

ORDINANCE NO. 2002-1

AN ORDINANCE AUTHORIZING THE CITY OF ROCKPORT, INDIANA TO ISSUE ITS "POLLUTION CONTROL REVENUE REFUNDING BONDS (INDIANA MICHIGAN POWER COMPANY PROJECT), SERIES 2002 A" IN AN AGGREGATE PRINCIPAL AMOUNT OF \$50,000,000 AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

WHEREAS, the City of Rockport, Indiana (the "Issuer") is authorized by IC 36-7-11.9 and IC 36-7-12 (collectively, the "Act") and by IC 5-1-5 to issue revenue bonds for the financing of pollution control facilities and to issue revenue bonds to refund and refinance such revenue bonds; and

WHEREAS, in 1984, Indiana Michigan Power Company (formerly Indiana & Michigan Electric Company) (the "Company") initiated the acquisition, construction, installation and equipping of certain pollution control facilities (the "Project") at the Company's Rockport Generating Station, and a portion of the Project was financed and refinanced through the \$50,000,000 City of Rockport, Indiana Floating Rate Weekly Demand Pollution Control Revenue Refunding Bonds (Indiana & Michigan Electric Company Project), Series 1985 A (the "Prior Bonds"); and

WHEREAS, the Company has advised the Issuer that it proposes that the Issuer issue pollution control revenue bonds for the purpose of refunding and refinancing the outstanding Prior Bonds; and

WHEREAS, it would appear that the refinancing and refunding of the Prior Bonds would be of public benefit to the health, safety and general welfare of the Issuer and its citizens and complies with the purposes and provisions of the Act and IC 5-1-5; and

WHEREAS, substantially final forms of the Seventh Supplemental Indenture of Trust, the Bond Purchase Agreement, and the form of City of Rockport, Indiana Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2002 A (hereinafter collectively referred to as the "Financing Documents") and the Preliminary Official Statement relating to the Series 2002 A Bonds, all relating to the sale and issuance of the Series 2002 A Bonds in the principal amount of Fifty Million Dollars (\$50,000,000) have been submitted to and reviewed by the Issuer; and

WHEREAS, a notice of public hearing on the proposed issue of the Bonds has been published as required by law and such public hearing has been held at which time all taxpayers, residents and interested parties had an opportunity to appear and express their views regarding the proposed issue of Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF ROCKPORT, INDIANA:

SECTION 1. It is hereby found that the financing referred to in the Financing Documents consisting of the issuance of the Series 2002 A Bonds to refund and refinance the Prior Bonds will be of benefit to the health and general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act.

SECTION 2. The forms of the Financing Documents and the Preliminary Official Statement are hereby approved and all such documents shall be inserted in the minutes of the Common Council and kept on file by the Clerk-Treasurer. Two (2) copies of the Financing Documents and the Preliminary Official Statement are on file in the office of the Clerk-Treasurer

for public inspection.

SECTION 3. Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended (the "SEC Rule"), provides that, prior to the time a participating underwriter bids for, purchases, offers or sells municipal securities, the participating underwriter shall obtain and review an official statement that an issuer of such securities deems a "near final" official statement. The Preliminary Official Statement is hereby deemed final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the securities depending on such matters. The Mayor, the Clerk-Treasurer or any other officer of the Issuer familiar with the matters with respect to the Issuer set forth in the Preliminary Official Statement is hereby authorized to certify to the Purchaser (as defined in the Financing Documents) that the information in the Preliminary Official Statement with respect to the Issuer is deemed to be final within the meaning of the SEC Rule prior to the distribution of the Preliminary Official Statement.

SECTION 4. The Issuer shall issue its Series 2002 A Bonds in an aggregate principal amount of \$50,000,000 for the purpose of refinancing outstanding \$50,000,000 principal amount of the Prior Bonds. The Series 2002 A Bonds will be payable as to principal, premium, if any, and interest solely from the payments made by the Company under an Agreement of Sale dated as of December 1, 1984 between the Issuer and the Company as amended, (as so amended, the "Agreement") in the principal amount equal to the aggregate principal amount of the Bonds issued, which Agreement evidences and secures said loan, and as otherwise provided in the above

described Financing Documents. The Series 2002 A Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 5. The Clerk-Treasurer is authorized and directed to sell the Series 2002 A Bonds to the Purchaser designated in the Bond Purchase Agreement at a price equal to the aggregate principal amount thereof, plus accrued interest, if any, at a per annum rate of interest to be determined as set forth in the Financing Documents but not to exceed 8% and including a premium or discount not to exceed 2%. The use of an Official Statement in substantially the same form as the Preliminary Official Statement approved herein is approved for use and distribution by the Purchaser and its agents in connection with the marketing of the Series 1995 B Bonds.

SECTION 6. The Mayor and Clerk-Treasurer are authorized and directed to execute those Financing Documents approved herein which require the signature of the Mayor and Clerk-Treasurer and any other document which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed, on behalf of the City of Rockport. The signatures of the Mayor and Clerk-Treasurer on the Series 2002 A Bonds may be facsimile signatures. The Clerk-Treasurer is authorized to arrange for the delivery of the Series 1995 B Bonds to the purchaser or purchasers thereof, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and Clerk-Treasurer may by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures on the Bonds or their manual signatures thereof approve changes therein and also in those Financing Documents which do not require the signature of the Mayor and/or Clerk-Treasurer without further approval of this Common Council if such changes do not affect terms set forth in this Ordinance

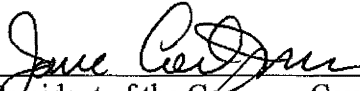
and the Financing Documents pursuant to Indiana Code 36-7-12-27(a)(1) through (a)(10).

SECTION 7. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the Issuer and the holder or holders of the Series 2002 A Bonds and after the issuance of said Series 2002 A Bonds this Ordinance shall not be repealed or amended in any respect which would adversely affect the right of such holder or holders so long as said Series 2002 A Bonds or the interest thereon remains unpaid.

SECTION 8. This Ordinance shall be in full force and effect upon adoption and compliance with Indiana Code 36-4-6-14.

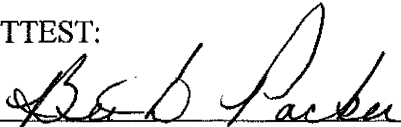
The foregoing was passed by the Common Council this 18th day of April, 2002 at

7:05 p.m.



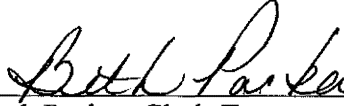
President of the Common Council
of the City of Rockport, Indiana

ATTEST:



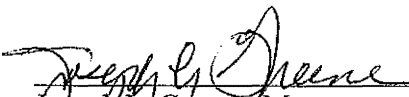
Clerk-Treasurer

Presented by me to the Mayor this 18th day of April, 2002 at 7:06 p .m.



Beth Packer, Clerk-Treasurer

Approved and signed by me this 18th day of April, 2002.



Joseph L. Greene, Mayor