

In the opinion of Peck, Shaffer & Williams LLP, Special Counsel, the portion of each Bond Debt Service Payment by each JV5 Participant due under the Joint Venture Agreement designated as and representing interest and payable under the 2001 Certificates is excludible from gross income for purposes of federal income taxation, and is exempt from certain Ohio taxes, as described in greater detail, and subject to exceptions, noted elsewhere in designated sections herein. See "TAX EXEMPTION" herein.

\$13,899,981.30

**2001 BENEFICIAL INTEREST CERTIFICATES
(Belleville Hydroelectric Project)**

*Evidencing and Representing Interests of the Owners Thereof
in Bond Debt Service Payments to be Made by
the Participants in a Joint Venture of 42 Member Municipalities of*

American Municipal Power-Ohio, Inc.

known as the

**Ohio Municipal Electric Generation Agency Joint Venture 5
"OMEGA JV5"**

Dated: Date of Delivery

Due: February 15, as shown below

The 2001 Certificates are being delivered pursuant to a Trust Agreement, dated as of June 1, 1993 (the "Original Trust Agreement"), between OMEGA JV5 and Firststar Bank, N.A. (formerly, Star Bank, National Association), Cincinnati, Ohio, as trustee (the "Trustee") and a First Supplemental Trust Agreement, dated as of July 1, 2001 (the "First Supplemental Trust Agreement and, together with the Original Trust Agreement, the "Trust Agreement"), by and between OMEGA JV5 and the Trustee, for the purpose of financing the unfunded remaining costs of acquisition, construction and installation of the Project, including the Belleville hydroelectric facilities which were placed in service in 1999.

Interest will accrue on the 2001 Certificates from their date of issuance and delivery, compounded semiannually on February 15 and August 15 of each year, and will be payable at maturity as a component of the Maturity Amount. The 2001 Certificates will be prepared as fully registered 2001 Certificates and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("DTC"). DTC will act as securities depository of the 2001 Certificates. Individual purchases will be made in book-entry form only and will have a Maturity Amount of \$5,000 and integral multiples thereof. Beneficial owners of 2001 Certificates will not receive physical certificates representing the 2001 Certificates purchased, but will receive a credit balance on the books of the nominees of such purchasers. The Maturity Amount when due on the 2001 Certificates will be paid, to DTC, which is obligated in turn to remit such payment to the DTC participants for subsequent disbursement to the beneficial owners of the 2001 Certificates, as described herein.

The 2001 Certificates are not subject to redemption prior to maturity.

Payment of the Maturity Amount represented by the 2001 Certificates, when due, will be insured by a municipal bond insurance policy to be issued by MBIA Insurance Corporation simultaneously with the delivery of the 2001 Certificates.



The 2001 Certificates are payable primarily from Bond Debt Service Payments to be made by the OMEGA JV5 Participants pursuant to a Joint Venture Agreement dated as of July 1, 1993. The Bond Debt Service Payments are obligations of the JV5 Participants payable, from the revenues of their municipal electric utility systems, subject only to the prior payment of the O&M Expenses thereof. Bond Debt Service Payment obligations are not conditioned upon, or otherwise subject to, any further legislative action such as appropriation. The obligations of the JV5 Participants to make the Bond Debt Service Payments do not constitute obligations of the JV5 Participants for which the JV5 Participants are obligated to levy or pledge any form of taxation or for which the JV5 Participants have levied or pledged any form of taxation. Neither the 2001 Certificates nor the obligations of the JV5 Participants to make the Bond Debt Service Payments constitute a debt or a pledge of the faith and credit of the JV5 Participants, the State of Ohio or any of its political subdivisions, within the meaning of the Constitution of the State of Ohio or otherwise.

MATURITY DATES, AMOUNTS AND YIELDS

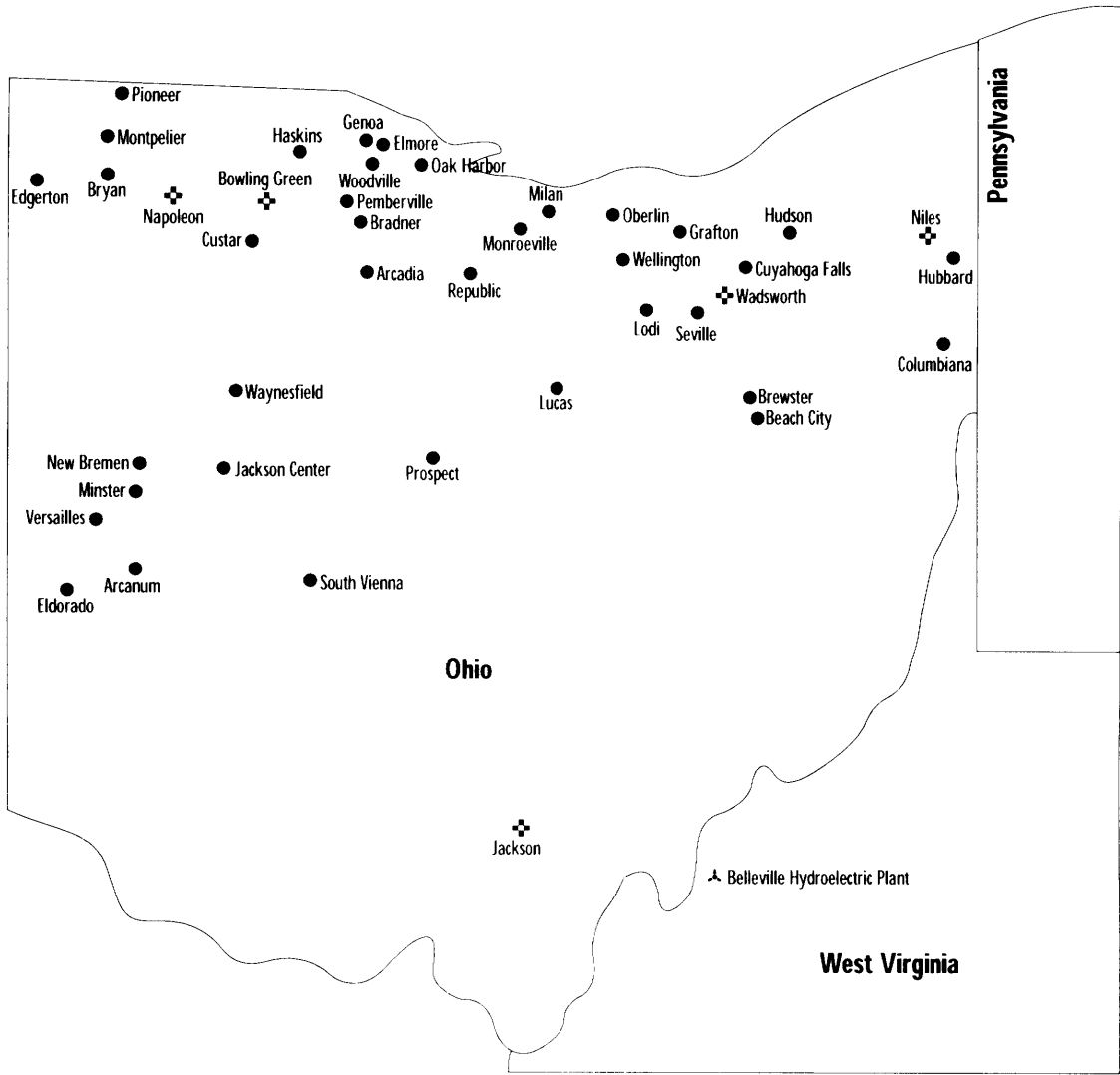
| Maturity Date | Initial Principal Amount | Maturity Amount | Yield to Maturity | Maturity Date | Initial Principal Amount | Maturity Amount | Yield to Maturity |
|----------------------|---------------------------------|------------------------|--------------------------|----------------------|---------------------------------|------------------------|--------------------------|
| 2025 | \$3,034,151.70 | \$10,915,000 | 5.51% | 2028 | \$2,557,711.95 | \$10,915,000 | 5.54% |
| 2026 | 2,866,715.60 | 10,915,000 | 5.52 | 2029 | 2,315,590.55 | 10,465,000 | 5.55 |
| 2027 | 2,708,011.50 | 10,915,000 | 5.53 | 2030 | 417,800.00 | 2,000,000 | 5.56 |

The 2001 Certificates are offered when, as and if delivered and received by the Underwriters, subject to the approval of legality by Peck, Shaffer & Williams LLP, Cincinnati, Ohio, Special Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for OMEGA JV5 by Chester, Willcox & Saxbe LLP, Columbus, Ohio, and for the Underwriters by Sidley Austin Brown & Wood LLP, New York, New York. The 2001 Certificates will be available for delivery in New York, New York through the DTC book-entry system on or about July 26, 2001.

Banc One Capital Markets, Inc.

Fifth Third Securities, Inc.

NatCity Investments, Inc.



Key

- OMEGA JV5 Participant with Project Diesel Generation ◆
- Belleville Hydroelectric Plant ▲
- OMEGA JV5 Participant ●

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY
 JOINT VENTURE 5
 2600 Airport Drive
 Columbus, Ohio 43219
 (614) 337-6222**

OFFICERS

Daryl D. Stockburger (Director of Utilities, City of Bowling Green) Chairman
 Don L. Robart (Mayor, City of Cuyahoga Falls) Vice Chairman
 William J. Lyren, P.E. (Director of Public Service, City of Wadsworth)Treasurer
 Robert A. Dupee (Village Administrator, Village of Wellington) Secretary

JV5 PARTICIPANTS AND REPRESENTATIVES

| | | | |
|--------------------------------|---------------------|------------------------------|-----------------------------|
| VILLAGE OF ARCADIA | David Noel | VILLAGE OF LUCAS | Tim Stallard |
| VILLAGE OF ARCANUM..... | Gary Breckenridge | VILLAGE OF MILAN | Mayor Michael Bagnato |
| VILLAGE OF BEACH CITY..... | Kenneth Sampsel | VILLAGE OF MINSTER..... | Mayor Dennis Kitzmiller |
| CITY OF BOWLING GREEN | Daryl Stockburger | VILLAGE OF MONROEVILLE | Chris Raftery |
| VILLAGE OF BRADNER | Virgil Shull | VILLAGE OF MONPELIER | John H. Bitler |
| VILLAGE OF BREWSTER | Steve Hartman | CITY OF NAPOLEON..... | John Bisher |
| CITY OF BRYAN | Steve Casebere | VILLAGE OF NEW BREMEN | Anthony Bales |
| VILLAGE OF COLUMBIANA | Keith Chamberlin | VILLAGE OF NILES | Mayor Ralph A. Infante, Jr. |
| VILLAGE OF CUSTAR | Jerald K. Clink | VILLAGE OF OAK HARBOR | Timothy Wilkins |
| CITY OF CUYAHOGA FALLS | Mayor Don L. Robart | CITY OF OBERLIN..... | Rob Di Spirito |
| VILLAGE OF EDGERTON..... | James Brown | VILLAGE OF PEMBERVILLE..... | Mayor Gustava Oberhouse |
| VILLAGE OF ELDORADO. | Mayor Larry Marker | VILLAGE OF PIONEER | Mayor David Thompson |
| VILLAGE OF ELMORE..... | Gary Rhiel | VILLAGE OF PROSPECT | Kenneth R. Blue |
| VILLAGE OF GENOA..... | George Adams | VILLAGE OF REPUBLIC | Mayor Del Ray Fox |
| VILLAGE OF GRAFTON..... | Mayor Shari Kerner | VILLAGE OF SEVILLE..... | Anthony Keller |
| VILLAGE OF HASKINS..... | Timothy Enright | VILLAGE OF SOUTH VIENNA..... | Mayor Toni Keller |
| CITY OF HUBBARD..... | William Colletta | VILLAGE OF VERSAILLES | Randy Gump |
| CITY OF HUDSON | Priscilla Blanchard | CITY OF WADSWORTH..... | William J. Lyren, P.E. |
| CITY OF JACKSON | Mayor John T. Evans | VILLAGE OF WAYNESFIELD..... | David Ewing |
| VILLAGE OF JACKSON CENTER..... | W. Michael Dodds | VILLAGE OF WELLINGTON..... | Robert Dupee |
| VILLAGE OF LODI..... | Donald Eaken | VILLAGE OF WOODVILLE | Robert Rickard |

General Counsel
 Chester, Willcox & Saxbe LLP
 Columbus, Ohio

Special Counsel
 Peck, Shaffer & Williams LLP
 Cincinnati, Ohio

Financial Advisor
 New Harbor, Incorporated
 New York, New York

Trustee
 Firststar Bank, N.A.
 Cincinnati, Ohio

AMERICAN MUNICIPAL POWER - OHIO, INC.

2600 Airport Drive
Columbus, Ohio 43219
(614) 337-6222

TRUSTEES

The incumbent municipalities on the AMP-Ohio Board of Trustees and their representatives to the Board of Trustees are as follows:

| <u>Trustee</u> | <u>Representative</u> | <u>Employment</u> |
|--------------------|---|---|
| Bowling Green, OH | Daryl D. Stockburger, Secretary | Director of Utilities, City of Bowling Green |
| Bryan, OH | Steve A. Casebere | Director of Utilities, Bryan Municipal Utilities |
| Celina, OH | Michael J. Sovinski | Safety-Service Director, City of Celina |
| Cleveland, OH | George S. Pofok, P.E. | Deputy Commissioner, Cleveland Public Power |
| Columbus, OH | John R. Douth, P.E. | Director of Utilities, City of Columbus |
| Hamilton, OH | Michael R. Perry | Director of Electric, City of Hamilton |
| Jackson Center, OH | W. Michael Dodds | Village Administrator, Village of Jackson Center |
| Montpelier, OH | John H. Bitler | Village Manager, Village of Montpelier |
| Napoleon, OH | Jon Bisher | City Manager, City of Napoleon |
| Orrville, OH | Dan L. Preising, P.E. | Director of Utilities, City of Orrville |
| Shelby, OH | C. M. Davis, Vice Chairman | Director of Utilities, Shelby Public Utilities |
| St. Marys, OH | Michael L. Weadock, P.S., Chairman | Director of Public Service and Safety, City of St. Marys |
| Wadsworth, OH | William J. Lyren, P.E. | Director of Public Service/City Engineer, City of Wadsworth |
| Wapakoneta, OH | Rex A. Katterheinrich, P.E., Treasurer | Director of Public Service and Safety, City of Wapakoneta |
| Wellington, OH | Robert A. Dupee | Village Administrator, Village of Wellington |
| Ellwood, PA | Anthony DeCarbo | Member of Council, Borough of Ellwood City |

The President and General Counsel of AMP-Ohio are *ex officio* members of the Board of Trustees.

SENIOR MANAGEMENT

| <u>Officer</u> | <u>Office</u> |
|------------------------|---|
| Marc S. Gerken, P.E. | President |
| Robert W. Trippe | Chief Financial Officer |
| Michael B. Heise, P.E. | Vice President, Technical Services |
| Patrick W. Frazier | Vice President, Energy Operations |
| John W. Bentine, Esq. | General Counsel, Chester, Willcox & Saxbe LLP |

No dealer, broker, salesman or any other person has been authorized to give any information or to make any representation other than as contained in this Offering Memorandum, and, if given or made, such other information or representation must not be relied upon. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2001 Certificates by any person in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale.

The Underwriters have provided the following sentence for inclusion in this Offering Memorandum. The Underwriters have reviewed the information in this Offering Memorandum in accordance with, and as part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Bond Insurer has provided the following sentence for inclusion in this Offering Memorandum. Other than with respect to information concerning MBIA Insurance Corporation (the "Bond Insurer") contained under the caption "BOND INSURANCE" and in Appendix H – "SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY" herein, none of the information in this Offering Memorandum has been supplied or verified by the Bond Insurer and the Bond Insurer makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the 2001 Certificates; or (iii) the tax-exempt status of the interest on the 2001 Certificates.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Offering Memorandum involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Offering Memorandum nor any sale of the 2001 Certificates shall under the circumstances create any implication that there has been no change in the affairs of AMP-Ohio or the Bond Insurer since the date hereof.

