

ORDINANCE NO. 2006-5

AN ORDINANCE AUTHORIZING THE CITY OF ROCKPORT, INDIANA, TO ISSUE ITS "POLLUTION CONTROL REVENUE REFUNDING BONDS (INDIANA MICHIGAN POWER COMPANY PROJECT), SERIES 2006A" 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 5-1-5, IC 36-7-11.9 and IC 36-7-12 (collectively, the "Act") 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, Indiana Michigan Power Company (formerly Indiana & Michigan Electric Company) (the "Company") previously 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 currently outstanding \$50,000,000 City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 1995A (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

WHEREAS, substantially final forms of the Eighth Supplemental Indenture of Trust, the Fifth Amendment to Agreement of Sale, the Bond Purchase Agreement, the Inducement Letter, and the form of City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2006A (the "Series 2006A Bonds"), and the Official Statement (collectively, the "Financing Documents"), all relating to the sale and issuance of the Series 2006A Bonds have been submitted to and reviewed by the Issuer;

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 2006A 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 are hereby approved and shall be inserted in the minutes of the Common Council and kept on file by the Clerk-Treasurer of the Issuer (the "Clerk-Treasurer"). Two (2) copies of the Financing Documents are on file in the office of the Clerk-Treasurer for public inspection.

SECTION 3. The Issuer shall issue its Series 2006A Bonds in an aggregate principal amount of \$50,000,000 for the purpose of refinancing and refunding the outstanding \$50,000,000 principal amount of the Prior Bonds. The Series 2006A Bonds will be payable as to principal of, premium, if any, interest and purchase price solely from the payments made by the Company under an Agreement of Sale dated as of December 1, 1984, as previously amended and as to be further amended by the Fifth Amendment to Agreement of Sale (as so amended, the

"Agreement") in the principal amount equal to the aggregate principal amount of the Series 2006A Bonds issued, which Agreement evidences and secures said loan, and as otherwise provided in the above described Financing Documents. The Series 2006A Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 4. The Clerk-Treasurer is authorized and directed to sell the Series 2006A Bonds to Lehman Brothers Inc. and _____ (the "Underwriters") pursuant to the Bond Purchase Agreement at the purchase price set forth therein, and on the terms and conditions described therein. The Series 2006A Bonds shall have such terms, bear such interest rates at a variable rate to be determined as set forth in the Eighth Supplemental Indenture of Trust (but in no event in excess of the Maximum Rate established in the Eighth Supplement Indenture of Trust), and be subject to redemption or tender as provided in the Eighth Supplemental Indenture of Trust and the Bond Purchase Agreement. The use of the Official Statement for distribution by the Underwriters and their agents in connection with the marketing of the Series 2006A Bonds is hereby approved.

SECTION 5. The Mayor of the Issuer (the "Mayor") and Clerk-Treasurer are authorized and directed to execute those Financing Documents approved herein which require their signatures and all other material instruments, agreements, closing papers, certificates, assignments or other documents, including, but not limited to, any such documents necessary or desirable to consummate the transaction, and their execution is hereby confirmed, on behalf of the Issuer. The signatures of the Mayor and Clerk-Treasurer on the Series 2006A Bonds may be manual or facsimile signatures. The Clerk-Treasurer is authorized to arrange for the delivery of

the Series 2006A Bonds to the Underwriters, 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 Series 2006A 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 of the Issuer 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 6. 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 2006A Bonds and after the issuance of said Series 2006A 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 2006A Bonds or the interest thereon remains unpaid.

SECTION 7. 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 1 day of May, 2006,

at _____

Bob Packer

Mayor of the City of Rockport, Indiana

ATTEST:

Terri Pugh

Clerk-Treasurer

Presented by me to the Mayor this the 1 day of May, 2006, at 5:00p. m.

Terri Pugh

Clerk-Treasurer

Approved and signed by me this the 1 day of May, 2006.

Bob Packer

Mayor of the City of Rockport

