

ASSIGNMENT AND ASSUMPTION AGREEMENT
WITH RESPECT TO
EAST BEND UNIT 2 OPERATION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT WITH RESPECT TO EAST BEND UNIT 2 OPERATION AGREEMENT (this "Agreement") is entered into as of January 25, 2006 and effective as of January 1, 2006 by and between The Cincinnati Gas & Electric Company, an Ohio Corporation ("CGE"), and The Union Light, Heat and Power Company, a Kentucky Corporation ("ULHP").

WHEREAS CGE and The Dayton Power and Light Company, an Ohio Corporation ("DPL"), joint owners of Unit 2 of East Bend Generating Station in Boone County, Kentucky ("East Bend Unit 2"), including the real property associated therewith (the "Real Property") are parties to that certain East Bend Unit 2 Operation Agreement, dated as of March 24, 1981 (the "Operation Agreement"), pursuant to which, subject to the terms and conditions thereof, CGE has agreed to operate and maintain East Bend Unit 2 in accordance with the terms thereof;

WHEREAS, concurrently with the execution and delivery of this Agreement, CGE and ULHP are entering into that certain Asset Transfer Agreement of even date herewith (the "Transfer Agreement"), pursuant to which, subject to the terms and conditions thereof, CGE is transferring to ULHP and ULHP is acquiring from CGE certain assets, including, without limitation, all of CGE's right, title and interest in, under and to the buildings, structures and other Improvements (as defined in the Transfer Agreement), machinery, equipment, vehicles, furniture and other personal property associated with East Bend Unit 2.

WHEREAS, in connection therewith, CGE desires to transfer all of its rights and obligations under the Operation Agreement to ULHP, and ULHP desires to succeed to all of CGE's rights and obligations thereunder, as provided herein;

WHEREAS, Section E(5) of the Operation Agreement provides that neither party thereto may assign its rights thereunder except under the conditions provided for and to the extent applicable in the various deeds conveying the East Bend Real Estate (as defined in the Operation Agreement) to the parties thereto;

WHEREAS, the various deeds conveying the East Bend Real Estate provide, in pertinent part, that neither party thereto may transfer its interest in the Real Property without the prior written consent of the other;

WHEREAS, concurrently with the execution and delivery of this Agreement, DPL is delivering its Consent recognizing the transactions contemplated by this

Agreement and releasing and discharging CGE from any further obligations and liabilities under the Operation Agreement;

NOW, THEREFORE, in consideration of the premises and the agreements and covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I ASSIGNMENT AND ASSUMPTION

Section 1.1 Assignment and Assumption. Effective upon the execution and delivery hereof by the parties hereto, (a) CGE hereby unconditionally and irrevocably assigns, sells, transfers and conveys to ULHP all of its right, title, interest, obligations and liabilities in, to and under the Operation Agreement, and (b) ULHP hereby unconditionally and irrevocably accepts such assignment and hereby unconditionally and irrevocably assumes and agrees to pay and otherwise undertake, observe, perform and discharge in accordance with their terms all of CGE's payment and other obligations and liabilities under the Operation Agreement arising from and after the date of this Agreement.

ARTICLE II MISCELLANEOUS

Section 2.1 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered (including by facsimile) to the other party hereto.

Section 2.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, exclusive of any conflict of laws provisions thereof that would refer jurisdiction to the laws of another state.

Section 2.3 Entire Agreement; Parties in Interest. (a) This Agreement together with the other agreements or instruments referred to herein constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no agreements, understandings, representations or warranties between the parties other than those set forth or referred to herein.

(b) This Agreement is not intended to confer upon any party not a party hereto (and their successors and assigns) any rights or remedies hereunder, other than DPL.

Section 2.4 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 2.5 Headings; Interpretation. The article and section headings contained in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. All references to Articles or Sections contained herein mean Articles or Sections of this Agreement, unless otherwise stated. All capitalized terms defined herein are equally applicable to both the singular and plural forms of such terms. The terms “hereof,” “herein,” “hereunder,” “hereby” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all the exhibits hereto) and not to any particular provision of this Agreement. The words “including” and words of similar import when used in this Agreement shall mean “including without limitation” unless the context otherwise requires or unless otherwise specified.

Section 2.6 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of any such modification or amendment is sought. Any party hereto may, only by an instrument in writing, waive compliance by the other party hereto with any term or provision of this Agreement on the part of such other party to be performed or complied with. The waiver by any party hereto of a breach of any term of this Agreement shall not be construed as a waiver of any subsequent breach.

Section 2.7 Further Assurances. Subject to the terms and conditions of this Agreement, at any time or from time to time after the execution and delivery hereof, at either party’s request and without further consideration, the other party hereto shall execute and deliver to such requesting party such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as such requesting party may reasonably request in order to effectuate more fully the purposes of this Agreement.