Certain of the information in this Offering Memorandum has been prepared by AMP-Ohio from information obtained from the Participants, The Depository Trust Company and other sources believed to be reliable but it is not guaranteed as to accuracy or completeness. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall create any implication that there has been no change in the affairs of AMP-Ohio or the JV5 Participants since the date hereof.

IN CONNECTION WITH THIS OFFERING OF 2001 CERTIFICATES, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 2001 CERTIFICATES AT A LEVEL ABOVE THAT WHICH OTHERWISE MIGHT PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

[This page intentionally left blank]

TABLE OF CONTENTS

| | <u>Page</u> | | <u>Page</u> |
|---|-------------|---|-------------|
| INTRODUCTION | 1 | Customers..... | 19 |
| Purpose | 1 | Relationship with AMP-Ohio..... | 20 |
| Joint Venture 5..... | 1 | Competition | 20 |
| The Project..... | 2 | Rates | 20 |
| Security and Source of Payment for the | | JV5 Participants’ Historical Power and | |
| 2001 Certificates..... | 2 | Energy Requirements | 21 |
| Plan of Finance | 3 | Selected Electric Systems’ Information | 21 |
| Sources and Uses of Funds | 4 | AMERICAN MUNICIPAL POWER-OHIO, | |
| SECURITY AND SOURCE OF PAYMENT | | INC. | 21 |
| FOR THE 2001 CERTIFICATES | 4 | General | 21 |
| General..... | 4 | AMP-Ohio Legal Status | 22 |
| Pledge of Revenues and Other Moneys..... | 4 | History | 22 |
| Joint Venture Agreement..... | 4 | Other Projects and Services..... | 23 |
| Assignment Agreement | 6 | Other Obligations | 25 |
| Debt Service Reserve Fund | 6 | AMP-Ohio Senior Staff..... | 25 |
| Reserve and Contingency Fund..... | 7 | AMP-Ohio Litigation | 26 |
| Rate Covenant..... | 7 | THE BELLEVILLE HYDROELECTRIC | |
| Rate Regulation | 7 | PROJECT | 26 |
| JV5 Participant Covenants..... | 8 | General Description..... | 26 |
| Additional Certificates..... | 8 | Backup Operations | 27 |
| BOND INSURANCE | 8 | Environmental Regulations and Permits | 30 |
| The MBIA Insurance Corporation | | Oberlin Capacity Purchase | 31 |
| Insurance Policy | 8 | FERC License..... | 31 |
| MBIA Financial Information..... | 9 | Transfer of License..... | 31 |
| Additional Information About the Insurer | 9 | FERC Regulation | 31 |
| Financial Strength Ratings of the Insurer | 10 | License Conditions..... | 32 |
| Insurer Alone Can Vote 2001 Certificates.. | 11 | Construction History | 33 |
| DESCRIPTION OF THE 2001 | | Transmission Arrangements..... | 33 |
| CERTIFICATES..... | 11 | West Virginia Taxes..... | 34 |
| General..... | 11 | CERTAIN FACTORS AFFECTING THE | |
| Redemption..... | 11 | ELECTRIC UTILITY INDUSTRY | 34 |
| Registration, Payment and Transfer -- | | The Electric Utility Industry Generally | 34 |
| Book-Entry Method..... | 11 | Open Access Transmission Policies and | |
| Book-Entry-Only System | 12 | RTOs | 35 |
| OMEGA JV5 | 13 | Proposed Federal Deregulation | |
| General..... | 13 | Legislation..... | 36 |
| Trustees; Senior Management | 14 | Restructuring in Ohio | 36 |
| OPERATING AND OTHER | | LEGAL INVESTMENTS | 37 |
| FINANCIAL INFORMATION..... | 16 | LITIGATION | 37 |
| Discussion of Operating and Other | | VALIDATION | 38 |
| Financial Information | 17 | LEGAL MATTERS | 38 |
| Management Agreement..... | 18 | TAX EXEMPTION | 39 |
| Financing Project Costs | 18 | RATINGS | 41 |
| Sale of Excess Project Power..... | 19 | INDEPENDENT ACCOUNTANTS..... | 41 |
| THE JV5 PARTICIPANTS | 19 | FINANCIAL ADVISOR | 41 |
| General..... | 19 | UNDERWRITING | 42 |

| | |
|--|-----|
| MISCELLANEOUS | 42 |
| CONTINUING DISCLOSURE..... | 42 |
| APPROVAL OF OFFERING MEMORANDUM | 43 |
| | |
| APPENDIX A – THE OMEGA JV5 PARTICIPANTS | A-1 |
| | |
| APPENDIX B—OMEGA JV5 FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 1999 AND 1998..... | B-1 |
| | |
| APPENDIX C-DEFINITIONS OF CERTAIN TERMS | C-1 |
| | |
| APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE JOINT VENTURE AGREEMENT..... | D-1 |
| | |
| APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTE- | E-1 |
| | |
| APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT AGREEMENT..... | F-1 |
| | |
| APPENDIX G – FORM OF SPECIAL COUNSEL OPINION | G-1 |
| | |
| APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY | H-1 |
| | |
| APPENDIX I –TABLE OF ACCRETED AMOUNTS..... | I-1 |

OFFERING MEMORANDUM

\$13,899,981.30

2001 Beneficial Interest Certificates (Belleville Hydroelectric Project)

**Evidencing and Representing Interests of the Owners Thereof
in Bond Debt Service Payments to be Made by
the Participants in a Joint Venture of 42 Member Municipalities of
American Municipal Power - Ohio, Inc.**

**known as the
OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5
“OMEGA JV5”**

INTRODUCTION

Purpose

The purpose of this Offering Memorandum, which includes the cover page and appendices hereto, is to set forth certain information concerning the sale and delivery of 2001 Beneficial Interest Certificates (Belleville Hydroelectric Project) in the Initial Principal Amount of \$13,899,981.30 (the “2001 Certificates”). The 2001 Certificates evidence and represent the interests of the registered owners thereof (the “Owners”) in Bond Debt Service Payments to be made by the JV5 Participants pursuant to a Joint Venture Agreement dated as of January 1, 1993 (the “Joint Venture Agreement”). The 2001 Certificates are being delivered for the purpose of financing unfunded remaining Project Costs relating to a 42 megawatt hydroelectric generating facility, located at the Belleville Locks and Dam on the Ohio River (the “Hydro Facility”), and related transmission facilities and fossil-fired backup electric generation facilities (the “Backup Generation” and, together with the Hydro Facility, the “Project”). The bulk of the Project Costs were funded from the proceeds of the \$153,415,000 1993 Beneficial Interest Certificates (Belleville Hydroelectric Project) (the “1993 Certificates”). The Hydro Facility has been in service since 1999 and the Backup Generation since 1995. The unfunded remaining Project Costs include the \$12.8 million balance of the settlement costs associated with litigation related to the construction and installation of the Hydro Facility. See “THE BELLEVILLE HYDROELECTRIC PROJECT - Construction” and “LITIGATION”.

Joint Venture 5

Ohio Municipal Electric Generation Agency Joint Venture 5 (“OMEGA JV5”), a joint venture comprised of 42 Ohio municipalities (the “JV5 Participants”) that own and operate their individual municipal electric utility systems (“Electric Systems”), is duly organized, existing and authorized by Article XVIII, Sections 3 and 4 of the Ohio Constitution in the manner contemplated by Section 715.02 of the Ohio Revised Code (the “Ohio Code”), and other applicable provisions of Ohio law. The validity of the Joint Venture Agreement has been confirmed by a final judgment of an Ohio court. See “VALIDATION”.

The Project

The Project includes the Hydro Facility, a 42 MW run-of-the-river hydroelectric generating facility on an existing dam of the Army Corps of Engineers near Belleville, West Virginia, an associated transmission line in Ohio and the Backup Generation consisting of approximately 40 MW of backup generation (12 MW under contract with Oberlin with the balance supplied by fifteen 1.825 MW diesel Caterpillar units and one 0.85 MW blackstart unit owned by OMEGA JV5). The Hydro Project was placed in service and has been operational since May 1999. The diesel Caterpillar generating units of the Backup Generation have been in service since 1995.

Under a contract dated as of July 1, 2001 executed by OMEGA JV5 and American Municipal Power-Ohio, Inc. ("AMP-Ohio"), AMP-Ohio has agreed to provide planning, operations management (including dispatch services) and maintenance for the Project (the "Operations Management Agreement"). The term of the current Operations Management Agreement expires on July 1, 2006. The Operations Management Agreement can be cancelled by OMEGA JV5 at any time after three years and by OMEGA JV5 or AMP-Ohio at any time in the event either board determines that the compensation arrangements are "unfair" or inappropriate" under the circumstances. See "OMEGA JV5 -- Management Agreement," and "AMERICAN MUNICIPAL POWER - OHIO, INC." herein.

1993 Certificates

On June 29, 1993, OMEGA JV5 assigned to the Trustee the obligations of the JV5 Participants to make payments for their respective ownership shares in the Project and issued the 1993 Certificates to finance Project Costs, make a deposit to the Debt Service Reserve Fund and pay the costs of issuance of the 1993 Certificates. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2001 CERTIFICATES – Assignment Agreement".

Security and Source of Payment for the 2001 Certificates

The 1993 Certificates, the 2001 Certificates, and any additional certificates (collectively with the 1993 and the 2001 Certificates, "Certificates") represent proportionate interests in the Bond Debt Service Payments to be made by the JV5 Participants under the Joint Venture Agreement. The obligation of each JV5 Participant to make its Bond Debt Service Payments is an obligation payable from the revenues of its Electric System, subject only to the prior payment, or provision for payment, of the O&M Expenses of its Electric System. While the 1993 Certificates and the 2001 Certificates are on a parity under the Trust Agreement, the final maturity of the 1993 Certificates is February 15, 2024 and the first maturity of the 2001 Certificates is February 15, 2025. See "DESCRIPTION OF THE 2001 CERTIFICATES - General".

The 2001 Certificates will have the benefit of the Debt Service Reserve Fund following the retirement of the 1993 Certificates.

Under the Trust Agreement and the Joint Venture Agreement, Additional Certificates (representing additional Bond Debt Service Payments for which the Participants will be obligated under the Joint Venture Agreement) may be issued, but solely for purposes of the Project. Any such Certificates will be payable from the revenues of the JV5 Participants' Electric Systems on a parity with the 1993 and the 2001 Certificates, subject to the terms and conditions of such Agreements. See APPENDIX E -- "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT -- Additional Certificates." Under the Joint Venture Agreement, the JV5 Participants may incur lease or contractual obligations on a parity with O&M Expenses, and issue bonds and incur other debt payable on a parity with the Certificates, from revenues of their Electric Systems. See "SECURITY

AND SOURCE OF PAYMENT FOR THE 2001 CERTIFICATES -- JV5 Participant Covenants.” See APPENDIX A – “THE OMEGA JV5 PARTICIPANTS”.

The obligations of the JV5 Participants to make the Bond Debt Service Payments do not constitute obligations of the JV5 Participants, individually or collectively, for which the JV5 Participants, individually or collectively, are obligated to levy or pledge any form of taxation or for which the JV5 Participants have levied or pledged any form of taxation. Neither the 2001 Certificates nor the obligations of the JV5 Participants to make the Bond Debt Service Payments constitute a debt or a pledge of the faith and credit of the JV5 Participants individually or collectively, the State of Ohio or any of its political subdivisions within the meaning of the Constitution of the State of Ohio or otherwise.

MBIA Insurance Corporation has committed to issue its Municipal Bond Insurance Policy with respect to the 2001 Certificates on the date of delivery of the 2001 Certificates. Payment of the principal of and interest on the 2001 Certificates will be insured by such Municipal Bond Insurance Policy. See “MUNICIPAL BOND INSURANCE” herein and APPENDIX H -- “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Plan of Finance

The 2001 Certificates are being delivered pursuant to a Trust Agreement, dated as of June 1, 1993 (the “Original Trust Agreement”), between OMEGA JV5 and Firststar Bank, N.A. (formerly, Star Bank, National Association), Cincinnati, Ohio, as trustee (the “Trustee”) and a First Supplemental Trust Agreement, dated as of July 1, 2001 (the “First Supplemental Trust Agreement and, together with the Original Trust Agreement, the “Trust Agreement”), by and between OMEGA JV5 and the Trustee.

The proceeds of the sale of the 2001 Certificates will be deposited with the Trustee. The JV5 Participants have assigned to the Trustee certain of their rights under the Joint Venture Agreement, pursuant to the Assignment Agreement dated as of January 1, 1993 (the “Assignment Agreement”). In consideration of that assignment and the execution of the First Supplemental Trust Agreement, the Trustee will execute and deliver the 2001 Certificates, each evidencing a proportionate interest in the Bond Debt Service Payments to be made pursuant to the Joint Venture Agreement. Under the Joint Venture Agreement, the JV5 Participants are to remit such Bond Debt Service Payments to OMEGA JV5 which will then pay over the same to the Trustee.

This Offering Memorandum includes summaries of certain of the terms of the 2001 Certificates, the Joint Venture Agreement, the Trust Agreement, the Assignment Agreement, and the Operations Management Agreement. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each summary and reference is qualified in its entirety by reference to each such item. *Capitalized terms appearing and not otherwise defined herein shall have the meanings set forth in APPENDIX C - “DEFINITIONS OF CERTAIN TERMS.”*

Sources and Uses of Funds

Set forth below are the estimated sources and uses of funds relating to the delivery of the 2001 Certificates.

| | |
|---|------------------------|
| Sources of Funds: | |
| Initial Principal Amount of the 2001 Certificates | <u>\$13,899,981.30</u> |
| Uses of Funds: | |
| Deposit to Construction Fund | \$12,800,000.00 |
| Underwriters' Discount, Costs of Issuance and 2001 Certificate Insurance Premium | <u>1,099,981.30</u> |
| Total Uses | <u>\$13,899,981.30</u> |

SECURITY AND SOURCE OF PAYMENT FOR THE 2001 CERTIFICATES

General

Each 2001 Certificate represents a proportionate interest in the right of the JV5 Participants as OMEGA JV5 to receive the Bond Debt Service Payment portion of the JV5 Participants' payments of their Revenue Requirements pursuant to the Joint Venture Agreement. Pursuant to the Assignment Agreement, the JV5 Participants, acting through OMEGA JV5, have assigned to the Trustee the right to receive such Bond Debt Service Payments for the benefit of the Owners of the 2001 Certificates. The term of the Joint Venture Agreement runs until the date the principal of, premium, if any, and interest represented by all Certificates have been paid or deemed paid in accordance with the Trust Agreement or until sixty (60) days subsequent to the termination or disposition of the Project, whichever is later.

Pledge of Revenues and Other Moneys

The Trust Agreement provides that there is pledged to the Trustee: (a) all payments of the Bond Debt Service Payment and Other Bond Payment portions of Revenue Requirements including all moneys to be received by the Trustee (pursuant to the terms of the Joint Venture Agreement, payments of the Bond Debt Service Payment and Other Bond Payment portions of Revenue Requirements are to be paid to the Trustee) for deposit to the Certificate Payment Fund and Debt Service Reserve Fund; (b) all rights, interest and property pledged and assigned to the Trustee pursuant to the Assignment Agreement; and (c) all other moneys deposited in the Construction Fund, Certificate Payment Fund and Debt Service Reserve Fund. (See APPENDIX E -- "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT -- Security.") Payment of the principal and interest represented by the 2001 Certificates when due will be insured by a municipal bond insurance policy issued by MBIA Insurance Corporation. See "MUNICIPAL BOND INSURANCE."

Joint Venture Agreement

JV5 Participants' Ownership Interests. OMEGA JV5 is a joint venture comprised of 42 Ohio municipalities that own undivided interests in the Project as tenants in common, without right of partition. No JV5 Participant has an ownership interest in the Project of more than 16.67%. The 12 JV5 Participants with the largest

shares account for 80.52% of the ownership interests in the Project. See "OMEGA JV5 -- JV5 Participants' Ownership Interests in the Project" for the JV5 Participants' respective ownership interests in the Project.

