acquisition and Construction shall also include all other costs, except Financing Costs, incurred by MEAG Power and properly allocable to planning, designing, acquiring, constructing and installing Project J including (a) the Additional Costs as described and defined in Section 2.2 of the Vogtle Units 3&4 Development Agreement attributable to Project J and (b) to the extent permitted in accordance with the terms of the Project J Power Contracts, amounts required to reimburse the Project J Power Purchasers for amounts paid by them in respect of the principal of maturing Bond Anticipation Notes and Project J Take-Out Bonds.

Debt Service Reserve Requirement. Debt Service Reserve Requirement shall mean, as of any date of calculation, an amount equal to the greatest amount of Adjusted Aggregate Debt Service for the then current or any future calendar year; *provided, however,* that in the event that, in the opinion of tax counsel to MEAG Power, the amount of proceeds of the Bonds of any Series that may be used to fund an increase in the Debt Service Reserve Requirement is limited under applicable federal income tax laws and regulations, then in no event may the increase in the Debt Service Reserve Requirement resulting from the issuance of such Bonds exceed the maximum amount of the proceeds of such Bonds that may, in the

opinion of tax counsel to MEAG Power, be deposited to the Debt Service Reserve Account under such applicable federal income tax laws and regulations. For purposes of the calculation of the Debt Service Reserve Requirement:

- (a) the Debt Service Reserve Requirement shall take into account any Series of Bonds only for so long as any Bonds of such Series shall remain Outstanding, but Bond Anticipation Notes and Project J Take-Out Bonds shall not be deemed to be Bonds for purposes of this definition;
- (b) in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then until such time, if any, as MEAG Power, for whatever reason, no longer receives cash subsidy payments from the United States Treasury in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of such subsidy; *provided, however*, that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of the Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to MEAG Power by the United States Treasury, and such increase shall be deemed to accrue in equal monthly amounts over the five-year period that commences on the first day of the first month following the date on which such specified percentage is so reduced; and *provided, further*, that in the event that MEAG Power for whatever reason, ceases to receive cash subsidy payments from the United States Treasury in respect of the interest payable on any such Bonds, then the amount of the Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be deemed to accrue in equal monthly amounts over the five-year period that commences on the first day of the first month following the date on which MEAG Power does not receive the first such cash subsidy payment that it theretofore was qualified to receive;
- (c) except as provided in the following clause (d), the Debt Service for the Bonds of any Series shall be calculated as of the date of original issuance of the Bonds of such Series; and
- (d) in the event that the Bonds of any Series shall be refunded in whole or in part, the Debt Service Reserve Requirement shall be recalculated, assuming that the refunding Bonds and the Bonds (if any) of the refunded Series to remain Outstanding upon the issuance of the refunding Bonds are part of the same Series.

Federal Loans. Federal Loans shall mean any loans obtained by the Project J Entity pursuant to the Federal Loan Option with respect to the financing of the Costs of Acquisition and Construction of the Project J Portion of the Authority's Ownership Interest.

Financing Costs. Financing Costs shall mean all Financing Costs related to Project J that MEAG Power may finance through the issuance of Bonds or Subordinated Bonds, including, but without limitation, the following:

- (a) costs of issuance, including, without limitation, underwriting fees, bank commitment and letter of credit fees, legal and financial advisory fees, bond insurance and indemnity fees, and any payments on Qualified Hedging Contracts including (i) any periodic "net" payments accruing in whole or in part prior to and during construction and for such additional period as MEAG Power may reasonably determine to be necessary in connection with the placing of Project J in operation, and (ii) any swap premium or swap termination payment;

- (b) interest accruing in whole or in part on Bonds or Subordinated Bonds prior to and during construction and for such additional period as MEAG Power may reasonably determine to be necessary in connection with the placing of Project J in operation in accordance with the provisions of the Project J Bond Resolution; and

(c) the deposit or deposits from the proceeds of Bonds or Subordinated Bonds issued to finance such costs in any Fund or Account established pursuant to the Project J Bond Resolution to meet debt service reserve requirements for Bonds or Subordinated Bonds, or replenishment of such funds if drawn down.

Initial Power Purchase Agreement. Initial Power Purchase Agreement shall mean the Power Purchase Agreement, dated as of May 12, 2008, between MEAG Power and the Initial Power Purchaser, as heretofore amended and as such Agreement may hereafter be amended or supplemented from time to time as permitted therein and in the Project J Bond Resolution.