Section 2.8 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given (a) on the day when delivered personally or by facsimile transmission (with confirmation), (b) on the next business day when delivered by a nationally recognized overnight delivery service, or (c) five (5) business days after deposited as registered or certified mail (return receipt requested), in each case, postage prepaid, addressed to the recipient party at its address set forth below (or to such other addresses and facsimile numbers for a party as shall be specified by like notice; provided, however, that any notice of a change of address or facsimile number shall be effective only upon receipt thereof):

(i) If to CGE, to:

The Cincinnati Gas & Electric Company
139 East Fourth Street
Cincinnati, OH 45202
Attention: President
Facsimile No.: 513-287-1592

(ii)

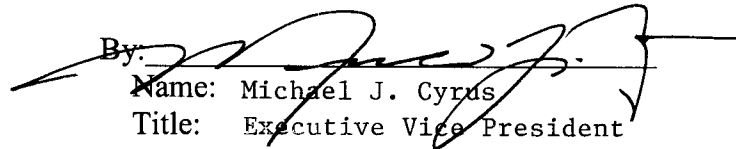
If to ULHP, to:

The Union Light, Heat and Power Company
139 East Fourth Street
Cincinnati, OH 45202
Attention: President
Facsimile No.: 513-287-4370

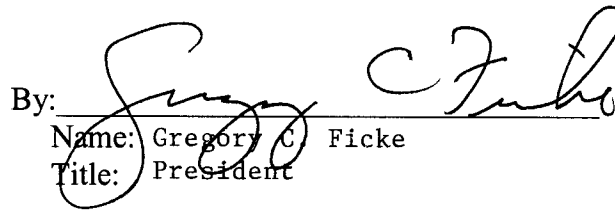
(Signature Page Follows)

IN WITNESS WHEREOF, each of the parties hereto has caused this Assignment and Assumption Agreement with respect to East Bend Unit 2 Operation Agreement to be executed on its behalf by its respective officer thereunto duly authorized, all as of the day and year first above written.

THE CINCINNATI GAS & ELECTRIC COMPANY

By: 
Name: Michael J. Cyrus
Title: Executive Vice President

THE UNION LIGHT HEAT & POWER COMPANY

By: 
Name: Gregory C. Ficke
Title: President

CONSENT
to
Assignment and Assumption Agreement
with respect to
East Bend Unit 2 Operation Agreement

This CONSENT to Assignment and Assumption Agreement with respect to East Bend Unit 2 Operation Agreement (this "Consent") is executed and delivered by The Dayton Power and Light Company, an Ohio corporation ("DPL"), as of Sept 24, 2009.

WHEREAS, DPL and The Cincinnati Gas & Electric Company, an Ohio Corporation ("CGE"), are parties to that certain East Bend Unit 2 Operation Agreement, dated as of March 24, 1981 (the "Operation Agreement"), pursuant to which, subject to the terms and conditions thereof, CGE has agreed to operate and maintain Unit 2 located at East Bend Generating Station ("East Bend Unit 2") in accordance with the terms thereof;

WHEREAS, concurrently with the execution and delivery of this Agreement, CGE and The Union Light, Heat and Power Company, a Kentucky corporation ("ULHP"), are entering into that certain Asset Transfer Agreement of even date herewith (the "Transfer Agreement"), pursuant to which, subject to the terms and conditions thereof, CGE is transferring to ULHP and ULHP is acquiring from CGE certain assets, including, without limitation, all of CGE's right, title and interest in, under and to the buildings, structures and other Improvements (as defined in the Transfer Agreement), machinery, equipment, vehicles, furniture and other personal property associated with East Bend Unit 2.

WHEREAS, in connection with such asset transfer, on the date thereof, CGE and ULHP are executing and delivering that certain Assignment and Assumption Agreement with respect to East Bend Unit 2 Operation Agreement (the "Assignment and Assumption Agreement"), under which CGE is assigning to ULHP and ULHP is accepting and assuming, all of CGE's rights and obligations under the Operation Agreement (collectively, the "Proposed Assignment");

WHEREAS, Section E(5) of the Operation Agreement provides that neither party thereto may assign its rights thereunder except under the conditions provided for and to the extent applicable in the various deeds conveying the East Bend Real Estate (as defined in the Operation Agreement) to the parties thereto;

WHEREAS, the various deeds conveying the East Bend Real Estate provide, in pertinent part, that neither party thereto may transfer its interest in the East Bend Real Estate without the prior written consent of the other; and

WHEREAS, DPL has determined to execute and deliver this Consent to recognize the Proposed Assignment and to discharge and release CGE from its obligations and liabilities under the Operation Agreement from and after the Proposed Assignment.

NOW, THEREFORE, by its signature below, in consideration of the transactions contemplated by the Assignment and Assumption Agreement, including without limitation the assumption by ULHP of the obligations of CGE under the Operation Agreement in accordance with its terms, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, DPL hereby:

1. grants its complete, unconditional and irrevocable consent to the terms and provisions of the Assignment and Assumption Agreement, including without limitation the Proposed Assignment, and further agrees that from and after the date hereof, it shall recognized and treat ULHP as “Cincinnati” for all purposes under the Operation Agreement; and
2. releases CGE from all duties and liabilities arising under the Operation Agreement from and after the date hereof.

This Consent shall inure to the benefit of CGE and ULHP and their successors and assigns and is binding upon DPL and its successors and assigns.

No amendment or waiver of any provision hereof shall be effective unless in writing and signed by each of DPL, CGE and ULHP.

This Consent shall be governed by Ohio law, excluding its conflicts of law provisions.

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IN WITNESS WHEREOF, the undersigned entity has caused this Consent to Assignment and Assumption Agreement with respect to East Bend Unit 2 Operation Agreement to be executed on its behalf by its officer thereunto duly authorized, all as of the day and year first above written.

THE DAYTON POWER AND LIGHT COMPANY

By: W. Steven Wolff *W.S.*
Name: W. Steven Wolff
Title: President, Power Production