Basic Payment Provisions. The Joint Venture Agreement obligates each JV5 Participant to make monthly payments of Revenue Requirements to OMEGA JV5, in proportion to such JV5 Participant's ownership share of the Project and usage. Revenue Requirements consist of the following components: Operating Expenses, Bond Debt Service Payments, Other Bond Payments and Other Required Payments. Each JV5 Participant's obligation to make payments for the Operating Expense component of Revenue Requirements constitutes an obligation payable as an O&M Expense of such JV5 Participant's Electric System, and shall be made as an obligation of ownership of the Project. Each JV5 Participant's obligation to pay Bond Debt Service Payments constitutes an obligation of ownership and is payable subject only to the prior payment or provision for payment of the O&M Expenses of its Electric System and on a parity with any senior lien revenue bonds, notes or other evidences of indebtedness payable from any revenues of its Electric System. Each JV5 Participant's obligation to make Other Bond Payments and Other Required Payments constitutes an obligation of ownership and is payable from any legally available revenues and funds of such JV5 Participant's Electric System.

The obligations of the JV5 Participants to make payments of Revenue Requirements are special obligations payable solely out of the JV5 Participants' Electric System revenues, and do not constitute a debt or pledge of the faith and credit or taxing power of the State of Ohio or any political subdivision thereof, including any of the JV5 Participants, and neither the Trustee nor the Owners of the 2001 Certificates shall have any right to have taxes levied by the Ohio legislature or by the taxing authority of any JV5 Participant or any other political subdivision of the State of Ohio for the payment of principal, or premium or interest, represented by the 2001 Certificates.

The obligation of each JV5 Participant to pay its share of the Revenue Requirements, being payable from the revenues of its Electric System, is not conditioned or contingent upon, or otherwise subject to, any future legislative action of such JV5 Participant such as appropriation. The obligation of each JV5 Participant to pay the Bond Debt Service Payments portion of its share of the Revenue Requirements, being subject only to the prior payment of the O&M Expenses of its Electric System (including its share of the Operating Expenses of the Project), is equivalent to a senior lien net revenue bond obligation of such JV5 Participant and its Electric System.

The Joint Venture Agreement provides that OMEGA JV5 shall render the JV5 Participants a monthly invoice for, and the JV5 Participants shall remit to OMEGA JV5, the Revenue Requirements by the 20th day of each month. Not later than 10th day of the following month, OMEGA JV5 shall pay over to the Trustee that portion of the Revenue Requirements as consists of Bond Debt Service Payments and Other Bond Payments. The Trust Agreement requires the Trustee to deposit such payments, when received, into certain funds established in the Trust Agreement. (See APPENDIX E -- "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT -- Debt Service Reserve Fund" and " -- Certificate Payment Fund.")

The Joint Venture Agreement provides that the failure of any JV5 Participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may, upon 15 days' written notice to the defaulting JV5 Participant, suspend deliveries of electric power and energy to or on behalf of the defaulting JV5 Participant and take certain other actions. OMEGA JV5 may then sell the power and energy from such defaulting JV5 Participant's ownership share on such terms and for such period deemed necessary in OMEGA JV5's judgment to accomplish such sales under then existing market conditions. No such sale, however, shall be made for a period exceeding two months. Any such sale shall not relieve the defaulting JV5 Participant from any

liability under the Joint Venture Agreement, except that the net proceeds of such sale shall be applied in reduction of the liability (but not below zero) of such defaulting JV5 Participant under the Joint Venture Agreement.

Step Up Provisions. If a default continues for 60 days or more, OMEGA JV5 may, in addition to any other remedy available to it, terminate the provisions of the Joint Venture Agreement insofar as provisions entitle the defaulting JV5 Participant to Project Power; however, the obligations of the JV5 Participant under the Joint Venture Agreement shall continue in full force and effect. Upon the termination of a defaulting JV5 Participant's entitlement to Project Power, each non-defaulting JV5 Participant shall purchase, for so long as such default remains uncured, a pro rata share of the defaulting JV5 Participant's entitlement to Project Power which, together with the shares of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power"); provided, that the sum of any such increases for a non-defaulting JV5 Participant shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the Project prior to any such increases. The fact that other JV5 Participants have assumed the obligation to purchase a defaulting JV5 Participant's entitlement to Project Power shall not relieve the defaulting JV5 Participant of its liability for such payments.

The obligation of a non-defaulting JV5 Participant to make payments for Step Up Power in any month is payable from the revenues of its Electric System as O&M Expenses if any Project Power is made available to such JV5 Participant and whether or not such JV5 Participant actually accepts delivery thereof.

Assignment Agreement

Under the Assignment Agreement, each of the JV5 Participants assigned to the Trustee (i) its right under the Joint Venture Agreement to receive or have the benefit of the Bond Debt Service Payment and Other Bond Payment portions of the Revenue Requirements payable by the other JV5 Participants under the Joint Venture Agreement, and (ii) its right under the Joint Venture Agreement to exercise such rights and remedies conferred on the JV5 Participants acting through OMEGA JV5 under the Joint Venture Agreement as may be necessary to enforce payment of such portions of Revenue Requirements when due or otherwise to protect its interests in the event of a default by any JV5 Participant under the Joint Venture Agreement. See APPENDIX F -- "SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT AGREEMENT."

Debt Service Reserve Fund

The Trust Agreement provides for the establishment of a Debt Service Reserve Fund in the amount of \$10,915,111 (equal to maximum annual Bond Debt Service Payments in respect of the 1993 Certificates occurring in 2004), which was funded from the proceeds of the 1993 Certificates to be held and maintained by the Trustee until the Bond Debt Service Payment portion of Revenue Requirements is paid in full pursuant to the terms of the Joint Venture Agreement. Moneys in the Debt Service Reserve Fund will be used to make payments of the Bond Debt Service Payment portion of Revenue Requirements to the extent necessary to make up deficiencies in the Certificate Payment Fund. Prior to the defeasance or payment of the 1993 Certificates and any Certificates (with a final maturity not later than February 15, 2024) that refund the 1993 Certificates, the Debt Service Reserve Fund shall exist solely for the benefit of the 1993 Certificates and thereafter shall secure the 2001 Certificates. The final scheduled maturity of the 1993 Certificates is February 15, 2024 and the first maturity of the 2001 Certificates is scheduled for February 15, 2025. If the amount credited to the Debt Service Reserve Fund on February 15, 2024 is less than the Reserve Requirement, the JV5 Participants will be obligated to make Other Bond Payments sufficient

to increase the amount on deposit to the Debt Service Reserve Fund to an amount equal to such higher amount no later than February 15, 2025. (See APPENDIX E -- "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT -- Debt Service Reserve Fund).

Reserve and Contingency Fund

The Trust Agreement provides for the funding through Revenue Requirements of a Reserve and Contingency Fund in the minimum amount of \$750,000 as of the in-service date of the Hydro Facility to be held and maintained by OMEGA JV5 in trust for the benefit of the Owners of the 2001 Certificates and the JV5 Participants. As of July 1, 2001, the Reserve and Contingency Fund balance was in excess of \$1,000,000. There shall be credited to the Reserve and Contingency Fund the Other Required Payments component of the Revenue Requirements, together with proceeds of property and casualty insurance payments and eminent domain awards, and proceeds from the sale or disposition of surplus or obsolete property or contract rights constituting a part of the Project, and certain other funds.

Amounts credited to the Reserve and Contingency Fund shall be used for the payment of principal and interest represented by the Certificates in certain circumstances; for Operating Expenses in certain circumstances; for a Shortfall; for major repairs, replacements, renovations, rehabilitation and improvements to the Project; and for decommissioning of the Project. (See APPENDIX E -- "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT -- Reserve and Contingency Fund.")

Rate Covenant

Each JV5 Participant covenants in the Joint Venture Agreement that it shall fix, charge and collect rates, fees and charges, and, from time to time and as often as shall be necessary, revise such rates, fees and charges, for electric power and energy and other services, facilities and commodities sold, furnished, supplied or otherwise provided by its Electric System at least sufficient in each Year to produce revenues equal to the greater of: (a) the sum of (i) the O&M Expenses of its Electric System, including its share of Operating Expenses under the Joint Venture Agreement and (ii) 110% of the sum of the debt service on any outstanding senior lien electric system revenue obligations of the JV5 Participant and its share of Bond Debt Service Payments, payable in such Year; or (b) the sum of (i) the O&M Expenses including its share of Operating Expenses under the Joint Venture Agreement, (ii) its share of Bond Debt Service Payments, (iii) debt service on other outstanding electric system revenue obligations of the JV5 Participant, and (iv) all other amounts payable from such revenues, including without limitation, debt service on general obligation or other tax supported debt incurred for purposes of the JV5 Participant's Electric System and its share of Other Bond Payments and Other Required Payments, payable in such Year.

Rate Regulation

The power and authority of each JV5 Participant to fix, charge, collect and revise the rates charged to its electric customers is not subject to the regulation by any regulatory authority of the States of Ohio or West Virginia (where the Project is located) or the United States of America.

JV5 Participant Covenants

Each JV5 Participant has covenanted that it (i) shall operate the properties of its Electric System and the business in connection therewith in an efficient manner, in accordance with Prudent Utility Practice; (ii) shall not issue bonds, notes or other evidences of indebtedness or incur lease or contractual obligations which are payable from the revenues derived from its Electric System superior to the payment of the O&M Expenses of its Electric System; (iii) will not issue any bonds or notes or otherwise incur any indebtedness payable from the revenues of its Electric System on a parity with its obligations to make Bond Debt Service Payments unless it shall first obtain, and deliver to OMEGA JV5, a certificate of its chief financial officer to the effect that certain historical earnings tests have been met; and (iv) shall not mortgage or take, or fail to take, any other action which would result in any lien on or other security interest in its ownership interest in the Project. See APPENDIX D -- "SUMMARY OF CERTAIN PROVISIONS OF THE JOINT VENTURE AGREEMENT -- Additional Covenants of the JV5 Participants."

Additional Certificates

The Trust Agreement provides for the issuance of Additional Certificates on a parity with the 1993 Certificates and the 2001 Certificates for the purpose of paying the costs of completing the Project or of making repairs, modifications or substitutions to the Project; refunding all or a part of a series of Certificates; paying costs incurred in connection with the authentication, delivery and sale of such Additional Certificates; or any combination of such purposes. (See APPENDIX E -- "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT -- Additional Certificates.")

BOND INSURANCE

The following information has been furnished by MBIA Insurance Corporation (the "Insurer") for use in this Offering Memorandum. Reference is made to Appendix H for a specimen of the Insurer's policy.

The MBIA Insurance Corporation Insurance Policy

The Insurer's policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of OMEGA JV5 to the Trustee or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the 2001 Certificates as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Insurer's policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the 2001 Certificates pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a "Preference").

The Insurer's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any 2001 Certificate. The Insurer's policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of 2001 Certificates upon tender

by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. The Insurer's policy also does not insure against nonpayment of principal of or interest on the 2001 Certificates resulting from the insolvency, negligence or any other act or omission of the Trustee or any other trustee for the 2001 Certificates.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Trustee or any owner of a 2001 Certificate the payment of an insured amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such 2001 Certificates or presentment of such other proof of ownership of the 2001 Certificates, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the 2001 Certificates as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the 2001 Certificates in any legal proceeding related to payment of insured amounts on the 2001 Certificates, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Trustee payment of the insured amounts due on such 2001 Certificates, less any amount held by the Trustee for the payment of such insured amounts and legally available therefor.

MBIA Financial Information

As of December 31, 2000, the Insurer had admitted assets of \$7.6 billion (audited), total liabilities of \$5.2 billion (audited), and total capital and surplus of \$2.4 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of March 31, 2001, the Insurer had admitted assets of \$7.8 billion (unaudited), total liabilities of \$5.4 billion (unaudited), and total capital and surplus of \$2.4 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Additional Information About the Insurer

The Insurer is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the "Company"). The Company is not obligated to pay the debts of or claims against the Insurer. The Insurer is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. The Insurer has two European branches, one in the Republic of France and the other in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by the Insurer, changes in control and transactions among affiliates. Additionally, the Insurer is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. These SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. The public may also read and copy any of these SEC filings at the SEC's public

reference rooms in Washington D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms.

Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2000, (2) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, and (3) the report on Form 8-K filed by the Company on January 30, 2001) are also available, at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of the Insurer is (914) 273-4545. The SEC filings are also available to the public over the Internet at the Company's web site at <http://www.mbia.com>.

The following documents filed by the Company with the Securities and Exchange Commission are incorporated herein by reference:

- (1) The Company's Annual Report on Form 10-K for the year ended December 31, 2000.
- (2) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.
- (3) The report on Form 8-K filed by the Company on January 30, 2001.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Offering Memorandum and prior to the termination of the offering of the securities offered hereby shall be deemed to be incorporated by reference in this Offering Memorandum and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Offering Memorandum, shall be deemed to be modified or superseded for purposes of this Offering Memorandum to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

Financial Strength Ratings of the Insurer

Moody's Investors Service, Inc. rates the financial strength of the Insurer "Aaa."

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., rates the financial strength of the Insurer "AAA."

Fitch, Inc. rates the financial strength of the Insurer "AAA."

Each rating of the Insurer should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of the Insurer and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the 2001 Certificates, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the 2001 Certificates. The Insurer does

not guaranty the market price of the 2001 Certificates nor does it guaranty that the ratings on the 2001 Certificates will not be revised or withdrawn.

Insurer Alone Can Vote 2001 Certificates

So long as the Insurer's policy is in effect and the Insurer is not in default thereunder, the Trust Agreement grants to the Insurer certain rights including the right to act thereunder as if it were the Owner of all 2001 Certificates, without consent of any actual owner of 2001 Certificates, for all purposes under the Trust Agreement other than the right to receive payment of debt service.

Ambac Assurance Corporation has certain rights including the right to act thereunder as if it were the Owner of all 1993 Certificates, without consent of any actual owner of 1993 Certificates, for all purposes under the Trust Agreement other than the right to receive payment of debt service

DESCRIPTION OF THE 2001 CERTIFICATES

General

Neither OMEGA JV5 nor any JV5 Participant is a party to the 2001 Certificates.

The 2001 Certificates are to be dated the date of delivery and accrue interest and mature in the amounts, and on the dates set forth on the cover page of this Offering Memorandum. Except to the extent otherwise governed by the procedures of DTC, principal payable under all 2001 Certificates is payable upon presentation and surrender by the registered Owner thereof at the corporate trust office of the Trustee. Interest will accrue on the 2001 Certificates from their date of issuance and delivery, compounded semiannually on February 15 and August 15 of each year, commencing February 15, 2002, and will be payable at maturity as a component of the Maturity Amount.

Redemption

The 2001 Certificates are not subject to redemption prior to their maturity

Registration, Payment and Transfer -- Book-Entry Method

Form and Delivery. The 2001 Certificates will be issued as one fully registered 2001 Certificate for each maturity in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York ("DTC") as registered Owner of all the 2001 Certificates. The fully registered 2001 Certificates will be retained and immobilized in the custody of DTC.

For all purposes under the 2001 Certificate proceedings, including the Trust Agreement, DTC (or any successor securities depository) or its nominee will be, and will be considered by OMEGA JV5 and Trustee to be, the Owner of the 2001 Certificates.

Owners of book-entry interests in the 2001 Certificates ("book-entry interest owners") will not receive or have the right to receive physical delivery of 2001 Certificates, and will not be or be considered by OMEGA JV5 and Trustee to be, and will not have any rights as, owners of 2001 Certificates under the Trust Agreement.

Transfer of Book-Entry Interest in the 2001 Certificates. The rights of owners of book-entry interests in the 2001 Certificates and the manner of transferring or pledging those interests is subject to applicable state law. Owners of book-entry interests in the 2001 Certificates may want to discuss the manner of transferring or pledging their book-entry interest in such 2001 Certificates with their legal advisors.

