

**ORDINANCE NO. 2009- 1**

AN ORDINANCE AUTHORIZING THE CITY OF ROCKPORT, INDIANA TO ISSUE TWO (2) SERIES OF ITS "POLLUTION CONTROL REVENUE REFUNDING BONDS (INDIANA MICHIGAN POWER COMPANY PROJECT)," IN THE COMBINED AGGREGATE PRINCIPAL AMOUNT OF \$100,000,000 AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

WHEREAS, the City of Rockport, Indiana (the "Issuer") is authorized by Indiana Code 36-7-11.9 and 36-7-12 (collectively, the "Act") and by Indiana Code 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, 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 (a) Fifty Million Dollars (\$50,000,000) City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 1995 B (the "Series 1995 B Bonds"), and (b) Fifty Million Dollars (\$50,000,000) City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2006 A (the "Series 2006 A Bonds"); and

WHEREAS, the Company has advised the Issuer that the Company proposes that the Issuer issue two (2) series of pollution control revenue refunding bonds in the combined aggregate principal amount of One Hundred Million Dollars (\$100,000,000), consisting of (a) the City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2009 A, in the aggregate principal amount of Fifty

Million Dollars (\$50,000,000) (the "Series 2009 A Bonds"), and (b) the City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2009 B, in the aggregate principal amount of Fifty Million Dollars (\$50,000,000) (the "Series 2009 B Bonds," and together with the Series 2009 A Bonds, the "Series 2009 Bonds"), for the purpose of refunding and refinancing the outstanding Series 1995 B Bonds and Series 2006 A Bonds (collectively, the "Refunded Bonds"); and

WHEREAS, it would appear that such refunding and refinancing of the Refunded 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 Indiana Code 5-1-5; and

WHEREAS, substantially final forms of a Ninth Supplemental Indenture of Trust, a Tenth Supplemental Indenture of Trust, a Sixth Amendment to Agreement of Sale, a Seventh Amendment to Agreement of Sale, a Bond Purchase Agreement relating to the Series 2009 A Bonds, a Bond Purchase Agreement relating to the Series 2009 B Bonds, an Inducement Letter relating to the Series 2009 A Bonds, an Inducement Letter relating to the Series 2009 B Bonds, a form of Series 2009 A Bond and a form of Series 2009 B Bond (hereinafter collectively referred to as the "Financing Documents"), and a Preliminary Official Statement relating to the Series 2009 Bonds (the "Preliminary Official Statement"), all relating to the sale and issuance of the Series 2009 Bonds in the combined principal amount of One Hundred Million Dollars (\$100,000,000) 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 (a) the issuance of the Series 2009 A Bonds to refund and refinance the

Series 2006 A Bonds and (b) the issuance of the Series 2009 B Bonds to refund and refinance the Series 1995 B 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 of the Issuer (the "Common Council") and kept on file by the Clerk-Treasurer of the Issuer (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 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 of the Issuer (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 or purchasers of the Series 2009 Bonds (collectively, the "Purchasers") 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 2009 Bonds in two (2) series in the combined aggregate principal amount of One Hundred Million Dollars (\$100,000,000), consisting of (a) the Series 2009 A Bonds in the aggregate principal amount of Fifty Million Dollars (\$50,000,000) for the purpose of refinancing the outstanding Fifty Million Dollars (\$50,000,000) principal amount of the Series 2006 A Bonds and (b) the Series 2009 B Bonds in the aggregate principal amount of Fifty Million Dollars (\$50,000,000) for the purpose of refinancing the outstanding Fifty Million Dollars (\$50,000,000) principal amount of the Series 1995 B Bonds. The Series 2009 Bonds will be payable as to principal, 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 amended, and as to be further amended by the Sixth Amendment to Agreement of Sale and the Seventh Amendment to Agreement of Sale, in the principal amount equal to the aggregate principal amount of the Series 2009 Bonds issued, and as otherwise provided in the above described Financing Documents. The Series 2009 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 and deliver the Series 2009 A Bonds and the Series 2009 B Bonds to the respective Purchasers thereof designated in the respective Bond Purchase Agreements at prices equal to the aggregate principal amounts thereof, plus accrued interest, if any, at per annum rates of interest to be determined as set forth in the Financing Documents, but with initial rates not to exceed eight percent (8.0%), and including premiums or discounts not to exceed five percent (5.0%) of the par amounts thereof. The use of an Official Statement in substantially the same form as the Preliminary

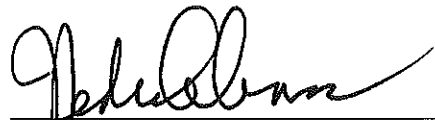
Official Statement approved herein is approved for use and distribution by the Purchasers and their agents in connection with the marketing and sale of the Series 2009 Bonds.

SECTION 6. The Mayor and the Clerk-Treasurer are authorized and directed to execute those Financing Documents approved herein which require the signature of the Mayor and the 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 the Clerk-Treasurer on the Series 2009 Bonds may be facsimile signatures. The Clerk-Treasurer is authorized to arrange for the delivery of the Series 2009 A Bonds and the Series 2009 B Bonds to the respective Purchasers thereof, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and the Clerk-Treasurer may by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures on the Series 2009 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 the 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 2009 Bonds and after the issuance of said Series 2009 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 2009 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.

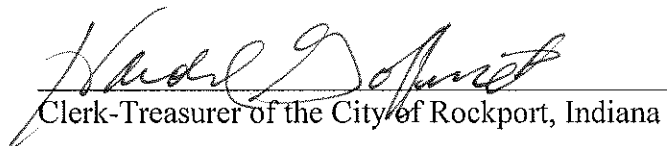
The foregoing was passed by the Common Council this 3<sup>rd</sup> day of March, 2009, at 6:15 p.m.

  
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Mayor of the City of Rockport, Indiana

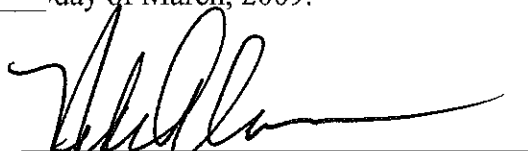
ATTEST:

  
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Clerk-Treasurer

Presented by me to the Mayor this 3<sup>rd</sup> day of March, 2009, at 6:16 p.m.

  
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Clerk-Treasurer of the City of Rockport, Indiana

Approved and signed by me this 3<sup>rd</sup> day of March, 2009.

  
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Mayor of the City of Rockport, Indiana