Initial Power Purchaser. Initial Power Purchaser shall mean JEA, a body politic and corporate organized and existing under the laws of the State of Florida and an independent agency of the City of Jacksonville, Florida, and any permitted successors and assigns.

Initial Power Purchaser Arrearages Fund. Initial Power Purchaser Arrearages Fund shall mean the Initial Power Purchaser Arrearages Fund provided for the Project J Bond Resolution.

Initial Power Purchaser Arrearages Payment. Initial Power Purchaser Arrearages Payment shall mean any payment received by MEAG Power from the Initial Power Purchaser under the Initial Power Purchase Agreement in respect of any amount due thereunder that was not paid when due, but only if the failure to pay such amount when due resulted in either (a) the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund or (b) the principal or Redemption Price of, or interest on, any Bond or the principal or interest component of any Parity Obligation not being paid when due.

Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date. Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date shall mean the day following the day, if any, on which the Initial Power Purchaser shall have satisfied its obligation to pay amounts in respect of Debt Service under (and as defined in) the Initial Power Purchase Agreement, including any and all payments of such amounts thereunder that theretofore had not been paid when due and all interest thereon payable pursuant to the terms of the Initial Power Purchase Agreement.

Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date. Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date shall mean the day following the day on which the Initial Power Purchaser's obligation to pay future accruing Debt Service (as defined in the Initial Power Purchase Agreement) has terminated, and the Initial Power Purchaser shall have no new or additional obligation to pay amounts in respect of Debt Service under the Initial Power Purchase Agreement for either of Plant Vogtle Unit No. 3 or Plant Vogtle Unit No. 4 for any Series of Bonds, Subordinated Bonds, Parity Obligations or Subordinated Obligations; it being understood that, pursuant to the Initial Power Purchase Agreement, the Initial Power Purchaser has no responsibility for any new or additional Debt Service that goes unpaid after such date, whether by reason of a default by any of the Project J Participants in the making of any payment due under its Project J Power Sales Contract or otherwise; *provided, however,* that under the Initial Power Purchase Agreement, the Initial Power Purchaser shall continue to be responsible for paying any amount in respect of Debt Service that was not paid when due.

Initial Power Purchaser Resale Revenues. Initial Power Purchaser Resale Revenues shall mean any payments received by MEAG Power as a result of the resale of all or any portion of the power, energy or other service from Project J that the Initial Power Purchaser previously was entitled to receive following the discontinuance of service to the Initial Power Purchaser under the Initial Power Purchase Agreement as a result of a default by the Initial Power Purchaser thereunder; *provided, however,* that if (x) the principal or Redemption Price of, or interest on, any Bond shall not then be due and unpaid and (y)

the deposit of any such payment to the Revenue Fund would avoid the need for the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund, then such payment shall not constitute Initial Power Purchaser Resale Revenues.

Investment Securities. Investment Securities shall mean and include any securities, obligations or investments permitted for investment of MEAG Power's funds from time to time by O.C.G.A. Sections 36-80-3, 36-82-7, 36-83-4 and 50-17-2, as from time to time amended, or any successor provisions thereto, or additional provisions of Georgia law from time to time enacted regarding the investment of funds of MEAG Power, in each case, upon written notice to the Trustee by MEAG Power of the amendment of existing provisions or the adoption of successor or additional provisions.

Project J Entity. Project J Entity shall mean a corporation or other entity to be formed by MEAG Power for the sole purpose of owning and operating the Project J Portion of the Authority's Ownership Interest following the Initial Power Purchase Agreement the transfer thereof to such Entity as permitted by the Project J Bond Resolution, which Entity shall be a wholly owned subsidiary of, or otherwise controlled by, MEAG Power, the business and activities of which shall be limited to the acquisition, construction, ownership and operation of the Project J Portion of the Authority's Ownership Interest.

Project J Participant Arrearages Fund. Project J Participant Arrearages Fund shall mean the Additional Units PPA Project Participant Arrearages Fund established under the Project J Bond Resolution.

Project J Participant Arrearages Payment. Project J Participant Arrearages Payment shall mean any payment received by MEAG Power from a Project J Participant under its Project J Power Sales Contract in respect of any amount due thereunder that was not paid when due, but only if the failure to pay such amount when due resulted in either (a) the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund or (b) the principal or Redemption Price of, or interest on, any Bond or the principal or interest component of any Parity Obligation not being paid when due.

Project J Participants' Debt Service Commencement Date. Project J Participants' Debt Service Commencement Date shall mean the date on which the Project J Participants' obligation to pay amounts in respect of Debt Service under (and as defined in) the Project J Power Sales Contracts shall commence.