Book-Entry-Only System

DTC will act as securities depository for the 2001 Certificates. The 2001 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each maturity of the 2001 Certificates and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("DTC Participants") deposit with DTC. DTC also facilitates the settlement among DTC Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in DTC Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations ("Direct DTC Participants"). DTC is owned by a number of its Direct DTC Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct DTC Participant, either directly or indirectly ("Indirect DTC Participants"). The Rules applicable to DTC and its DTC Participants are on file with the Securities and Exchange Commission.

Purchases of the 2001 Certificates under the DTC system must be made by or through Direct DTC Participants, which will receive a credit for the 2001 Certificates on DTC's records. The ownership interest of each actual purchaser of each 2001 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect DTC Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2001 Certificates are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2001 Certificates, except in the event that the use of the book-entry system for the 2001 Certificates is discontinued.

To facilitate subsequent transfers, all 2001 Certificates deposited by DTC Participants with DTC are registered in the name of Cede & Co. The deposit of the 2001 Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2001 Certificates; DTC's records reflect only the identity of the Direct DTC Participants to whose account such 2001 Certificates are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct DTC Participants, by Direct DTC Participants to Indirect DTC Participants, and by Direct DTC Participants and Indirect DTC Participants to

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the 2001 Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the OMEGA JV5 as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct DTC Participants to whose accounts the 2001 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2001 Certificates will be made to DTC. DTC's practice is to credit Direct DTC Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such DTC Participant and not of DTC or the OMEGA JV5, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the OMEGA JV5 and the JV5 Participants, disbursement of such payments to Direct DTC Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect DTC Participants.

DTC may discontinue providing its services as securities depository with respect to the 2001 Certificates at any time by giving reasonable notice to the OMEGA JV5 and the JV5 Participants. Under such circumstances, in the event that a successor securities depository is not obtained, 2001 Certificates are required to be printed and delivered. The OMEGA JV5 and JV5 Participants may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2001 Certificates will be printed and delivered.

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the OMEGA JV5 and the JV5 Participants take no responsibility for the accuracy thereof.

OMEGA JV5

General

Ohio Municipal Electric Generation Agency, Joint Venture 5 ("OMEGA JV5") is a nonprofit joint venture formed by the JV5 Participants in the Project under Article XVIII, Sections 3 and 4 of the Ohio Constitution in the manner contemplated by Section 715.02 of the Ohio Revised Code. OMEGA JV5 was organized under the laws of the State of Ohio for the purpose of obtaining reliable generation facilities, under reasonable terms and conditions and at reasonable cost, which will contribute to the JV5 Participants' ability to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to their consumers. Section 715.02 of the Ohio Revised Code provides that municipal corporations may enter into contracts for the joint construction or ownership, or construction and management of any public utility benefiting each such municipal corporation.

Forty-two (42) municipalities, all of which are Members of AMP-Ohio have entered into the Joint Venture Agreement resulting in the joint venture, OMEGA JV5, for the acquisition, financing, construction and management of the Project.

Among other things, the Joint Venture Agreement obligates each JV5 Participant to pay its proportionate share of financing Project Costs, including the cost of acquiring, constructing, financing, equipping and installing the Project, in installments, with interest (separately stated) on the unpaid balance. The Joint Venture Agreement provides that each JV5 Participant will, as a tenant in common, own an undivided interest in the Project facilities equal to the percentage of ownership interest in the joint venture. To finance the cost of the Project, each JV5 Participant has agreed to pay its portion of the Revenue Requirements of the Project.

Trustees; Senior Management

OMEGA JV5 is governed by the regulations of the Ohio Municipal Electric Generation Agency, Joint Venture 5, Belleville Hydroelectric Project (the "Regulations"), which are incorporated into the Joint Venture Agreement. The Regulations provide for a Board of Participants (trustees) comprised of the representatives of all the JV5 Participants, with voting weighted in proportion to each of the JV5 Participant's respective ownership interests in OMEGA JV5.

The Board of Participants have elected from its membership the following officers:

Chairman, Daryl D. Stockburger, Director of Utilities, Bowling Green
Member of AMP-Ohio Board of Trustees
Member of OMEGA JV5 Board of Participants

Daryl D. Stockburger oversees Bowling Green Municipal Utilities (electric, water and sewer) as director of utilities. He has served in that position for over 13 years. Mr. Stockburger has served on the AMP-Ohio Board of Trustees since September 1987, and currently serves as Secretary. In that capacity, he has served on several committees. Currently he serves on the Board Oversight, the By-Laws Review Committee, the Power Supply Committee, the Nominating Committee, and the Personnel Committee. Mr. Stockburger serves as the Chairman of the OMEGA JV5 Board of Participants and is a member of the OMEGA JV5 Operation Oversight Committee and the OMEGA JV5 Finance Committee. Additionally, Mr. Stockburger serves as Vice Chairman of OMEGA JV2. Before becoming Bowling Green's Director of Utilities, Mr. Stockburger worked for the municipal utility in Bryan, Ohio from 1974 to 1982, and in Falls City, Nebraska, from 1982 to 1987. He attended Northwest Technical College in Archbold, Ohio, and the University of Toledo in Toledo, Ohio.

Vice Chairman, Don L. Robart, Mayor of Cuyahoga Falls
Member of OMEGA JV5 Board of Participants
Member of Ohio Municipal Electric Association Board of Directors

Mayor Don L. Robart was first voted to public office in 1983, when Cuyahoga Falls elected him a council member at large. Two years later, he was elected mayor. He is now in his fourth term as mayor. Mayor Robart has instituted a curbside recycling program, implemented a program to offer free energy-efficient light bulbs to Cuyahoga Falls residents and initiated a Senior Snow Watch Program that plows driveways, free of charge, for qualified homeowners over the age of 65. Mayor Robart became the first mayor in the State of Ohio to undertake the implementation of the annexation of an entire township by merger. In each of the last three years, the city initiated in excess of \$54 million in new and redevelopment permit valuation. Mayor Robart attended Kent State University and the University of Akron and is a U.S. Marine Corps veteran. Prior to his election, Mayor Robart was a project manager in the industrial engineering department of Firestone Tire and Rubber Company.

Treasurer, William J. Lyren, P.E., Director of Public Service, Wadsworth, Ohio
Member of AMP-Ohio Board of Trustees
Member of OMEGA JV5 Board of Participants

William J. Lyren, P.E., currently serves as the Director of Public Service-City Engineer for the City of Wadsworth. He has served in that position since 1967. Mr. Lyren is a graduate of Duke University in Civil Engineering and is a Registered Professional Engineer in Ohio and California. He is a past president of the Ohio Municipal Electric Association, past treasurer and chairman of the Board of Trustees of AMP-Ohio, a life member of the American Water Works Association, and a member of the American Public Works Association, the American Society of Civil Engineers and the National Society of Professional Engineers. Currently Mr. Lyren serves on nine committees of the Board of Trustees of AMP-Ohio, including the Finance Committee, the Power Supply and Generation Committee and the Transmission/RTO Committee.

Secretary, Robert A. Dupee, Village Administrator, Wellington, Ohio
Member of AMP-Ohio Board of Trustees
Member of OMEGA JV5 Board of Participants

Robert A. Dupee currently serves as the Village Administrator for Wellington, Ohio. He served as Wellington's director of utilities for 27 years. Mr. Dupee has served on the AMP-Ohio Board of Trustees since 1983. He also is a past member of the Ohio Municipal Electric Association Board of Directors. He currently chairs AMP-Ohio's Member Services/Conference Committee, the Personnel Committee, and the Policy Committee. In addition, he serves on the Finance, Gorsuch Station Project, and Nominating committees of AMP-Ohio and the American Public Power Association (APPA) Activity Task Force. Before joining the village of Wellington in 1963, Mr. Dupee served as superintendent of utilities for the village of Greenwich, Ohio. In Wellington, he is chairman of the Cable Commission and the Wellington Shade Tree Commission and he is president of the Wellington Community Improvement Corp.

The following table is intended to present operating and other financial information related to OMEGA JV5 since inception of its operations.

OPERATING AND OTHER FINANCIAL INFORMATION

Years Ended December 31, 1993 through December 31, 2000

| | 1993 ¹ | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 ² | 2000 |
|--------------------------------|-------------------|-----------------|------------------|------------------|------------------|--------------------|-------------------|--------------------|
| REVENUES | | | | | | | | |
| Electric revenue | \$5,502,234 | \$9,520,415 | \$9,548,896 | \$10,049,560 | \$9,761,094 | \$11,781,307 | \$20,029,759 | \$21,815,222 |
| EXPENSES | | | | | | | | |
| Purchased power | 5,390,332 | 9,335,465 | 9,168,821 | 9,369,617 | 8,730,297 | 9,626,866 | 8,898,131 | 5,842,480 |
| Affiliated entity services | 68,465 | 98,104 | 103,710 | 101,168 | 101,851 | 127,123 | 575,110 | 622,477 |
| Depreciation and amortization | 0 | 0 | 67,062 | 337,854 | 498,837 | 498,838 | 3,909,703 | 4,405,651 |
| Payment in lieu of taxes | 0 | 0 | 0 | 0 | 0 | 250,000 | 876,427 | 839,975 |
| License fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 736,250 |
| Professional services | 45,000 | 43,906 | 48,978 | 46,750 | 47,832 | 33,108 | 26,264 | 59,677 |
| Insurance | 2,014 | 5,669 | 11,948 | 41,133 | 80,238 | 85,893 | 127,131 | 109,795 |
| Maintenance | 0 | 0 | 0 | 36,180 | 90,269 | 90,556 | 231,921 | 437,427 |
| Electric services | 0 | 0 | 0 | 14,203 | 17,477 | 15,160 | 18,922 | 63,738 |
| Other operating expenses | 2,318 | 7,496 | 11,323 | 14,922 | 14,086 | 18,383 | 27,758 | 47,270 |
| Interest expense | 0 | 0 | 0 | 0 | 0 | 0 | 5,283,824 | 7,801,670 |
| Total expenses | \$5,508,129 | \$9,490,640 | \$9,411,842 | \$9,961,827 | \$9,580,887 | \$10,745,927 | \$19,975,191 | \$20,966,410 |
| Operating margins | (\$5,895) | \$29,775 | \$137,054 | \$87,733 | \$180,207 | \$1,035,380 | \$54,568 | \$848,812 |
| NONOPERATING REVENUES | | | | | | | | |
| Investment income | \$7,682 | \$15,225 | \$17,470 | \$32,058 | \$62,710 | \$47,492 | \$654,634 | \$939,023 |
| NET MARGINS | <u>\$1,787</u> | <u>\$45,000</u> | <u>\$154,524</u> | <u>\$119,791</u> | <u>\$242,917</u> | <u>\$1,082,872</u> | <u>\$709,202</u> | <u>\$1,787,835</u> |
| RATES | | | | | | | | |
| Annual Debt Service | \$2,400,000 | \$4,800,000 | \$6,168,873 | \$8,108,124 | \$8,737,514 | \$9,914,002 | \$10,911,189 | \$10,913,556 |
| Energy Delivered (MWh) | 215,749 | 367,564 | 359,234 | 366,498 | 367,728 | 367,920 | 367,920 | 368,928 |
| Energy (\$/MWh) | \$25.95 | \$26.45 | \$26.55 | \$26.56 | \$24.77 | \$27.40 | \$29.58 | \$21.88 |
| Demand (Debt Service) (\$/MWh) | \$11.12 | \$13.06 | \$17.17 | \$22.12 | \$23.76 | \$26.95 | \$29.66 | \$29.66 |
| Total | \$37.07 | \$39.51 | \$43.72 | \$48.68 | \$48.53 | \$54.35 | \$59.24 | \$51.54 |

¹ Results for 1993 reflect the nine-month period ended December 31, 1993.

² Information for 1999 and 2000 is after the Hydro Project was placed in service.

Discussion of Operating and Other Financial Information

Project rates are set annually by the Participants of OMEGA JV5. An energy charge is established to cover the costs of Project power and other operating expenses including fuel. A power cost adjustment is authorized to reflect monthly changes in variable costs. A demand charge is established to collect debt service for payments of interest and principal due on outstanding Beneficial Interest Certificates as well as other fixed charges. Depreciation and amortization are not included in rates.

In June 1993, the \$153,415,000 1993 Certificates were issued to fund the Project. In June 1993, OMEGA JV5 set rates and began purchasing replacement power to supply the energy associated with 42MW of capacity to the Participants during the construction phase of the Hydro Facility. AMP-Ohio, as agent for OMEGA JV5, has purchased replacement power for the Project since that time. Purchased replacement power began to decrease when the Hydro Facility went into commercial operation in May 1999. Power purchased since that time reflects power purchased when the Hydro Facility generates less than 42MW and when replacement power purchased on the open market is more economical than generating power from the Back-up Generation.

The debt service component of the demand charge was also first established in June 1993 to provide for the first interest payment on the debt due February 1994. Rates were escalated each year to provide for increased interest payments and the first principal payment due in February 1998.

AMP-Ohio and Municipal Energy Services Agency, an AMP-Ohio affiliate ("MESA"), have provided management, energy dispatching, engineering, financial, accounting and other services to OMEGA JV5 under long-term agreements. Services related to Hydro Facility construction were capitalized until May 1999 and have been charged to operations since that date.

OMEGA JV5 recognizes revenue in accordance with Financial Accounting Standards No. 71. Under this pronouncement, OMEGA JV5 records deferred revenue. Deferred revenue represents amounts prepaid by Participants for debt service payments and contributions to the Reserve and Contingency Fund. The amounts related to debt service payments are amortized on a basis which allows the related depreciation expense, interest expense and billings to Participants for debt service to have no net impact on operating margins. Depreciation and amortization are not charged to Participants in rates. The hydro facility is being depreciated over 40 years, a period that will end prior to the expiration of the FERC License.

OMEGA JV5 entered into an agreement with Wood County West Virginia to make payments in lieu of taxes which began in 1998. Such payments are charged annually to operations in accordance with the term of the agreement, which expires on the later of September 28, 2028 or such time as the Hydro Facility ceases commercial operation.

OMEGA JV5 pays an annual license fee to FERC. The annual fee is charged to operations.

Professional services represents amounts paid for legal and accounting services.

Insurance premiums represent amounts paid for property, liability and other insurance coverages for the hydro facility and back-up units. Property coverage is for replacement value.

Maintenance expense represents maintenance expenditures on the Hydro Facility as well as maintenance on the Back-up Generation. Routine maintenance for the back-up units is contracted through local equipment dealers.

Electric service represents amounts charged by communities for metered electric service and blackstart capability for back-up units.

Other operating expenses consist of trustee fees, bank charges, service fees and lock box services.

Interest expense represents interest for each year on beneficial interest certificates. Interest was capitalized until the project went into commercial operation in May 1999.

Investment income represents interest on debt service collected and operating funds. Except for interest on operating funds, interest income was capitalized through the construction of the project.

Net margins increased from 1993 through 2000, primarily due to lower than projected operating expenses compared to rates set by Participants and higher than expected investment income. Higher than expected net margins have resulted in higher levels of cash reserves in operating funds.

