

WHEREAS, the Member is not financially capable of providing the planning, financing, locating and building of needed new facilities for generation and transmission; and

WHEREAS, representatives of the Member have received and reviewed a Power Supply Study and other data compiled by R. W. Beck and Associates, consulting engineer for the Agency, and have attended meetings conducted by the Agency where the consulting engineer, general counsel, bond counsel, the underwriter and financial advisor to the Agency and counsel to the underwriter have answered questions and provided information to the Member and other members of the Agency and representatives of said members with respect to the terms and conditions of the Power Sales Contract (the "Contract"), the Capacity Purchase Agreement (the "Agreement") and the Agency's acquisition of an approximate 25% undivided ownership interest in Public Service Company of Indiana, Inc.'s ("PSI") Gibson Unit No. 5 and related facilities (the "Project") under a Joint Ownership and Purchase Participation Agreement (the "Ownership Agreement") among the Agency, PSI and other potential participants; and

WHEREAS, the Member understands that the Agency has determined to become the requirements supplier of electric power and energy to its members for the period provided in the Contract by resolution dated December 18, 1981; and

WHEREAS, the Member recognizes that the Power Supply Study and other data compiled by R. W. Beck and Associates indicates that said requirements approach will provide the Member with an adequate, reliable and economical power and energy supply than other approaches outlined in said study and data and in presentations by said consulting engineer at various meetings conducted by the Agency and that this recognition provided the basis for said resolution of the Agency; and

WHEREAS, the Agency has been advised by Salomon Brothers Inc, managing underwriter to the Agency, and by Morgan Guaranty Trust Company, the Agency's financial advisor, that, in connection with the Agency's financing of its interest in the Project, contract which provide for requirements purchases by the members are necessary to obtain financing on favorable terms; and

WHEREAS, the Agency caused to be prepared a requirements Contract for execution by and between the Agency and the Member and prepared similar contract for other members of the Agency and representatives of the Member have reviewed such Contract and have obtained independent advice and counsel with respect thereto where appropriate and said members have had an opportunity to review the contract with the Agency and the Agency has responded to said members by explaining and modifying the contracts; and

WHEREAS, the Contract sets forth the terms and conditions for sales of electric power and energy by the Agency to the Member during the term of such Contract; and

WHEREAS, the Contract, consistent with the Agency's resolution to become the requirements supplier of power and energy to the Member and other members of the Agency, provides that the Agency will sell and deliver to the Member, and requires the Member to purchase and receive from the Agency, commencing January 1, 1983, or such earlier date as shall be determined by the Agency upon thirty days notice to the Member, electric power and energy required by the Member for the operation of its municipal electric system during the term of the Contract; and

WHEREAS, the revenues derived by the Agency under the Contract will be pledged, together with revenues derived by the Agency from other power sales contracts, to secure the payment of electric utility revenue bonds to be issued by the Agency; and

WHEREAS, the Contract will become effective upon issuance of an order of the Public Service Commission of Indiana acceptable to the Agency approving the Project, including the Agency's acquisition of and financing for an approximate 25% undivided ownership interest in the Project, and will continue in effect, if the Agency enters into an ownership agreement with PSI for such interest in the Project and issues bonds to finance such purchase, until April 1, 2032, unless terminated pursuant to said Contract; and

WHEREAS, under the Contract the Agency has full responsibility for planning and obtaining an adequate supply of power and energy for the Member and other members of the Agency; and

WHEREAS, the Contract marked as Exhibit A is attached hereto, incorporated herein by reference and two (2) copies of said Contract are on file in the office of the Clerk-Treasurer for public inspection pursuant to I.C. 36-1-5-4; and

WHEREAS, the Utility Service Board found and determined in Resolution No. 82-1 that it is in the best interest of the Member for the Member to execute and deliver the Contract; and

WHEREAS, based upon such advice and the foregoing facts, the Member by this Ordinance hereby finds and determines to approve the Contract;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE MEMBER:

SECTION 1. The Member is authorized pursuant to this Ordinance to enter into the Contract in the form attached hereto as Exhibit A so that the Member may provide its customers with an adequate, reliable and economical supply of electric power and energy and join with other members of the Agency for the purpose of the Agency providing the planning, financing, locating and building of needed new facilities for generation and transmission and for other purposes contemplated in the Contract.

SECTION 2. The Member's electric utility shall purchase electric power and energy from the Agency under and pursuant to the terms of the Contract. The Agency shall have