Project J Participant Resale Revenues. Project J Participant Resale Revenues shall mean any payments received by MEAG Power as a result of the resale of all or any portion of the power, energy or other service from Project J that a Project J Participant previously was entitled to receive following the discontinuance of service to such Project J Participant under its Project J Power Sales Contract as a result of a default by such Project J Participant thereunder (including, without limitation, any such resale to any one or more of the other Project J Participants, except that if any such resale to any other Project J Participant shall be made in accordance with the terms of the Project J Power Sales Contracts and the purchasing Project J Participant shall not be in default in the making of any payment under its Project J Power Sales Contract, then such payments made by such purchasing Project J Participant shall not constitute Project J Participant Resale Revenues); *provided, however,* that if (x) the principal or Redemption Price of, or interest on, any Bond shall not then be due and unpaid and (y) the deposit of any such payment to the Revenue Fund would avoid the need for the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund, then such payment shall not constitute Project J Participant Resale Revenues.

Project J Power Contracts. Project J Power Contracts shall mean, collectively, the Initial Power Purchase Agreement and the Project J Power Sales Contracts.

Project J Power Purchasers. Project J Power Purchasers shall mean (a) the Initial Power Purchaser during the term of the Initial Power Purchase Contract and (b) collectively, the Project J Participants during the terms of the Project J Power Sales Contracts; and a Project J Power Purchaser shall mean (x) the Initial Power Purchaser during the term of the Initial Power Purchase Agreement or (y) a Project J Participant during the term of its Project J Power Sales Contract.

Project J Power Sales Contracts. Project J Power Sales Contracts shall mean the Plant Vogtle Additional Units PPA Power Sales Contracts dated as of June 15, 2008 by and between MEAG Power and the Project J Participants, relating to Project J and entered into pursuant to the Act, as such Contracts hereafter may be amended in accordance with the terms thereof and of the Project J Bond Resolution.

Project J Take-Out Bonds. Project J Take-Out Bonds shall mean Bonds issued to refund Bond Anticipation Notes that (a) are designated by MEAG Power as such in the Supplemental Resolution authorizing such Bonds, (b) are intended to be amortized over a period not to exceed ten years following the date of issuance thereof and (c) are not intended to be payable from, or secured by, amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund.

Reserve and Contingency Fund Requirement. Reserve and Contingency Fund Requirement shall mean, as of any date, such amount as may be established by the Board and certified to the Trustee by an Authorized Officer of MEAG Power, but in no event less than \$4,962,000.

Revenues. Revenues shall mean (i) all revenues, income, rents and receipts derived by MEAG Power from or attributable to the ownership and operation of Project J, including all revenues attributable to Project J or to the payment of the costs thereof and received by MEAG Power under the Project J Power Contracts or under any other contract for the sale of power, energy or other service from Project J or any part thereof or any contractual arrangement with respect to the use of Project J or any portion thereof or the services, output or capacity thereof, but shall not include (X) any such revenues, income, rents or receipts derived by MEAG Power from or attributable to the sale of any Pre-Commercial Generation and (Y) any amount payable by the Initial Power Purchaser under the Initial Power Purchase Agreement in respect of the Additional Compensation Obligation; (ii) the proceeds of any insurance covering business interruption loss relating to Project J; (iii) the Project J Portion of the proceeds of any liquidated damages payable by a contractor to or for the account of MEAG Power for delay; and (iv) interest accrued on any moneys or securities held pursuant to the Project J Bond Resolution and paid or required to be paid into the Revenue Fund; *provided, however,* that (a) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, all Initial Power Purchaser Arrearages Payments and all Initial Power Purchaser Resale Revenues shall not constitute Revenues, and all such Payments and Resale Revenues shall be used and applied as provided in the Project J Bond Resolution and (b) during the period from and including the Project J Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, all Project J Participant Arrearages Payments and all Project J Participant Resale Revenues shall not constitute Revenues, and all such Payments and Resale Revenues shall be used and applied as provided in the Project J Bond Resolution. Without limiting the generality of the foregoing, all cash subsidy payments received by MEAG Power from the United States Treasury in respect of the interest payable on any Build America Bonds shall constitute Revenues for all purposes of the Project J Bond Resolution.