Management Agreement

OMEGA JV5 and AMP-OHIO have entered into a contract dated July 1, 2001 (Operations Management Agreement) for the provision by AMP-Ohio of professional and technical services to OMEGA JV5. The Operations Management Agreement governs the provision by AMP-Ohio of services related to operations, Replacement Power purchasing, management and maintenance of the Project. Under the agreement, AMP-Ohio is to be reimbursed for certain direct expenses, personnel costs and allocable overhead costs. The term of the current Operations Management Agreement expires on July 1, 2006. The Operations Management Agreement may be terminated by OMEGA JV5 at any time after three years without cause and by OMEGA JV5 or AMP-Ohio at any time if either board determines that the compensation arrangements are "unfair" or inappropriate" under the circumstances. See "AMERICAN MUNICIPAL POWER - OHIO, INC." herein. The current Operations Management Agreement replaces similar prior contracts between OMEGA JV5 and AMP-Ohio and OMEGA JV5 and MESA. Under a related 1993 contract with OMEGA JV5 that expired in 1999, after the Hydro Facility was placed in service, AMP-Ohio was retained to provide planning, construction, financing and other technical and professional services related to the Project. In addition to the Operations Management Agreement with AMP-Ohio, the Joint Venture Agreement authorizes OMEGA JV5 to execute such other agreements, and any supplements, modifications, renewals or replacements to the same, as OMEGA JV5 deems necessary or convenient to carry out the purposes of the Joint Venture Agreement, provided that such agreements and any supplements, modifications, renewals or replacements to the same: (i) meet all requirements set forth in Section 1303(e) of the Tax Reform Act of 1986 and any successor provisions thereto, as well as then-current Internal Revenue Service rulings, regulations and procedures in order to assure that the Project will not be considered to be used in the trade or business of any person other than a governmental unit; (ii) meet all conditions of the License (described herein under "THE BELLEVILLE HYDROELECTRIC PROJECT - FERC License"); and (iii) do not adversely affect the validity of the License or the JV5 Participants' compliance or ability to comply therewith. OMEGA JV5 may also employ, on such terms and conditions as it deems appropriate, special legal counsel or other employees or experts as may be necessary or convenient for the furtherance of the business of OMEGA JV5.

Financing Project Costs

The JV5 Participants have agreed to undertake, or cause to be undertaken, as joint owners as specified in the Joint Venture Agreement, the acquisition, construction and equipping of the Project, including any planning or engineering studies related thereto, and the financing of Project Costs, and to pay or incur the costs of the same in accordance with the Joint Venture Agreement.

Under the Joint Venture Agreement, each JV5 Participant had the option to provide its share of the Project Costs either (i) by financing jointly pursuant to the Joint Venture Agreement and the Trust Indenture (a “JV5 Financing Participant”) or (ii) separately, in accordance with the Joint Venture Agreement by making a Contribution (a “JV5 Non-Financing Participant”). All of the JV5 Participants elected to be JV5 Financing Participants. Inasmuch as there are no JV5 Non-Financing Participants in OMEGA JV5, no further discussion of the JV5 Non-Financing Participant option is included herein.

In order to provide for the payment, refinancing or refunding of each JV5 Participant’s allocable portion of the estimated remaining unfunded Project Costs, the JV5 Participants have authorized OMEGA JV5, acting on behalf of the JV5 Participants, to cause the delivery of 2001 Certificates, conforming to the principal and interest components of the underlying Bond Debt Service Payments, upon such terms, and pursuant to the Trust Agreement having such terms, as the JV5 Participants acting through OMEGA JV5 and on their behalf, in their sole discretion and exclusive judgment acting through OMEGA JV5, deem necessary or desirable in order to accomplish the JV5 Participants’ objectives and obligations; provided, however, that no evidence of indebtedness will be issued having a final maturity date extending beyond the useful life of the Project, taking into account the remaining term of the License.

Sale of Excess Project Power

If at any time any JV5 Participant has Project Power associated with such JV5 Participant’s ownership share of the Project in excess of its needs, it may request OMEGA JV5 acting on behalf of such JV5 Participant, to sell and deliver any or all of said JV5 Participant’s share of Project Power and OMEGA JV5 shall attempt to sell such surplus to any entity on such terms and for such period as OMEGA JV5 deems appropriate and as OMEGA JV5 deems not adverse to the tax or regulatory status or other interests of the JV5 Participant, the other JV5 Participants and OMEGA JV5. All revenues received by OMEGA JV5 from any such sales shall be credited to the account of such JV5 Participant, provided that nothing shall relieve such JV5 Participant from any obligation, except to the extent revenues are actually received by OMEGA JV5 from such sales. As of the date of this Offering Memorandum, no Participant has asked AMP-Ohio to sell any of its share of Project Power. Power generation in excess of the Project’s nominal 42 MW capacity and peaking power from the backup generating units has been sold to AMP-Ohio from time to time.

THE JV5 PARTICIPANTS

General

The JV5 Participants consist of 10 cities and 32 villages located primarily in the northern half of the State of Ohio. See the map on inside cover page for the locations of the JV5 Participants and their respective transmission service areas.

Each JV5 Participant’s Electric System has been in operation for 60 years or more, with approximately half of the Electric Systems commencing operations before or around the turn of the century. Each JV5 Participant’s Electric System is subject to the control of the JV5 Participant’s governing body.

Customers

The JV5 Participants’ Electric Systems provide service to customers located within their corporate limits and, in most cases, in contiguous areas outside their corporate limits. In general, the JV5 Participants have a diverse customer and economic base which includes representation from various

sectors, including commercial business, light and heavy manufacturing, service industries, farming, tourism, government and education.

Relationship with AMP-Ohio

All 42 JV5 Participants have been Members of AMP-Ohio for many years. The JV5 Participants' power supply arrangements vary dependent upon the service group or investor-owned utility service area in which their system is located.

The Central Area Service Group ("CASG") JV5 Participant receives service under a FERC Columbus Southern Power Company ("CSP") rate tariff. Although denominated "full requirements", these arrangements permit AMP-Ohio to provide third party power to the CASG JV5 Participant.

The North Central AMP-Ohio Service Group ("NCASG") JV5 Participants purchase power from Ohio Power Company ("OP") under a power sales service agreement. This power sales service agreement allows for allocations of New York Power Authority power and Belleville Project Power to the NCASG JV5 Participants.

The Northeast AMP-Ohio Service Group ("NEASG") and the Northwest AMP-Ohio Service Group ("NWASG") JV5 Participants have been full requirements customers of AMP-Ohio since 1983 and are currently operating under long-term contracts with AMP-Ohio. The Western AMP-Ohio Service Group ("WASG") JV5 Participants have a full requirements contract with AMP-Ohio. AMP-Ohio utilizes the WASG JV5 Participants' power service agreements with the Dayton Power and Light ("DP&L") system for delivery of all the WASG JV5 Participants' power supply across the DP&L transmission system.

Competition

Although Ohio has enacted a certified territory law for electric utilities (Section 4933.81 *et seq.*, Ohio Revised Code), municipal utilities are specifically exempted from its coverage. In addition, in the opinion of OMEGA JV5's General Counsel, the Ohio Constitution would prohibit this type of state legislative limitation on municipal utility service territory. Additionally, in such counsel's opinion each OMEGA JV5 Participant has Ohio Constitutional authority to determine whether or not any other electric utility could render new or additional service in such OMEGA JV5 Participant's municipal boundaries to the extent not limited by franchises granted or ordinances enacted by such OMEGA JV5 Participant or federal law. The Ohio Constitution does, however, prohibit municipal electric systems from selling outside their municipal limits more than fifty-percent of the kilowatt-hours used inside such municipality's boundaries. However, the recent case of Toledo Edison v. Bryan (2000), 90 Ohio St.3d 288, may have implications on a municipality's ability to sell electric utility service outside of its municipal limits. See "CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY- Restructuring in Ohio".

Rates

In general, the retail rates of each of the JV5 Participants are very competitive with the retail rates of the investor-owned and cooperative electric utilities serving contiguous areas as the following charts show. However, because of the effects of fuel adjustment clauses and the fact that retail rates change for different utilities at different times, actual rate differentials can vary significantly from past comparisons and from month to month. In addition, bills may vary significantly between individual retail customers of the same class because of differences in load factor, time of use and other factors. As a result of the acquisition and construction of the Project, and other factors, AMP-Ohio expects the differential between

the JV5 Participants generally lower retail rates and those of other area utilities to narrow in subsequent years but to remain significant.

JV5 Participants' Historical Power and Energy Requirements

The following table represents aggregate power and energy requirements of the JV5 Participants' Electric Systems for the years 1993 through 2000. The aggregate peak demands shown represent the sum of the peak demands of each JV5 Participant's Electric System on a non-coincident basis.

JV5 PARTICIPANTS' HISTORICAL POWER REQUIREMENTS AND PROJECT ENERGY

| Calendar Year | Peak Demand (Noncoincident) (1) | | Project Energy Purchased | |
|------------------|------------------------------------|-------------------|-----------------------------|-------------------|
| | MW | Percent Change | MWh | Percent Change |
| 1993 | 527 | N/A | 215,749 | N/A |
| 1994 | 541 | 2.7% | 367,564 | 70.4% |
| 1995 | 581 | 7.4 | 359,234 | -2.3 |
| 1996 | 582 | 0.2 | 366,498 | 2.0 |
| 1997 | 581 | -0.2 | 367,728 | 0.3 |
| 1998 | 614 | 5.7 | 367,920 | 0.1 |
| 1999 | 649 | 5.7 | 367,920 | 0.0 |
| 2000 | 629 | -3.1 | 368,928 | 0.0 |

Source: AMP-Ohio.

(1) Represents total JV5 Participants' system demand.

Selected Electric Systems' Information

Twelve JV5 Participants have aggregate ownership interests of 80.52 % in the Project. In general, they are also the largest of the JV5 Participants in population and load on their Electric Systems. Reference is made to Appendix A for information on such JV5 Participants and their Electric Systems.

AMERICAN MUNICIPAL POWER-OHIO, INC.

General

American Municipal Power-Ohio, Inc. (AMP-Ohio) is a Columbus, Ohio nonprofit wholesale power supplier and services provider for municipal electric systems. Members include 79 of Ohio's 85 municipal electric systems, 2 public power communities in West Virginia and 3 in Pennsylvania. Owned and governed by its Member communities, the organization is dedicated to providing Member assistance and low-cost power supplies. AMP-Ohio also assists Members in other utility areas, such as engineering, project financing and telecommunications. AMP-Ohio owns the 213 MW Richard H. Gorsuch Station, a coal-fired electric generating plant near Marietta, Ohio. In addition, AMP-Ohio serves as an independent project manager for Ohio Members participating in joint ventures to share ownership of power generation and transmission facilities, including the OMEGA JV1, JV2 and JV4 projects. See "Projects - *Gorsuch Station* and - *JVs 1, 2 and 4*" under this caption.

AMP-Ohio is closely aligned with two other statewide municipal power organizations. The Ohio Municipal Electric Association (OMEA) is the legislative liaison for the state's municipal electric systems. The Ohio Public Power Educational Institute (OPPEI) is a nonprofit educational foundation dedicated to informing the public about municipal electric utilities as well as member communities. AMP-Ohio has also facilitated the formation of a number of municipal joint ventures pursuant to Ohio Revised Code §715.02 and the Ohio Constitution. In addition to Ohio Municipal Electric Generating Agency (OMEGA) Joint Ventures 1, 2 and 4 (See "AMP-OHIO - Projects - JVs 1, 2 and 4"), the Municipal Energy Services Agency (MESA) has also been formed. MESA provides management and technical services to AMP-Ohio and its Members and OMEGA JV5. MESA employs approximately 75 people, and AMP-Ohio approximately 4 people at its Columbus headquarters and 125 at its Gorsuch Station (See "Other Projects and Services – Gorsuch Station").

AMP-Ohio purchases wholesale electric power and energy and resells the same to its Members at rates based on cost plus a small service fee. AMP-Ohio also develops alternative power resources for its Members to meet their short- and long-term needs. In 2000, the cost of power sold or arranged by AMP-Ohio for its Members, including Gorsuch Station output, exceeded \$222 million. AMP-Ohio also forecasts plant output and purchases supplemental replacement power.

AMP-Ohio Legal Status

Not-for-profit corporation. AMP-Ohio was formed under Ohio Revised Code Chapter 1702 as a non-profit corporation in 1971. Under applicable law, AMP-Ohio has perpetual existence and the duration of its existence is not otherwise limited by its certificate of incorporation or by any agreement with its Members. AMP-Ohio must file, however, at certain times, Statements of Continued Existence with the Ohio Secretary of State pursuant to Ohio Revised Code Section 1702.59. AMP-Ohio has made all such required filings and is in good standing.

Tax Status. AMP-Ohio obtained a private letter ruling from the Internal Revenue Service on January 18, 1981, supplemented by another private letter ruling dated December 12, 1987, determining that AMP-Ohio qualifies as a Section 501(c)(12) corporation under the Internal Revenue Code of 1986, as amended, provided at least 85% of AMP-Ohio's total revenue consists of amounts collected from its Members for the sole purpose of meeting losses and expenses (which include debt service). AMP-Ohio believes that it has met the requirements for maintenance of 501(c)(12) status each year since it received the ruling. AMP-Ohio intends to retain its 501(c)(12) status and is of the opinion that its undertaking the Project will not adversely affect its ability to maintain its 501(c)(12) status.

Under Ohio law, AMP-Ohio is subject to Ohio personal property and real estate taxes. See "CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY - Restructuring in Ohio".

AMP-Ohio also obtained on May 9, 1996 a private letter ruling to the effect that it may issue on behalf of its Members obligations the interest on which is exempt from federal income taxes. See "Other Obligations".

History

AMP-Ohio was organized in 1971 to promote the municipal electric utility industry in Ohio and to develop power supply resources on a cooperative basis for the mutual benefit of its Members. AMP-Ohio was formed as a non-profit corporation under Ohio's general not for profit corporation statutes when its efforts to obtain legislation specifically providing for its creation as a public instrumentality were defeated by the investor-owned utilities ("IOUs") in Ohio. In 1971 AMP-Ohio had six Members. By 1980 AMP-Ohio had 34 Members, by 1990, 75 Members, and by 2001, 84 Members.

Prior to 1980, AMP-Ohio's activities focused on regulatory intervention to obtain access to power generation and transmission facilities controlled by Ohio's IOUs. Assisted by favorable regulatory developments, AMP-Ohio negotiated with regional IOUs to establish, on a contractual basis, alternative power supply resources for its Members. After securing transmission arrangements, AMP-Ohio in 1980 began its first major participation in the wholesale power market by purchasing and transmitting to certain of its Members power generated by Buckeye Power, Inc., a generation and transmission cooperative, and the New York Power Authority.

In the early 1980s, an excess of electric generating capacity contributed to the development of a more competitive wholesale market for electricity in the Midwest and provided AMP-Ohio with greater opportunity to purchase power and energy from utilities on favorable terms. Some utilities became willing to sell short-term capacity at substantial discounts from their cost-justified tariffs. As a result of this excess electric capacity and the availability of transmission arrangements described above, AMP-Ohio was able to furnish, or arrange for the purchase of, energy at considerable savings to Members which, in turn has enabled them to compete more effectively with other utilities in their regions.

AMP-Ohio's Energy Control Center monitors loads and transmission availability, dispatches, buys and sells power and energy and controls AMP-Ohio and Member-owned generation. A competent in-house engineering, operations, safety, power supply, rate and environmental staff is available at AMP-Ohio's headquarters to assist Member communities in addition to performing AMP-Ohio duties and providing support to the joint ventures.

Other Projects and Services

Several of the studies of alternative power supply and transmission arrangements AMP-Ohio has made or commissioned have resulted in cooperative undertakings by AMP-Ohio and one or more of its Members. Included among these projects are the following:

Gorsuch Station. In 1988, AMP-Ohio purchased from an industrial metals company a 69.24% undivided ownership interest in its electric generating facilities, now known as the Richard H. Gorsuch Station. AMP-Ohio oversees the operation of the 213 MW coal-fired generating facilities, located near Marietta on the bank of the Ohio River. AMP-Ohio financed the capital cost of its acquisition and rehabilitation with the proceeds of \$75,600,000 taxable revenue bonds (the "Gorsuch Bonds"). \$44,507,000 principal amount of the Gorsuch Bonds was outstanding as of June 1, 2001.

In August 1997, the minority co-owner of the Gorsuch Station exercised its contractual right to sell to AMP-Ohio its remaining ownership interest on September 1, 1999. That transaction has closed and AMP-Ohio is now the sole owner of the Gorsuch Station, providing an approximate increase of 40 MW of capacity for the AMP-Ohio Members who participate in the Gorsuch project.

The power and energy associated with the Gorsuch Station and associated resources are sold pursuant to take-and-pay contracts to 47 of its Members, and the payments by such Members for such output are pledged by AMP-Ohio to the payment of debt service on the Gorsuch Bonds.

