**Term Sheet – Asset Purchase Agreement**

This non-binding Term Sheet outlines the principal terms (the “***Transaction***”) pursuant to which Indianapolis Power & Light Company d/b/a AES Indiana (“***AESI***”) proposes to purchase substantially all of the assets (the “***Assets***”) of [SELLER’S NAME] (the “***Seller***”; collectively, AESI and the Seller may be referred to herein as the “***Parties***” and each, individually, as a “***Party***”). Neither Party shall be contractually obligated to move forward with the Transaction unless and until the Parties execute a final, definitive agreement for the Transaction (the “***Purchase Agreement***”). The terms set forth below do not constitute all of the terms and conditions that AESI would require in the Purchase Agreement and do not create a legally binding or enforceable agreement or commitment on the part of AESI or the Seller with respect to the Transaction.

| **Term** | **Summary** |
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| **Parties** | Seller: Seller  Buyer: AESI |
| **Purchased Assets; Assumed Liabilities** | All of the following to the extent owned or used by the Seller: (i) all real property; (ii) all easements and rights of way; (iii) all inventories; (iii) certain contracts to be identified by AESI during diligence; (iv) certain permits to be identified by AESI during diligence; (v) the intellectual property; (vi) certain allowances, credits, abatements, and other incentives to be identified by AESI during diligence; (vii) all tax assets related to the other transferred assets or assumed liabilities; (viii) the buildings, structures, and other improvements, machinery, equipment (including communications equipment), vehicles, furniture, and other tangible personal property located on or at the Seller’s real property and the easements and rights of way that are primarily used in the business and operation of the Seller’s facilities; (ix) all transferable warranties and guarantees from manufacturers, vendors, and other third parties with respect to any improvement or item of real or tangible personal property constituting part of the transferred Assets; (x) all books, purchase orders, operating records, operating, safety and maintenance manuals, engineering design plans, blueprints and as-built plans, specifications, procedures, studies, reports, equipment repair, safety, maintenance or service records, and similar items that are primarily used in the business and operation of the Seller’s facilities; (xi) the electrical transmission facilities primarily associated with the Seller’s facilities; (xii) all of the Seller’s right, title, and interest in and to all power generation function equipment that is primarily associated with the Seller’s facilities; (xiii) all right, title, and interest in and a license or other right to use any drawings, designs, specifications, and other documents owned by or licensed to the Seller which are necessary for the licensing, operation, or decommissioning of the Seller’s facilities; (xiv) the right to receive on and after the closing of the Transaction energy and ancillary services revenues from bilateral markets with respect to the transferred Assets; and (xv) the rights of the Seller in and to any causes of action against third parties relating to the transferred Assets or any part thereof. |
| **Excluded Assets** | The Assets will not include, and the Seller will retain, cash, accounts receivable, and accounts payable, and certain other assets to be identified by AESI during diligence |
| **Purchase Price** | The aggregate purchase price for the Assets and assumed liabilities (the “***Purchase Price***”) will be an amount in cash equal to [•].  During due diligence, AESI and the Seller will determine and mutually agree upon in writing appropriate closing amount targets (“***Target Amount***”) for the working capital accounts (certain MISO accounts, inventory, and accounts payable) (“***Working Capital***”). To the extent the actual closing amount for Working Capital is higher or lower than the Target Amount, the Purchase Price will be adjusted accordingly (upward or downward on a dollar-for-dollar basis). |
| **Signing; Closing** | AESI would anticipate signing the Purchase Agreement and would plan, assuming all closing conditions are met, to close and fund the transaction within a reasonable time after all conditions to closing are satisfied. |
| **Conditions to Closing** | In addition to such conditions to closing as may be usual and customary, AESI’s obligation to consummate the Transaction will be contingent upon satisfaction of the following specific conditions prior to and/or at closing as appropriate: (i) AESI will have completed its due diligence investigation and will be satisfied with the results of its investigation of the Assets and the Seller’s business; (ii) AESI shall have obtained all necessary regulatory approvals to consummate the Transaction, including those to be issued by the Indiana Utility Regulatory Commission; (iii) the Seller will have good and marketable title to the Assets and will deliver and transfer all of the Assets to AESI at the closing, free and clear of all debts, liens, security interests, and encumbrances; (iv) the Seller shall have operated and conducted its business and its facilities in the normal course and there shall have been no material adverse change in the financial position, operations, or business of the Seller or the condition of the Assets prior to closing; (v) FERC and all other regulatory approvals shall have been obtained; and (vi) [OTHER DEAL-SPECIFIC CONDITIONS]. |
| **Indemnification** | The Purchase Agreement will contain customary representations and warranties for transactions of a similar kind as the Transaction covering areas such as (but not limited to):(i) real estate, (ii) tax, (iii) compliance with law, including, without limitation, anti-corruption laws relating to bribery or corruption, prohibited payments or transactions, anti-money laundering, anti-terrorism, anti-boycott laws, the United States Foreign Corrupt Practices Act, Tariffs, economic or financial sanctions or trade embargoes, forced labor, and other similar AESI compliance terms, (iv) permits, (v) environmental, (vi) contracts, (vii) insurance, (viii) employment matters, (ix) employee benefits, (x) IP rights, (xi) financial information, and (xii) no material adverse change. The general representations and warranties of the Parties will survive until 36 months after the closing of the Transaction (the “***Survival Date***”); *provided, however*, that certain fundamental representations and warranties (to be identified by AESI during its diligence investigation) will survive for a longer period; and *provided further*, that liability for fraud or any breach covenants or agreements will survive indefinitely.  The indemnity for breaches of representations and warranties (other than fundamental representations and warranties and fraud-type claims) will be subject to a tipping basket of 0.5% of the Purchase Price.  At the closing, in lieu of a Parental Guaranty or letter of credit, AESI will deposit into a third-party escrow 15% of the Purchase Price in cash to be released to the Seller (less any amount that is at such time subject to pending claims for indemnification) on the Survival Date.  The aggregate maximum liability arising out of claims for breaches of representations and warranties is 15% of the Purchase Price, except for (i) fraud-type claims (which have no cap), (ii) breaches of fundamental representations and warranties (which have no cap), and (iii) breaches of tax and environmental representations and warranties (which will have a higher cap). |
| **Performance Security and Guaranty** | Parental Guaranty from an investment grade party or Letter of Credit in an amount equal to a [ ]% of the Purchase Price and will continue for the duration of 36 months.  Surety Bond will not be acceptable |
| **Other Provisions** | The Purchase Agreement also will contain usual and customary representations, warranties, covenants, indemnities, and other agreements by the Seller, the Seller’s owner(s), and AESI, as appropriate. The closing also will be subject to usual and customary conditions, including without limitation, obtaining all necessary consents and approvals of governmental bodies, lenders, lessors, or other third parties, if any, for the consummation of the Transaction, the absence of pending or threatened litigation regarding the Assets, the Seller, the Transaction, or the Purchase Agreement, and the delivery of customary closing certificates and other documentation. |
| **Governing Law** | The Purchase Agreement will be governed and construed in accordance with the laws of the State of Indiana. |
| **Dispute Resolution** | Step negotiations at executive level followed by binding arbitration under CPR Institute for Dispute Resolution. Jurisdiction and venue for resolution of any other dispute or proceeding will be federal or state courts in Marion County, Indiana. Waiver of jury trial. |