Subordinated Obligation. Subordinated Obligation shall mean any payment obligation (which does not constitute Bonds, a Parity Obligation or Subordinated Bonds) (a) that is a Subordinated Reimbursement Obligation, (b) that is a Subordinated Hedging Contract Obligation, (c) that is a Subordinated Commercial Paper Note or (d) that arises under any other contract, agreement or other

obligation authorized by resolution of MEAG Power and is designated as a “Subordinated Obligation” in a certificate of an Authorized Officer of MEAG Power delivered to the Trustee. Each Subordinated Obligation shall be payable from and secured by a pledge of the Subordinated Bond Fund which pledge shall be subordinate in all respects to the pledge of the Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project J Participant Arrearages Payments, Project J Participant Resale Revenues, moneys, securities and funds created by the Project J Bond Resolution in favor of the Bonds and Parity Obligations.

Trust Estate. Trust Estate shall mean (i) the proceeds of the sale of the Bonds, (ii) the Revenues, (iii) the Initial Power Purchaser Arrearages Payments and the Initial Power Purchaser Resale Revenues, (iv) the Project J Participant Arrearages Payments and the Project J Participant Resale Revenues and (v) all Funds established by the Project J Bond Resolution, including the investments, if any, thereof.

The Project P Bond Resolution

In addition to the defined terms list above under “– Definitions,” the Project P Bond Resolution has the following definitions:

Accrued Aggregate Debt Service. Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series of Bonds and all Parity Reimbursement Obligations, calculating the accrued Debt Service with respect to the Bonds of each Series and each Parity Reimbursement Obligation at an amount equal to the sum of (i) interest on the Bonds of such Series or such Parity Reimbursement Obligation accrued and unpaid and to accrue to the end of the then current calendar month and (ii) Principal Installments of the Bonds of such Series or such Parity Reimbursement Obligation due and unpaid (without giving effect to any declaration of the principal of all Bonds outstanding, and the interest accrued thereon, to be due and payable immediately following the occurrence of an Event of Default as provided in the Project P Bond Resolution) and that portion of the Principal Installment thereof next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; *provided, however,* that (x) there shall be excluded from the calculation of Accrued Aggregate Debt Service any Principal Installments which are Refundable Principal Installments, (y) the principal and interest portions of the Accreted Value of Capital Appreciation Bonds shall be included in the calculation of Accrued Aggregate Debt Service at the times and in the manner provided in the Project P Bond Resolution and (z) with respect to Variable Rate Bonds and Parity Commercial Paper Notes, interest on such Variable Rate Bonds and Parity Commercial Paper Notes shall be calculated at the actual rate or rates borne thereby during the period for which such calculation is made unless MEAG Power has in connection with any such Variable Rate Bonds or Parity Commercial Paper Notes entered into a Qualified Hedging Contract that provides that, in respect of a notional amount equal to the Outstanding principal amount of such Variable Rate Bonds or Parity Commercial Paper Notes, MEAG Power is to pay to a Qualified Hedging Contract Provider an amount determined based upon a fixed rate of interest and the Qualified Hedging Contract Provider is to pay to MEAG Power an amount determined based upon a variable rate of interest equal or comparable to the rate at which such Variable Rate Bonds or Parity Commercial Paper Notes bear interest, in which case, it will be assumed that such Variable Rate Bonds or Parity Commercial Paper Notes bear interest at the fixed rate of interest to be paid by MEAG Power; and *provided, further,* that in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then until such time, if any, as MEAG Power, for whatever reason, no longer receives cash subsidy payments from the United States Treasury in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of such subsidy. Notwithstanding any other provision of the Project P Bond Resolution, (a) during the period from and including the Project P Participants’ Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, there shall be excluded from the calculation of Accrued Aggregate Debt Service the principal or Redemption Price of, or interest on, any Bonds that is due and unpaid as a result of a default by the Initial Power Purchaser in

the making of any payment due under the Initial Power Purchase Agreement and (b) during the period from and including the Project P Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, there shall be excluded from the calculation of Accrued Aggregate Debt Service the principal or Redemption Price of, or interest on, any Bonds that is due and unpaid as a result of a default by any Project P Participant in the making of any payment due under its Project P Power Sales Contract.

Authority's Ownership Interest. Authority's Ownership Interest shall mean MEAG Power's percentage undivided ownership interest in the properties, facilities and rights, with respect to Vogtle Units 3&4, as described in Attachment A of the Project P Bond Resolution.

Bond, Bonds, Project P Bond, Project P Bonds. Bond, Bonds, Project P Bond, Project P Bonds shall mean any bonds, notes or other evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to the Project P Bond Resolution but shall not mean Parity Obligations, Commercial Paper Notes, Subordinated Bonds or Subordinated Obligations.