Effective in 2001, Phase II acid rain control regulations require low nitrogen oxides (NO_x) burners. These burners have been installed at Gorsuch Station at an approximate cost of \$4 million, which was paid from the project's cash reserves supplemented by power cost charges.

AMP-Ohio has been working with state regulators to correct modeled SO₂ air quality standard violations in the vicinity of Gorsuch station. AMP-Ohio has completed its modeling and submitted a proposed SO₂ emission limit revision to the Ohio Environmental Protection Agency that is consistent with

the SO₂ emission rate already being achieved for acid rain compliance purposes. The Ohio Environmental Protection Agency expects to submit this proposal to the U.S. Environmental Protection Agency as part of a State Implementation Plan ("SIP") revision package during the summer of 2001.

AMP-Ohio Distributive Generation. As a result of final subscription to the OMEGA JV2 Project, AMP-Ohio owns ten 1.825 caterpillar diesel units. Six of these units are being located on the Cleveland Public Power's system under a twenty-(20) year power purchase arrangement. The remaining four units are currently installed and operating and are under an annual capacity contract with the NWSG members.

JVs 1, 2 and 4. Beginning in 1992, AMP-Ohio began sponsoring the creation and organization of municipal joint ventures (not separate legal entities) among certain of its Members for the purpose of acquiring certain electric utility assets.

- OMEGA JV1 (21 Members) owns 9 MW of distributive generation, located in Cuyahoga Falls (the largest participant), in the form of six 1.5 MW Caterpillar diesel units, valued at \$1.8 million. This project was installed by AMP-Ohio and later sold to the joint venture at AMP-Ohio's net cost.
- OMEGA JV2 (36 Members) owns 138.650 MW of distributive generation, consisting of two 32 MW gas-fired turbines, one 11 MW gas-fired turbine, and thirty-four 1.825 MW new and one 1.6 MW used oil-fired diesel generator units. The generator units are sited near the loads they serve. AMP-Ohio sponsored the creation of OMEGA JV2 which acquired the generator units from AMP-Ohio. The JV2 project was financed with the proceeds of the \$50,260,000 American Municipal Power-Ohio, Inc. OMEGA JV2 Project Distributive Generation Bonds, Series 2001, together with contributions of the non-financing JV2 participants.
- OMEGA JV4 (four Members) owns a \$2.2 million cost, 69 kV transmission line located in Northwestern Ohio that electrically connects Members Bryan, Montpelier and Pioneer, providing additional reliability to their Electric Systems and power sales to one industrial customer. AMP-Ohio constructed the initial phase of the line in 1995 and then transferred title to the participants in December 1995 at no markup of its cost.

In September of 1995, Toledo Edison initiated "taxpayer" actions against four OMEGA JV4 municipalities alleging that the municipalities violated Ohio law when they constructed a 69 kilovolt electric line and utilized the line, in part, jointly to serve an industrial customer along the course of the line but not within any of the municipal limits. The case was dismissed on the pleadings by the trial court. That decision was upheld, except as to one count, by the appellate court. Toledo Edison appealed the lower court rulings to the Ohio Supreme Court. On November 15, 2000, the Ohio Supreme Court reversed the appellate court decision and remanded all counts that are being pursued by Toledo Edison to the trial court for factual determinations. See Toledo Edison v. Bryan (2000), 90 Ohio St.3d 288. In the opinion of General Counsel to AMP-Ohio, the Court's decision, in and of itself, did not invalidate the municipal supply arrangement for the industrial customer that is the subject of the legal challenge, but does present concerns over the application of the legal test that will be applied in Ohio concerning the legality of that sale and certain other resales of purchased power outside municipal boundaries. "Ultimately, determination of this issue requires fact-finding by the trial court as to whether the electricity purchased by the municipalities herein was solely for the purpose of resale to an entity outside the geographic boundaries of the municipalities." *Id.* at 293. The participants and OMEGA JV4 filed a Motion for Reconsideration on November 22, 2000, asking that the Court

clarify and modify its opinion. That motion was denied on March 7, 2001. *See*: 91 Ohio St. 3d 1233 (2001).

OMEGA JV1 and OMEGA JV4 were financed by their respective members' contributions and have no outstanding debt.

Other Obligations

Financings for Individual Members. From time to time, AMP-Ohio, as a conduit for individual Members, has also issued notes payable exclusively from payments owing by such Members. All such notes have been timely retired or if still outstanding are current in their debt service payments. The aggregate principal amount, as of June 1, 2001, of such notes on behalf of 30 Members was \$81,323,011.

Financings for Joint Ventures. AMP-Ohio, as a conduit for OMEGA JV2, has also issued \$50,260,000 American Municipal Power-Ohio, Inc. OMEGA JV2 Project Distributive Generation Bonds, Series 2001.

AMP-Ohio Senior Staff

The principal members of the senior management of AMP-Ohio, with information concerning their background and experience, are listed below.

Marc S. Gerken, P.E., 46, has served as President and Chief Executive Officer of AMP-Ohio since February 2000. Previously, Mr. Gerken served as Vice President of Business & Operations from January 16, 1998. In that position, Mr. Gerken oversaw the day to day operations of seven departments: Power Supply and Planning, Member Services, Technical Services, Communications, Public Relations and Marketing, Finance and Administration. Mr. Gerken started his public service career in 1990 with the City of Napoleon, an AMP-Ohio member, serving as City Engineer. Prior to joining the City of Napoleon, Mr. Gerken worked extensively in the public sector on infrastructure projects dealing with transportation, water, wastewater and storm water improvements. In 1995 he was named City Manager of the City of Napoleon and in that capacity served as a member of the AMP-Ohio Board of Trustees until his employment by AMP-Ohio in January of 1998. As a Board of Trustees member, Mr. Gerken chaired the Personnel Committee and also served as chairman of the OMEGA JV5/Belleville Hydroelectric Project Construction Oversight Committee. Mr. Gerken received his B.S.C.E. Degree from the University of Dayton in 1977. He is a registered professional engineer in the States of Ohio and Florida.

John W. Bentine, 53, has served as AMP-Ohio's General Counsel since 1981 and is an *ex officio* member of the AMP-Ohio Board of Trustees. Mr. Bentine is the managing partner in the Columbus, Ohio law firm of Chester, Willcox & Saxbe LLP, and chairs that firm's executive committee. He is admitted to practice in Ohio and before the U.S. District Court, Southern District of Ohio. He received his B.B.A. Degree from Marshall University and J.D. Degree (*cum laude*) from The Ohio State University in 1975. Prior to entering private practice in 1981, Mr. Bentine served as a Senior Assistant City Attorney, City of Columbus, 1978-1981, and as an Assistant Attorney General and Counsel to the Public Utilities Commission of Ohio, 1975-1978. Mr. Bentine is a member of the American, Ohio State (Chair, Public Utility Committee, 1994-1996), and Columbus Bar Associations (founding Chair, Public Utility Committee, 1993-1994).

Robert W. Trippe, 54, has served as Vice President of Finance and Chief Financial Officer of AMP-Ohio since April 1991. In this capacity, Mr. Trippe oversees all financial, treasury, and outside accounting relationships in addition to other administrative duties. Prior to joining AMP-Ohio, Mr. Trippe worked at The Detroit Edison Company from 1978 to 1991. There, from 1984 to 1991, he served

as the Vice President and Chief Financial Officer for SYNDECO, Inc., a wholly owned, diversification subsidiary of The Detroit Edison Company. From 1978 to 1984, Mr. Trippe was the Supervisor of Corporate Accounting and Forecasting for The Detroit Edison Company. He also served as the Chief Accountant for the Missouri Public Service Commission, 1976 to 1978; Senior Consultant, Troupe, Kehoe, Whiteaker & Kent, Utility Consultants, 1973 to 1976; and Audit Staff Accountant, Ernst & Ernst, Independent Accountants, 1971 to 1973. Mr. Trippe received his B.S. Degree in Accounting and Finance from Southwest Missouri State University.

Michael B. Heise, P.E., 31, has served as Vice President of Technical Services of AMP-Ohio since July 24, 2000. Previously, Mr. Heise served as Director of Technical Services since July 20, 1999. In his current position, Mr. Heise oversees the day-to-day activities of Environmental Affairs, Design and Construction Management, Field Engineering Services, and Rate Development and Cost-of-Service Personnel. Prior to joining AMP-Ohio, Mr. Heise worked for the City of Napoleon as its Electrical Distribution Superintendent from 1997-1999. From 1988 to 1997, Mr. Heise worked as an engineer for the two operating companies of FirstEnergy (1993-1997 at Cleveland Electric Illuminating Company and 1988-1993 at the Toledo Edison Company). Mr. Heise received his B.S. Degree in Electrical Engineering from the University of Toledo and is a registered professional engineer in the State of Ohio.

Patrick W. Frazier, 41 serves as Vice President, Energy Operations, effective January 2, 2001. In this capacity, Mr. Frazier is responsible for power supply planning, generating plant operation and maintenance, fuel supply procurement, energy control center operation, Supervisory Control and Data Acquisition (SCADA), transmission system use and regional operations. Prior to joining AMP-Ohio, Mr. Frazier worked as a consultant with AESI from 1999 to 2000. Mr. Frazier worked at Louisville Gas and Electric Company (LG & E) from 1982 to 1999. There, from 1982 to 1992, Mr. Frazier was an electrical engineer rising from the rank of Cadet to Senior Engineer. From 1992 to 1996, he served as Project Manager. He served as Manager of Utility Power Sales from 1997 to 1999. Mr. Frazier received B.S.E.E. and Master of Electrical Engineering degrees from the University of Louisville.

AMP-Ohio Litigation

AMP-Ohio, as is typical for any entity in the electric utility industry, is party to numerous lawsuits and regulatory proceedings. Because AMP-Ohio and its Members are electrically connected with more than ten investor owned utilities and co-operatives, and it has dealings with many more, AMP-Ohio may be involved in more such proceedings than a typical entity. Specifically, AMP-Ohio regularly appears before the Public Utilities Commission of Ohio (PUCO), Ohio and Federal trial and appellate courts, and the Federal Energy Regulatory Commission (FERC) as plaintiff, defendant and intervenor/*amicus* on behalf of itself or one or more of its Members.

Senior Management and the General Counsel of AMP-Ohio are of the opinion that none of the pending proceedings nor any threatened litigation by or against AMP-Ohio is likely to result in an outcome that is adverse to the interests of AMP-Ohio or its Members or their Electric Systems to the extent that the financial condition of AMP-Ohio, or its Members, or their Electric Systems, would be materially adversely affected to such an extent that the security of the 2001 Certificates would be materially adversely affected.

THE BELLEVILLE HYDROELECTRIC PROJECT

General Description

The Project consists of: (1) the Belleville hydroelectric plant and associated transmission facilities (collectively referred to as the "Belleville Hydroelectric Facilities"), (2) backup generating facilities

including contracts for the output thereof (“Backup Generation”), and (3) power purchased on behalf of the JV5 Participants (“Replacement Power”).

The Belleville Hydroelectric Facilities is essentially comprised of a run-of-the-river hydroelectric plant designed with a nominal capacity of 42 MW and approximately 27 miles of 138 kV transmission facilities. The plant is located in West Virginia on the Ohio River at the Belleville Locks and Dam.

Since the Belleville Hydroelectric Plant is a run-of-the-river generating facility, energy output depends on river flow. River flow is a function of weather conditions and navigational requirements. As a result, generation from hydroelectric facilities is not dispatched in response to electric system needs, but is subject to weather conditions and water releases controlled by the U.S. Army Corps of Engineers (the “Corps”) through the locks and dam, primarily for navigational purposes. However, when this occurs, OMEGA JV5 provides backup to the Belleville hydroelectric plant generation with backup generating facilities and Replacement Power which is economically dispatched by the AMP-Ohio energy control center.

Backup generating capacity is provided with electric generating facilities acquired by the JV5 Participants by (i) installing approximately 28 MW of new backup generating facilities (“Backup Generation”); and (ii) contracting with the City of Oberlin, Ohio, a JV5 Participant, for use of approximately 12 MW existing generating facilities as a backup resource (“Oberlin Generation”). OMEGA JV5 also provides backup to the Belleville Hydroelectric Facilities with Replacement Power purchased from area power suppliers to the extent it is available and economical to do so. For those occasions when Replacement Power is not available or is not economical as a backup resource, backup power requirements will be provided by the Backup Generation and Oberlin Generation.

Backup Operations

The 15 backup diesel Caterpillar generating units have been located at sites in Bowling Green, Jackson, Napoleon, Niles, Wadsworth and at the Project site. Depending on the voltages of the unit and the JV5 Participants’ distribution systems at the sites, the units are either connected directly to the distribution lines or through step-up transformers. The controls on each unit allow the unit to be operated either remotely from the energy control center located at Columbus or manually at the unit.

Replacement Power Costs and Plant Generation

| | Replacement Power Costs* (\$) | Replacement Power Energy* (MWH) | Power Generated at Hydro plant (gross MWH) | Comment |
|-------|----------------------------------|------------------------------------|---|------------------------------|
| 1993 | 7,998,987 | 215,749 | 0 | JV5 Founded |
| 1994 | 14,522,177 | 367,564 | 0 | Purchase Backup Units |
| 1995 | 15,708,197 | 359,234 | 0 | Ground breaking |
| 1996 | 17,842,641 | 366,498 | 0 | Start Transmission line |
| 1997 | 17,845,126 | 367,728 | 0 | Contractor Bankrupt |
| 1998 | 19,933,774 | 367,920 | 0 | |
| 1999* | 8,898,131 | 254,387 est. | 113,533 | Hydro on line-May |
| 2000 | 5,842,480 | 127,170 est. | 245,950 | First full year of operation |

* Belleville Hydroelectric Unit 1 began generating power and went commercial on April 21, 1999, and Belleville Hydroelectric Unit 2 went commercial on May 19, 1999.

* Does not include Oberlin capacity purchase. See "BELLEVILLE HYDROELECTRIC PROJECT – Belleville Capacity Purchase".

Source: AMP-Ohio.

See also "OMEGA JV5 – Operating and Other Financial Information".

Backup Diesel Operating Hours[†]

| LOCATION | IN SERVICE DATE | ANNUAL GENERATION (Hours) | | | | | | |
|----------------------------|-----------------|---------------------------|---------------|-----------------|---------------|-----------------|-----------------|-----------------|
| | | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | |
| Bowling Green | 2 | 7/95 | 15.45 | n/a | 40.37 | 28.34 | 105.92 | 98.57 |
| | 3 | 7/95 | 11.45 | n/a | 39.87 | 65.1 | 131.58 | 87.18 |
| | 4 | 7/95 | 7.54 | n/a | 33.87 | 52.78 | 121.82 | 56.31 |
| | 5 | 7/95 | 6.96 | n/a | 30.17 | 55.79 | 109 | 22.89 |
| Total Bowling Green | | | 41.4 | 35.70 | 144.28 | 202.01 | 468.32 | 264.95 |
| Jackson | 1 | 7/95 | 0 | n/a | 101.31 | 155.11 | 148.94 | 330.24 |
| | 2 | 7/95 | 0 | n/a | 54.81 | 141 | 247.95 | 197.97 |
| Total Jackson | | | 0 | 83.40 | 156.12 | 296.11 | 396.89 | 528.21 |
| Napoleon | 1 | 8/95 | 8.91 | n/a | 39.03 | 82.23 | 178.57 | 36.23 |
| | 2 | 8/95 | 6.69 | n/a | 37.19 | 84.7 | 168.39 | 33.53 |
| | 3 | 8/95 | 8.81 | n/a | 25.64 | 73.03 | 166.2 | 26.2 |
| Total Napoleon | | | 24.41 | 86.90 | 101.86 | 239.96 | 513.16 | 95.96 |
| Niles | 1 | 7/95 | 52.46 | n/a | 71.89 | 195.9 | 240.28 | 148.58 |
| | 2 | 7/95 | 53.1 | n/a | 82.14 | 211.31 | 194.52 | 101.25 |
| | 3 | 7/95 | 52.49 | n/a | 80.54 | 201.33 | 249.28 | 135.58 |
| Total Niles | | | 158.05 | 392.40 | 234.57 | 608.54 | 684.08 | 385.41 |
| Wadsworth | 1 | 4/95 | 128.94 | n/a | 45.37 | 116.16 | 196.95 | 151.81 |
| | 2 | 4/95 | 139.11 | n/a | 35.43 | 149.97 | 292.79 | 134.39 |
| | 3 | 4/95 | 138.97 | n/a | 41.91 | 153.47 | 238.55 | 125.54 |
| Total Wadsworth | | | 407.02 | 520.40 | 122.71 | 419.60 | 728.29 | 411.74 |
| TOTAL | | | 630.88 | 1,118.80 | 759.54 | 1,766.22 | 2,790.74 | 1,686.27 |

[†] Does not include Oberlin capacity purchase. See "BELLEVILLE HYDROELECTRIC PROJECT – Belleville Capacity Purchase".

Source: AMP-Ohio.

Environmental Regulations and Permits

| Site | Type | MW/ Unit | Number of Units | Permit to Operate Received | Emission Testing | Maximum Allowable Operating Hours (Rolling 12-Months) |
|----------------------------------|--------|---------------|--------------------|-------------------------------|---|---|
| Bowling Green | Diesel | 1.825 | 4 | Yes | Not required | 750 per unit |
| Jackson | Diesel | 1.825 | 2 | Yes | Compliance testing successfully completed 1/23/96 | 1,161 per unit |
| Napoleon | Diesel | 1.825 | 3 | Yes | Not required | 1,161 per unit |
| Niles | Diesel | 1.825 | 3 | Yes | Compliance testing successfully completed 1/18/96 | 1,161 per unit |
| Wadsworth | Diesel | 1.825 | 3 | Yes | Not required | 1,161 per unit |
| Belleville Blackstart Unit | Diesel | 0.85 | 1 | Yes | Not required | |
| Belleville Hydro Plant | Hydro | 21 | 2 | Yes | Not Applicable | Not Applicable |
| Total | | 28.225 | 18 | | | |

Source: AMP-Ohio.

The FERC license requires an annual survey to be made each summer for the endangered pink mucket pearly mussels. This requirement exists through 2003. Past survey results have shown no significant mortality of the mussel population due to the hydroelectric plant. See also "License Conditions".

Oberlin Capacity Purchase

OMEGA JV5 and the City of Oberlin, a JV5 Participant, entered into a prepaid Power Purchase Agreement dated as of May 1, 1993 (the "Capacity Purchase Agreement"), by the terms of which Oberlin dedicated certain of its generating capacity as a back-up resource to OMEGA JV5 for the Belleville Hydroelectric Project ("Dedicated Capacity"). The Dedicated Capacity is to aggregate 12 MW with OMEGA JV5 not to request more than 12,000 MWh in any 12 consecutive month period. OMEGA JV5 is obligated to make monthly payments for the Dedicated Capacity. The term of the agreement expires May 30, 2009.

FERC License

The Belleville Hydroelectric Facilities are subject to the regulatory jurisdiction of the Federal Energy Regulatory Commission ("FERC") under the provisions of Part I of the Federal Power Act. The FERC issued a license to the City of Jackson, Ohio on September 27, 1989, for a period of 50 years, to construct, operate, and maintain the Belleville Hydroelectric Facilities. See "Transfer of License" hereinafter. The term of the FERC license expires no earlier than 2039.

Licenses issued by the FERC authorize the licensee to occupy any Federal lands and works located at the project site for purposes necessary to the licensed project. The License for the Belleville Hydroelectric Facilities expressly required the Licensee to execute a site access agreement with the Corps of Engineers for access to, and site activities on, the land and property administered by the Corps. A site access agreement with the Corps for this purpose has been executed and filed with the FERC. The License additionally required the Licensee to acquire title in fee or the right to use in perpetuity all other lands necessary for the Belleville Hydroelectric Facilities. The Federal Power Act confers the right of eminent domain regarding such non-Federal property necessary to the Belleville Hydroelectric Facilities. The Licensee has obtained all necessary property rights for Project purposes. OMEGA JV5 believes it is currently in compliance with all the conditions in its FERC license.

The Federal Power Act generally pre-empts duplicative or conflicting state controls, so that hydro projects licensed by the FERC for the most part are not subject to state law siting and construction requirements. In general, state law authority is reserved only with respect to the control, appropriation, use or distribution of water used for irrigation, municipal or similar uses. No such water use is contemplated with respect to the Project. In addition, section 401 of the Federal Clean Water Act requires that all Federal licensees must obtain certification, or waiver thereof, from the State in which a project is located that any discharge into navigable waters complies with applicable provisions of the Clean Water Act. Water quality certification for the Project has been issued by West Virginia, pursuant to the state's delegated authority.

Transfer of License

On March 8, 1993, the City of Jackson, as the sole original Licensee of the Belleville Hydroelectric Facilities, applied to the FERC for a partial transfer of the License to the 42 Ohio municipalities (including Jackson) comprising the OMEGA JV5 Participants. On May 24, 1993, the FERC approved the transfer of the License to the 42 municipalities comprising OMEGA JV5 and they are subject jointly and individually to the terms and conditions of the License.

FERC Regulation

FERC regulation of the Belleville Hydroelectric Facilities under the License and the Federal Power Act generally governs project construction, operation and maintenance, including such factors as

dam safety, emergency action plans for protection of downstream life and property, effects on navigation, flood control, recreational facilities, and environmental factors, including water quality, aquatic habitat, fish and wildlife resources and vegetative resources. FERC exercises no direct authority over the rates charged for electric energy produced by the Belleville Hydroelectric Facilities, but FERC-imposed requirements which affect project operation may directly affect project costs and economics. The License for the Belleville Hydroelectric Facilities provides that power production is subordinate to river regulation by the Corps for purposes of flood control, safety, and navigation. Operational constraints imposed by the Corps may similarly affect project economics to the extent that they limit power production from time to time. The Licensee also may be required to pay annual charges and headwater benefit charges assessed by the FERC. The Federal Power Act provides that the License is subject to takeover by the United States at any time upon payment of just compensation.

License Conditions

The License is subject to a number of terms and conditions which must be complied with by the Licensee on a timely basis. A number of these impose environmental standards or involve environmental considerations. Licensees under the Federal Power Act are responsible and liable for compliance with all terms and conditions of the License that may be imposed by the FERC. Failure to timely comply with the terms and conditions of the License could subject the Licensee to civil monetary penalties, or, in an extreme situation, to revocation of the License. There are no outstanding violations or notices of possible violations of the license, or FERC inquiries regarding such matters.

Several of the License conditions may impose significant costs on the Licensee. Principal among the remaining or ongoing requirements are that the Licensee: implement a water quality monitoring plan to ensure a designated level of water quality; monitor project-induced fish mortality at the site, propose to prospectively install fish protection devices, and compensate resource agencies for fish mortality; participate in the development and testing of a bio-engineering test facility ("BETF") to test prototype fish bypass systems; provide permanent recreation facilities; and monitor the potential presence of the pink mucket pearly mussel (a species on the current federal endangered species list).

The water quality monitoring plan, which has been approved by the FERC, requires electric generation operations at the site to be shut down from time to time if necessary to maintain the required level of water quality. Permanent monitoring near the dam began in 1992 and is ongoing. The fish mortality plan, prepared and filed with the FERC could require the Licensee to install additional fish protection devices subsequent to the commencement of commercial operations, at additional cost and possible impact on power generation, or to compensate agencies for fish mortality.

The BETF requirement is a joint responsibility of several licensees in the Ohio River Basin. The concept and design for the BETF is to be submitted to the FERC for approval by the Licensee and the other licensees which are subject to its requirements. The costs of the BETF are to be shared by the participating licensees, including the Belleville Licensee. It is possible that certain state and federal resource agencies may request a more expensive BETF concept than proposed by the Licensee.

FERC approved the Licensee's plan for monitoring the pink mucket pearly mussel. The plan requires the Licensee to survey the Ohio River downstream of the Belleville site for the presence of mussel beds, and to monitor the bed nearest the site for the presence of live mussels. If mussels are located, the Licensee could be required to take measures to protect them, subject to further orders of the FERC and further consultation with state and federal resource agencies. Past survey results have shown no significant mortality of the mussel population due to the hydroelectric plant.

The Licensee's recreation plan and plans for erosion control and for toxic substance monitoring have also been approved by the FERC.

The Licensees are considering proposing modification to several requirements of the FERC License relating to the BETF fish bypass system requirement, the fish mortality study, mitigation for project-related fish mortality, and water quality monitoring. The Licensees have engaged in consultation with resource agencies concerning these issues, but no formal proceedings have been initiated proposing to modify such conditions. Amendment of some or all of these conditions, if approved by the FERC, could result in substantial project operational cost savings.

Construction History

The Belleville Hydroelectric Plant is located on the east side of the Corps' Belleville Locks and Dam on the Ohio River. The Corps completed the Belleville Locks and Dam in 1969 to aid navigation on the Ohio River. The power plant site is located in Wood County, West Virginia, approximately 14 miles southwest of Parkersburg, West Virginia.

The City of Jackson, which held the federal license for the site, began the process of developing a 42-megawatt hydroelectric generating plant at the Belleville Locks and Dam on the Ohio River, southwest of Marietta. However, city officials knew Jackson would need a partner to make Belleville hydroelectric generating plant a success.

AMP-Ohio responded and the developmental phase was launched in 1991. Following this, 42 communities formed OMEGA JV5 and committed to building the project. In 1993, the group elected officers, issued bonds to fund construction and began receiving replacement power. This replacement power is delivered to the owners of OMEGA JV5 when the hydroelectric plant is not operating.

In 1995, OMEGA JV5 broke ground on the hydroelectric plant, on schedule toward its projected completion. A transmission line route was accepted by federal regulators and transmission line design was nearly complete by year end. Five backup generation sites were installed by the end of June 1995.

By the end of 1996, about 62 percent of the total concrete work was complete. Work began on the transmission line portion of the project and was substantially complete when 1996 ended.

In 1997, construction slowed when general contractor Atkinson Construction filed for Chapter 11 reorganization on August 10. Several months were lost until the bonding company, Fidelity and Deposit of Maryland, took control of construction. In January 1998, Fidelity hired Clark Construction to manage construction of the Belleville project. Construction on the hydroelectric plant was completed in June 1999.

Transmission Arrangements

On May 11, 1995, the FERC approved an amendment to the license, authorizing the relocation of the Project transmission line route, as requested by the Licensees. The order amending the transmission line route required the Licensees to file a revised revegetation plan and a revised erosion control plan, after consultation with agencies. The amendment order also required the completion of cultural surveys and the preparation of a cultural resource management plan after consultation with the state historic preservation officers before construction, and adopted several additional conditions to assure protection of water quality and wetland resources, and for the protection of raptors. The conditions imposed by the amendment order have been met, or are being met on an ongoing basis, and construction of the

transmission line was completed as authorized in the amendment order following compliance with the FERC's pre-construction conditions.

Existing transmission service arrangements are in place to permit delivery of Project Power, including Replacement Power, to the JV5 Participants. As licensed and as completed, the Belleville Hydroelectric Facilities includes an approximate 27 mile, 138 kV transmission line. The transmission line runs from the Belleville hydroelectric plant in a southwest direction through Meigs County and interconnects with the power grid at the Rutland substation near Rutland, Ohio. The Rutland substation is owned by American Electric Power Company. Power is then transmitted to the JV5 Participants. The majority of the transmission line occupies private lands, state lands, and utilizes existing rights-of-way.

OMEGA JV5 utilizes uniform demand charges and energy rates for service at transmission voltage for all JV5 Participants, regardless of geographic area. Additional charges and losses incurred in connection with the delivery of Project power to JV5 Participants at distribution voltages would be reimbursed directly by those JV5 Participants.

West Virginia Taxes

The State of West Virginia, where the Belleville Hydroelectric Facilities are operated, imposes a business and occupation tax (W. Va. Code Sections 11-13-2m and 11-13-2n) on the generation of electric power. However, both Sections 11-13-2m and 11-13-2n provide an exemption from this tax for "municipally owned" facilities. The State of West Virginia also imposes real and personal property taxes on property located in West Virginia. The applicable statute (W. Va. Code Section 11-3-9) provides an exception for any real and personal property located in West Virginia "belonging to any city ... or any other political subdivision of another state and used for public purposes."

OMEGA JV5 is obligated to make payments in lieu of taxes annually to Wood County, West Virginia, pursuant to an agreement dated March 30, 1994 and modified on March 20, 2000 by and among OMEGA JV5, the County Commission of Wood County, the Wood County Board of Education, the Assessor of Wood County, West Virginia and the Prosecuting Attorney of Wood County, West Virginia. Future payments are due in the amount of \$839,975.22 on September 1, 2001 and each September 1 thereafter up to and including September 1, 2028. Any payments in lieu of taxes to be paid to Wood County West Virginia after September 1, 2028 will be \$800,000 per year.

Relying on the opinion of Peck, Shaffer & Williams LLP that OMEGA JV5 and the JV5 Participants are exempt from Federal income taxation, Goodwin & Goodwin LLP, Charleston, West Virginia, West Virginia Counsel is of the opinion that, other than as indicated in the preceding three paragraphs under this caption, OMEGA JV5 and the JV5 Participants are exempt from all applicable taxes under West Virginia law.

CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

The Electric Utility Industry Generally

The electric utility industry in general has been, or in the future may be, affected by a number of factors that could impact the financial condition and competitiveness of electric utilities, including the Participants and the level of utilization of generating and transmission facilities. Such factors include, among others, (a) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements, (b) changes resulting from conservation and demand-side management programs on the timing and use of electric energy, (c) changes resulting from a national energy policy, (d) effects of competition from other electric utilities (including increased competition resulting from mergers, acquisitions, and "strategic alliances" of competing electric and natural gas utilities and from

competitors transmitting less expensive electricity from greater distances over an interconnected system) and new methods of, and new facilities for, producing low-cost electricity, (e) increased competition from independent power producers, marketers, and brokers, (f) "self-generation" by certain industrial and commercial customers, (g) issues relating to the ability to issue tax-exempt obligations, (h) shifts in the availability and relative costs of different fuels (including the cost of natural gas), and (i) fluctuations in the price of energy purchased on the open market that may occur in times of high public demand in an area experiencing such high peak demand. Any of these factors (as well as other factors) could have an effect on the financial condition of any given electric utility, including any or all of the Participants, and likely will affect individual utilities in different ways. OMEGA JV5's Participants cannot determine with certainty what effects such factors will have on their respective business operations and financial condition. The following is a brief discussion of certain of these factors. However, this discussion does not purport to be comprehensive or definitive, and these matters are subject to change subsequent to the date hereof. Extensive information on the electric utility industry is, and will be, available from the legislative and regulatory bodies and other sources in the public domain, and potential purchasers of the 2001 Certificates should obtain and review such information.

Open Access Transmission Policies and RTOs

The Energy Policy Act of 1992 (the "Energy Policy Act") amended the Federal Power Act to alter fundamentally federal regulation of the electric utility industry, particularly in the area of transmission access. The purpose of these changes, in part, was to bring about increased competition in the wholesale electric power market. In particular, Section 211 of the Federal Power Act, as amended by the Energy Policy Act, provides the FERC with the authority, upon application by an electric utility, federal power marketing agency, or other power generator, to require a "transmitting utility" to provide transmission services to the applicant essentially on a cost-of-service basis. However, an order under section 211 may not be issued which would unreasonably impair the continued reliability of electric systems affected by the order, nor may any order be issued to compel wheeling to service retail loads. Municipally-owned electric utilities that own transmission facilities are "transmitting utilities" under the Energy Policy Act, and are subject to FERC's authority to order transmission service if the standards set forth in the Act for such an order are met in the application for service.