Bond Anticipation Notes. Bond Anticipation Notes shall mean any Bonds issued to finance or refinance the Costs of Acquisition and Construction and Financing Costs of Project P on an interim basis prior to the issuance of other Bonds, which Bond Anticipation Notes shall be issued in the form of notes the principal of which is intended to, and all or a portion of the interest on which may, be paid from the proceeds of other Bonds (including other Bond Anticipation Notes and Project P BANs), including any notes issued to secure borrowing arrangements. As such, the Principal Installments for Bond Anticipation Notes initially shall be and constitute Refundable Principal Installments. Bond Anticipation Notes shall not be or be deemed to be "bond anticipation notes" within the meaning of the Act.

Build America Bonds. Build America Bonds shall mean any Bonds with respect to which MEAG Power has irrevocably elected, pursuant to Section 54AA(g) of the Internal Revenue Code of 1986, as amended, or any other similar federal program creating subsidies for municipal borrowers, to receive cash subsidy payments from the United States Treasury equal to a portion of the interest payable on such Bonds.

Costs of Acquisition and Construction. Costs of Acquisition and Construction shall mean, to the extent not included in Project P's annual costs, all actual costs and expenses incurred by or for the account of MEAG Power for the planning, designing, acquiring, constructing, and installing Project P, including any major renewals, replacements, repairs, additions, betterments or improvements necessary, in the opinion of MEAG Power, to keep Project P in good operating condition or to prevent a loss of revenues therefrom, placing Project P in operation, disposing of Project P, and obtaining governmental approvals, certificates, permits and licenses with respect thereto heretofore or hereafter paid, incurred by, or for the account of MEAG Power, including the following:

- (a) working capital reserves for Project P in such reasonable amount as may be established by MEAG Power;
- (b) acquisition of initial inventories or prepayment of fuel for Project P and working capital and reserves therefor and working capital and reserves for additional inventories or prepayment of fuel for Project P;
- (c) charges related to processing, design, fabrication, transportation, disposal and storage of fuel for Project P, including but not limited to the following: (i) fuel storage facilities, including spent fuel storage facilities, and (ii) working capital and reserves related to acquisition, processing, design, fabrication, transportation, disposal and storage of fuel for Project P;

- (d) reserves for renewals and replacements, retirement from service, or disposal of any facility of Project P and contingencies;
- (e) training and testing costs incurred by MEAG Power attributable to Project P;
- (f) preliminary investigation and development costs, engineering fees, contractors' fees, costs of labor, materials, equipment, utility services and supplies and legal costs attributable to Project P; and
- (g) all costs of insurance applicable to the period of construction of Project P.

Costs of Acquisition and Construction shall also include all other costs, except Financing Costs, incurred by MEAG Power and properly allocable to planning, designing, acquiring, constructing and installing Project P including (a) the Additional Costs as described and defined in Section 2.2 of the Vogtle Units 3&4 Development Agreement attributable to Project P and (b) to the extent permitted in accordance with the terms of the Project P Power Contracts, amounts required to reimburse the Project P Power Purchasers for amounts paid by them in respect of the principal of maturing Bond Anticipation Notes and Project P BANs.

Debt Service Reserve Requirement. Debt Service Reserve Requirement shall mean, as of any date of calculation, an amount equal to the greatest amount of Adjusted Aggregate Debt Service for the then current or any future calendar year; *provided, however,* that in the event that, in the opinion of tax counsel to MEAG Power, the amount of proceeds of the Bonds of any Series that may be used to fund an increase in the Debt Service Reserve Requirement is limited under applicable federal income tax laws and regulations, then in no event may the increase in the Debt Service Reserve Requirement resulting from the issuance of such Bonds exceed the maximum amount of the proceeds of such Bonds that may, in the opinion of tax counsel to MEAG Power, be deposited to the Debt Service Reserve Account under such applicable federal income tax laws and regulations. For purposes of the calculation of the Debt Service Reserve Requirement:

- (a) the Debt Service Reserve Requirement shall take into account any Series of Bonds only for so long as any Bonds of such Series shall remain Outstanding, but Bond Anticipation Notes and Project P BANs shall not be deemed to be Bonds for purposes of this definition;
- (b) in the event that the Bonds of any Series (or any portion thereof) shall constitute Build America Bonds, then until such time, if any, as MEAG Power, for whatever reason, no longer receives cash subsidy payments from the United States Treasury in respect of the interest payable on such Bonds, for purposes of this definition, the interest on the Bonds of such Series shall be calculated net of the amount of such subsidy; *provided, however,* that if at any time the specified percentage of the interest payable on such Bonds represented by such subsidy shall be permanently reduced, then the amount of the Debt Service Reserve Requirement shall be increased to reflect the amount of interest payable on such Bonds that no longer is payable to MEAG Power by the United States Treasury, and such increase shall be deemed to accrue in equal monthly amounts over the five-year period that commences on the first day of the first month following the date on which such specified percentage is so reduced; and *provided, further,* that in the event that MEAG Power, for whatever reason, ceases to receive cash subsidy payments from the United States Treasury in respect of the interest payable on any such Bonds, then the amount of the Debt Service Reserve Requirement shall be increased to reflect the full amount of interest payable on such Bonds, and such increase shall be deemed to accrue in equal monthly amounts over the five-year period that commences on the first day of the first month following the date on which MEAG Power does not receive the first such cash subsidy payment that it theretofore was qualified to receive;

- (c) except as provided in the following clause (d), the Debt Service for the Bonds of any Series shall be calculated as of the date of original issuance of the Bonds of such Series; and
- (d) in the event that the Bonds of any Series shall be refunded in whole or in part, the Debt Service Reserve Requirement shall be recalculated, assuming that the refunding Bonds and the Bonds (if any) of the refunded Series to remain Outstanding upon the issuance of the refunding Bonds are part of the same Series.

Financing Costs. Financing Costs shall mean all Financing Costs related to Project P that MEAG Power may finance through the issuance of Bonds or Subordinated Bonds, including, but without limitation, the following:

- (a) costs of issuance, including, without limitation, underwriting fees, bank commitment and letter of credit fees, legal and financial advisory fees, bond insurance and indemnity fees, and any payments on Qualified Hedging Contracts including (i) any periodic “net” payments accruing in whole or in part prior to and during construction and for such additional period as MEAG Power may reasonably determine to be necessary in connection with the placing of Project P in operation, and (ii) any swap premium or swap termination payment;

- (b) interest accruing in whole or in part on Bonds or Subordinated Bonds prior to and during construction and for such additional period as MEAG Power may reasonably determine to be necessary in connection with the placing of Project P in operation in accordance with the provisions of the Project P Bond Resolution; and

- (c) the deposit or deposits from the proceeds of Bonds or Subordinated Bonds issued to finance such costs in any Fund or Account established pursuant to the Project P Bond Resolution to meet debt service reserve requirements for Bonds or Subordinated Bonds, or replenishment of such funds if drawn down.

Federal Loans. Federal Loans shall mean any loans obtained by the Project P Entity pursuant to the Federal Loan Option with respect to the financing of the Costs of Acquisition and Construction of the Project P Portion of the Authority’s Ownership Interest.

Initial Power Purchase Agreement. Initial Power Purchase Agreement shall mean the Power Purchase Agreement, dated as of May 12, 2008, between MEAG Power and the Initial Power Purchaser, as heretofore amended and as such Agreement may hereafter be amended or supplemented from time to time as permitted therein and in the Project P Bond Resolution.

Initial Power Purchaser. Initial Power Purchaser shall mean PowerSouth Energy Cooperative, an electric cooperative formed under the laws of the State of Alabama, and any permitted successors and assigns.

Initial Power Purchaser Arrearages Fund. Initial Power Purchaser Arrearages Fund shall mean the Initial Power Purchaser Arrearages Fund provided for the Project P Bond Resolution.

Initial Power Purchaser Arrearages Payment. Initial Power Purchaser Arrearages Payment shall mean any payment received by MEAG Power from the Initial Power Purchaser under the Initial Power Purchase Agreement in respect of any amount due thereunder that was not paid when due, but only if the failure to pay such amount when due resulted in either (a) the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund or (b) the principal or Redemption Price of, or interest on, any Bond or the principal or interest component of any Parity Obligation not being paid when due.

Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date. Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date shall mean the day following the day, if any, on which the Initial Power Purchaser shall have satisfied its obligation to pay amounts in respect of Debt Service under (and as defined in) the Initial Power Purchase Agreement, including any and all payments of such amounts thereunder that theretofore had not been paid when due and all interest thereon payable pursuant to the terms of the Initial Power Purchase Agreement.

Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date. Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date shall mean the day following the day on which the Initial Power Purchaser's obligation to pay future accruing Debt Service (as defined in the Initial Power Purchase Agreement) has terminated, and the Initial Power Purchaser shall have no new or additional obligation to pay amounts in respect of Debt Service under the Initial Power Purchase Agreement for either of Plant Vogtle Unit No. 3 or Plant Vogtle Unit No. 4 for any Series of Bonds, Subordinated Bonds, Parity Obligations or Subordinated Obligations; it being understood that, pursuant to the Initial Power Purchase Agreement, the Initial Power Purchaser has no responsibility for any new or additional Debt Service that goes unpaid after such date, whether by reason of a default by any of the Project P Participants in the making of any payment due under its Project P Power Sales Contract or otherwise; *provided, however,* that under the Initial Power Purchase Agreement, the Initial Power Purchaser shall continue to be responsible for paying any amount in respect of Debt Service that was not paid when due.

Initial Power Purchaser Resale Revenues. Initial Power Purchaser Resale Revenues shall mean any payments received by MEAG Power as a result of the resale of all or any portion of the power, energy or other service from Project P that the Initial Power Purchaser previously was entitled to receive following the discontinuance of service to the Initial Power Purchaser under the Initial Power Purchase Agreement as a result of a default by the Initial Power Purchaser thereunder; *provided, however,* that if (x) the principal or Redemption Price of, or interest on, any Bond shall not then be due and unpaid and (y) the deposit of any such payment to the Revenue Fund would avoid the need for the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund, then such payment shall not constitute Initial Power Purchaser Resale Revenues.

Investment Securities. Investment Securities shall mean and include any securities, obligations or investments permitted for investment of MEAG Power's funds from time to time by O.C.G.A. Sections 36-80-3, 36-82-7, 36-83-4 and 50-17-2, as from time to time amended, or any successor provisions thereto, or additional provisions of Georgia law from time to time enacted regarding the investment of funds of MEAG Power, in each case, upon written notice to the Trustee by MEAG Power of the amendment of existing provisions or the adoption of successor or additional provisions.

Project P BANs. Project P BANs shall mean Project P Bonds issued to refund Bond Anticipation Notes that (a) are designated by MEAG Power as such in the Supplemental Resolution authorizing such Bonds, (b) are intended to be payable in 36 equal monthly installments, commencing on the first business day of the first month following the first anniversary of the date of issuance thereof and (c) are not intended to be payable from, or secured by, amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund.

Project P Entity. Project P Entity shall mean a corporation or other entity to be formed by MEAG Power for the sole purpose of owning and operating the Project P Portion of the Authority's Ownership Interest following the Initial Power Purchase Agreement the transfer thereof to such Entity as permitted by the Project P Bond Resolution, which Entity shall be a wholly owned subsidiary of, or otherwise controlled by, MEAG Power, the business and activities of which shall be limited to the acquisition, construction, ownership and operation of the Project P Portion of the Authority's Ownership Interest.

Project P Participant Arrearages Fund. Project P Participant Arrearages Fund shall mean the Additional Units PPA-2 Project Participant Arrearages Fund established under the Project P Bond Resolution.

Project P Participant Arrearages Payment. Project P Participant Arrearages Payment shall mean any payment received by MEAG Power from a Project P Participant under its Project P Power Sales Contract in respect of any amount due thereunder that was not paid when due, but only if the failure to pay such amount when due resulted in either (a) the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund or (b) the principal or Redemption Price of, or interest on, any Bond or the principal or interest component of any Parity Obligation not being paid when due.

Project P Participants' Debt Service Commencement Date. Project P Participants' Debt Service Commencement Date shall mean the date on which the Project P Participants' obligation to pay amounts in respect of Debt Service under (and as defined in) the Project P Power Sales Contracts shall commence.

Project P Participant Resale Revenues. Project P Participant Resale Revenues shall mean any payments received by MEAG Power as a result of the resale of all or any portion of the power, energy or other service from Project P that a Project P Participant previously was entitled to receive following the discontinuance of service to such Project P Participant under its Project P Power Sales Contract as a result of a default by such Project P Participant thereunder (including, without limitation, any such resale to any one or more of the other Project P Participants, except that if any such resale to any other Project P Participant shall be made in accordance with the terms of the Project P Power Sales Contracts and the purchasing Project P Participant shall not be in default in the making of any payment under its Project P Power Sales Contract, then such payments made by such purchasing Project P Participant shall not constitute Project P Participant Resale Revenues); *provided, however,* that if (x) the principal or Redemption Price of, or interest on, any Bond shall not then be due and unpaid and (y) the deposit of any such payment to the Revenue Fund would avoid the need for the application of amounts on deposit in the Debt Service Reserve Account in the Debt Service Fund, the Subordinated Bond Fund or the Reserve and Contingency Fund to cure a deficiency in the Debt Service Account in said Debt Service Fund, then such payment shall not constitute Project P Participant Resale Revenues.

Project P Power Contracts Project P Power Contracts shall mean, collectively, the Initial Power Purchase Agreement and the Project P Power Sales Contracts.

Project P Power Purchasers. Project P Power Purchasers shall mean (a) the Initial Power Purchaser during the term of the Project P PPA and (b) collectively, the Project P Participants during the terms of the Project P Power Sales Contracts; and a Project P Power Purchaser shall mean (x) the Initial Power Purchaser during the term of the Project P PPA or (y) a Project P Participant during the term of its Project P Power Sales Contract.

Project P Power Sales Contracts. Project P Power Sales Contracts shall mean the Plant Vogtle Additional Units PPA-2 Power Sales Contracts dated as of June 15, 2008 by and between MEAG Power and the Project P Participants, relating to Project P and entered into pursuant to the Act, as such Contracts hereafter may be amended in accordance with the terms thereof and of the Project P Bond Resolution.

Reserve and Contingency Fund Requirement. Reserve and Contingency Fund Requirement shall mean, as of any date, such amount as may be established by the Board and certified to the Trustee by an Authorized Officer of MEAG Power, but in no event less than \$3,007,000.

Revenues. Revenues shall mean (i) all revenues, income, rents and receipts derived by MEAG Power from or attributable to the ownership and operation of Project P, including all revenues attributable

to Project P or to the payment of the costs thereof and received by MEAG Power under the Project P Power Contracts or under any other contract for the sale of power, energy or other service from Project P or any part thereof or any contractual arrangement with respect to the use of Project P or any portion thereof or the services, output or capacity thereof, but shall not include (X) any such revenues, income, rents or receipts derived by MEAG Power from or attributable to the sale of any Pre-Commercial Generation and (Y) any amount payable by the Initial Power Purchaser under the Initial Power Purchase Agreement in respect of the Additional Compensation Obligation; (ii) the proceeds of any insurance covering business interruption loss relating to Project P; (iii) the Project P Portion of the proceeds of any liquidated damages payable by a contractor to or for the account of MEAG Power for delay; and (iv) interest accrued on any moneys or securities held pursuant to the Project P Bond Resolution and paid or required to be paid into the Revenue Fund *provided, however*, that (a) during the period from and including the Project P Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Satisfaction Date, all Initial Power Purchaser Arrearages Payments and all Initial Power Purchaser Resale Revenues shall not constitute Revenues, and all such Payments and Resale Revenues shall be used and applied as provided in the Project P Bond Resolution and (b) during the period from and including the Project P Participants' Debt Service Commencement Date to and including the Initial Power Purchaser Debt Service Payment Obligation Scheduled End Date, all Project P Participant Arrearages Payments and all Project P Participant Resale Revenues shall not constitute Revenues, and all such Payments and Resale Revenues shall be used and applied as provided in the Project P Bond Resolution. Without limiting the generality of the foregoing, all cash subsidy payments received by MEAG Power from the United States Treasury in respect of the interest payable on any Build America Bonds shall constitute Revenues for all purposes of the Project P Bond Resolution.

Subordinated Obligation. Subordinated Obligation shall mean any payment obligation (which does not constitute Bonds, a Parity Obligation or Subordinated Bonds) (a) that is a Subordinated Reimbursement Obligation, (b) that is a Subordinated Hedging Contract Obligation, (c) that is a Subordinated Commercial Paper Note or (d) that arises under any other contract, agreement or other obligation authorized by resolution of MEAG Power and is designated as a "Subordinated Obligation" in a certificate of an Authorized Officer of MEAG Power delivered to the Trustee. Each Subordinated Obligation shall be payable from and secured by a pledge of the Subordinated Bond Fund which pledge shall be subordinate in all respects to the pledge of the Revenues, Initial Power Purchaser Arrearages Payments, Initial Power Purchaser Resale Revenues, Project P Participant Arrearages Payments, Project P Participant Resale Revenues, moneys, securities and funds created by the Project P Bond Resolution in favor of the Bonds and Parity Obligations.

Trust Estate. Trust Estate shall mean (i) the proceeds of the sale of the Bonds, (ii) the Revenues, (iii) the Initial Power Purchaser Arrearages Payments and the Initial Power Purchaser Resale Revenues, (iv) the Project P Participant Arrearages Payments and the Project P Participant Resale Revenues and (v) all Funds established by the Project P Bond Resolution, including the investments, if any, thereof.