On April 24, 1996, the FERC issued two final rules to address and implement the requirements of the Energy Policy Act. The final rules effect significant changes in the regulation of transmission services provided by public utilities (as defined in the Federal Power Act) that own, operate or control interstate transmission facilities and which are subject to the FERC's jurisdiction over tariffs ("jurisdictional utilities").

One of the final rules, Order No. 888, (i) requires the provision of open access transmission services on a non-discriminatory basis by all jurisdictional utilities by requiring all such utilities to file tariffs that offer other entities seeking to effect wholesale power transactions the same transmission services they provide themselves, under comparable terms and conditions and (ii) requires non-jurisdictional utilities (including municipal and consumer-owned utilities) that purchase transmission services from FERC-jurisdictional utilities under open access tariffs and that own or control transmission facilities to, in turn, provide open access service to the transmitting utility under terms that are comparable to the service that the non-jurisdictional utility provides itself. Order No. 888 also includes provisions which, in effect, would permit utilities to recover so-called "stranded investments" for generating and other facilities from wholesale customers of a utility who choose to purchase from other power suppliers. A number of parties have sought judicial review of various aspects of Order 888. The case is pending before the United States Court of Appeals for the District of Columbia Circuit. Oral argument is scheduled to be held on November 3, 2001. The outcome of this proceeding cannot be predicted.

Order No. 889, (i) implements standards of conduct for utilities that offer open access transmission services to ensure that transmission owners and their affiliates do not have an unfair competitive advantage in using transmission to sell power and (ii) requires those utilities to establish an electronic “Open Access Same-time Information System” (OASIS) to share transmission-related information (including information about available capacity) on the Internet, and to require that those utilities also obtain information about their transmission systems for their own wholesale power transactions, such as available capacity, in the same way that their competitors do—via an OASIS.

On December 20, 1999, FERC issued Order No. 2000 on Regional Transmission Organizations (RTOs), which sets forth four minimum characteristics and eight functions for transmission entities, including independent system operators and transmission companies, that are required to become FERC-approved RTOs. The rule states that public utilities that own, operate or control interstate transmission facilities had to have filed, by October 15, 2000, either a proposal to participate in an RTO or an alternative filing describing efforts and plans to participate in an RTO. The order provides guidance and specifies minimum characteristics and functions required of an RTO and also states that all RTOs should be operational by December 15, 2001.

Neither OMEGA JV5 nor any of the Participants is directly subject to the new rules. At this time OMEGA JV5 is unable to predict what effect these new rules will have on OMEGA JV5 or the Participants.

Proposed Federal Deregulation Legislation

During several past sessions of the United States Congress, numerous bills were introduced (i) to restructure the electric utility industry, including providing choice of power suppliers at the retail level for customers of investor-owned and, under certain circumstances, consumer-owned utilities, including utilities owned by municipalities and other political subdivisions (certain of such bills included provisions relating to stranded cost recovery) and (ii) impacting the Federal tax exemption of interest on bonds issued, and to be issued, to finance or refinance facilities owned by municipalities and political subdivisions used in the wholesale and retail power supply business (in certain cases, preserving such exemption and, in other cases, negatively impacting such exemption). Certain of these bills were introduced in furtherance of proposals by the Clinton Administration to restructure the electric utility industry (including proposals relating to such Federal tax exemption). All of these bills expired without being enacted.

Because of the number and diversity of prior, pending and announced future proposed legislation on these issues, AMP-Ohio is not able to predict the final forms and possible effects of all such legislation which ultimately may be introduced in the current or future sessions of Congress. AMP-Ohio is also not able to predict whether any such legislation, after introduction, will be enacted into law, with or without amendment. Further, AMP-Ohio is unable to predict the extent to which any such electric utility restructuring legislation may have a material, adverse effect on the financial operations of the Participants.

Restructuring in Ohio

Article XVIII, §4, of the Ohio Constitution provides in part that “[a]ny municipality may acquire, construct, own, lease and operate within or without its corporate limits any public utility the product or service of which is or is to be supplied to the municipality or its inhabitants, and may contract with others for any such product or service”.

OMEGA JV5 believes that most of its members currently enjoy significant cost advantages over their neighboring investor-owned or other private electric utilities. These cost advantages may be eroded, however, as the Public Utilities Commission of Ohio implements the restructuring of the electric industry as mandated by legislation known as "Senate Bill 3" enacted by the Ohio Legislature and signed into law in July of 1999. That legislation requires, among other things, that electric service is to be "unbundled" and the generation portion of electric service can be purchased from suppliers other than the investor-owned electric utility which had theretofore provided monopoly service. This "customer choice" is effective January 1, 2001. Senate Bill 3, however, does not mandate customer choice for municipal electric systems. Unless federal regulations are adopted requiring municipalities to implement customer choice, the decision of whether an Ohio municipality remains the only authorized supplier of electricity within its corporate limits remains a decision of the local legislature. Nevertheless, customer demand may influence this decision.

Senate Bill 3 also revamped the taxes imposed by Ohio law on electric utilities. Property taxes paid by investor-owned utilities and cooperative utilities (municipal utilities do not pay property taxes directly) were significantly reduced. The prior exemption of IOUs from the State corporate franchise and municipal income taxes was repealed and the State's gross receipts tax previously applicable to sales by investor-owned utilities, cooperatives and AMP-Ohio was repealed and replaced by a kWh tax charged for each kWh distributed to an end user within the State. Municipal utilities, along with IOU's and cooperatives, charge and collect this end user tax. Municipal electric utilities, however, remit all of the tax associated with delivery to customers within their corporate limits to the community's general fund, and only kWh tax associated with delivery of kilowatt hours outside corporate limits will be remitted to the State of Ohio.

LEGAL INVESTMENTS

To the extent that the subject matters are governed by Ohio law and subject to applicable limitations under other provisions of Ohio law, the 2001 Certificates are lawful investments for banks, societies for savings, building and loan associations, savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of Ohio, the commissioners of the sinking fund of Ohio, the industrial commission, state teacher retirement system, and police and firemen's disability and pension fund of the State of Ohio, and are acceptable as security for the deposit in Ohio of public monies.

LITIGATION

OMEGA JV5 was a defendant in legal proceedings brought by its prime contractor and the surety for the Belleville hydroelectric project in which the plaintiff contractor claimed that it was entitled to additional time to complete the project (which was declared commercial over 18 months behind schedule after the plaintiff contractor filed for protection from creditors in the United States Bankruptcy Court, Northern District of California) and additional compensation of approximately \$90 million. A comprehensive settlement agreement was entered into among the parties on February 14, 2001. The settlement agreement required certain payments to be made to the surety and for all claims and counterclaims to be dismissed. The initial payments made by OMEGA JV5 were \$21.0 million within five days of the settlement agreement and \$3.8 million within 30 days of the settlement agreement, and the final payment of \$12.8 million is due within five business days of financing, but no later than 180 calendar days from January 29, 2001. After that payment, the only remaining count in the lawsuit will be dismissed, all other claims and counterclaims having been previously dismissed in accordance with the settlement agreement.

To the knowledge of OMEGA JV5, there is no pending or threatened litigation against or affecting OMEGA JV5 (i) which could have a material adverse effect upon the business, operations or property of OMEGA JV5; (ii) seeking to restrain or enjoin the issuance, sale execution or delivery of the 2001 Certificates, or (iii) in any way questioning or affecting the validity of or the security for the 2001 Certificates or any of the proceedings of OMEGA JV5 taken with respect to the issuance of sale thereof, or the existence or posers of OMEGAJV5..

Furthermore, although neither the Officers of OMEGA JV5 nor General Counsel has made inquiry for the purpose of this statement, neither Officers of OMEGA JV5 nor General Counsel has been notified of any proceeding involving any one or more of the JV5 Participants where the outcome of such proceeding as predicted by the affected JV5 Participant(s) would materially adversely affect the financial condition of the JV5 Participant or that of its Electric System to such an extent that the security of the 2001 Certificates would be materially adversely affected.

VALIDATION

On April 2, 1993, OMEGA JV5 and the Trustee commenced a validation action in the Common Pleas Court of Franklin County, Ohio. This action, authorized by Section 133.70 of the Code, sought a judicial determination that: the Trustee has authority to issue the Certificates and the JV5 Participants have authority to enter into and perform their obligations under the Joint Venture Agreement (including the obligations of the JV5 Participants to make the JV5 Participants' Payments as set forth therein) and the Trust Agreement; the Joint Venture Agreement, the Trust Agreement and the Certificates constitute (or will constitute when executed and delivered) valid and legally binding obligations of OMEGA JV5, the Trustee and each of the JV5 Participants, as the case may be, in accordance with their terms; and the proceedings taken and proposed to be taken in connection therewith are lawful.

The Common Pleas Court entered a judgment granting the judgment sought by OMEGA JV5 and the Trustee on May 13, 1993. No appeal was taken within the required time, and the judgment is now final.

LEGAL MATTERS

Legal matters incident to the issuance of the 2001 Certificates and with regard to the tax-exempt status thereof (see "TAX EXEMPTION" below) are subject to the approving legal opinion of Peck, Shaffer & Williams LLP, Special Counsel. A signed copy of such opinion, dated and speaking as of the date of original delivery of the 2001 Certificates to the Underwriters, will be delivered to the Underwriters at the time of such original delivery and a certified copy of such opinion will be printed on the back of the 2001 Certificates. A draft of such opinion is included as Appendix G hereto.

Special Counsel has performed certain functions to assist OMEGA JV5 in the preparation by OMEGA JV5 of this Offering Memorandum. However, Special Counsel has not been engaged to confirm, and assumes no responsibility for, and expresses and will express no opinion as to the accuracy, completeness or fairness of any of the statements in this Offering Memorandum or in any reports, financial information, offering or disclosure documents or other information relating to OMEGA JV5, the JV5 Participants or the 2001 Certificates that may be prepared or made available by OMEGA JV5, the JV5 Participants or others to the Owners of the 2001 Certificates or others.

The engagement of Special Counsel is limited generally to the preparation of certain of the documents contained in the transcript of proceedings, an examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above and below, and the rendering of such approving legal opinion. In its capacity as Special Counsel said firm has reviewed the

information in this Offering Memorandum under this caption and the caption "TAX EXEMPTION". Said firm has also reviewed the description of legal matters (which do not include any financial statements and other financial and statistical data included therein) in the discussion of the 2001 Certificates and the security therefor.

OMEGA JV5 has received an opinion of counsel for each JV5 Participant to the effect that, among other things, the Joint Venture Agreement is valid as to, and enforceable against, such JV5 Participant. Special Counsel's opinion likewise addresses the validity and enforceability against all the JV5 Participants of the Joint Venture Agreement.

Certain legal matters will be passed upon by Chester, Willcox & Saxbe LLP, Columbus, Ohio, as counsel to OMEGA JV5 and AMP-Ohio, and by Sidley Austin Brown & Wood LLP, New York, New York, as counsel to the Underwriters.

Peck Shaffer & Williams LLP, Special Counsel, serves as bond counsel and special counsel to several of the JV5 Participants from time to time in unrelated transactions. Sidley Austin Brown & Wood LLP, New York, New York, counsel to the Underwriters of the 2001 Certificates, has been retained by AMP-Ohio to prepare a request to the Internal Revenue Service for a private letter ruling respecting a matter unrelated to OMEGA JV5.

TAX EXEMPTION

The excess of the amount payable at maturity of the 2001 Certificates over the initial public offering prices to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) derived from the yields on the cover page at which prices a substantial amount of each maturity is sold constitutes original issue discount (the "OID"). The Internal Revenue Code of 1986, as amended (the "Code"), provides that OID accrues in accordance with a constant yield method based on the compounding of interest. The amount of OID that accrues during the period that an initial purchaser of a 2001 Certificate who acquired the 2001 Certificate at its initial public offering price owns such 2001 Certificate is added to such owner's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of the 2001 Certificate.

Special Counsel is of the opinion that, under the laws, regulations, rulings and judicial decisions in effect on the date hereof, and assuming continuing compliance by the JV5 Participants and OMEGA JV5 with certain covenants designed to meet the requirements of Section 103 of the Code, OID on the 2001 Certificates accruing pursuant to the constant yield method described above is excludible from gross income for federal income tax purposes, pursuant to the Code. Special Counsel is further of the opinion that OID on the 2001 Certificates will not be a specific item of tax preference under Section 57 of the Code for purposes of the Federal individual or corporate alternative minimum taxes. Finally, Special Counsel is of the opinion that OID on the 2001 Certificates is exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax and that OID on the 2001 Certificates is also excludible from net income base used in calculating the Ohio corporate franchise tax.

A copy of the opinion of Special Counsel for the 2001 Certificates is set forth in Appendix G, attached hereto.

The Code imposes various restrictions, conditions, and requirements relating to the qualification of the 2001 Certificates as so-called "tax-exempt" bonds. JV5 has covenanted to comply with certain restrictions designed to ensure that OID on the 2001 Certificates will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in the 2001 Certificates not qualifying as "tax-exempt bonds," and thus OID on the 2001 Certificates being includable

in the gross income of the holders thereof for Federal income tax purposes. Such failure to comply and the resulting inclusion of OID could be required retroactively to the date of issuance of the 2001 Certificates. The opinion of Special Counsel assumes compliance with these covenants. However, Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2001 Certificates may adversely affect either the federal or Ohio tax status of the 2001 Certificates.

Certain requirements and procedures contained, or referred to, in the Trust Agreement, the Tax Certificate, the Tax Regulatory Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the 2001 Certificates) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Special Counsel expresses no opinion as to the 2001 Certificates or the OID thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Peck, Shaffer & Williams LLP.

Although Special Counsel is of the opinion that OID on the 2001 Certificates will be excludible from gross income for Federal income tax purposes and the 2001 Certificates will be exempt from taxation within the State of Ohio, as described above, the ownership or disposition of, or the accrual of OID on, the 2001 Certificates may otherwise affect a holder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the holder or the holder's other items of income or deduction.

For example, although Special Counsel is of the opinion that OID on the 2001 Certificates is not a specific item of tax preference for the federal alternative minimum tax, corporations are required to include tax-exempt interest, including the OID that accrues each year on so-called "tax-exempt bonds," such as the 2001 Certificates, in determining "adjusted current earnings" under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed. Receipt of tax-exempt interest or accrual of OID, or, ownership or disposition of the 2001 Certificates may result in other collateral Federal, state or local tax consequence for certain taxpayers. Such effects may include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of Social Security or the Railroad Retirement benefits under Section 86 of the Code, and limiting the amount of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of any of the 2001 Certificates may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. In addition, original issue discount that accrues in each year to an owner of a 2001 Certificate will be included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral Federal income tax consequences discussed above. Consequently, owners of any 2001 Certificate should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral Federal income tax consequences although the owner of such 2001 Certificate has not received cash attributable to such original issue discount in such year.

Finally, residence of the holder of the 2001 Certificates in a state other than Ohio or being subject to tax in a state other than Ohio, may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the 2001 Certificates.

Special Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion. Each holder of the 2001 Certificates or potential holder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the 2001 Certificates on the tax

liabilities of the individual or entity, the treatment of OID, the tax consequences of the purchase of such 2001 Certificate other than at the issue price during the initial public offering and the treatment of OID for state tax purposes.

RATINGS

Fitch, Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services have assigned their municipal bond ratings of "AAA", "Aaa" and "AAA", respectively, to this issue of Certificates with the understanding that upon delivery of the 2001 Certificates, a policy insuring the payment when due of the principal of and interest on the Certificates will be issued by MBIA Insurance Corporation. The 2001 Certificates have been assigned underlying ratings of "A-", "A1" and "BBB", by Fitch, Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, respectively. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Fitch, Inc., One State Street Plaza, New York, New York 10004, Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgement of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2001 Certificates.

OMEGA JV5 and the JV5 Participants presently expect to furnish the rating agencies with information and material that they may request on future debt issues. However, OMEGA JV5 and the JV5 Participants assume no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, may result in the suspension or withdrawal of the ratings assigned by the rating agencies.

INDEPENDENT ACCOUNTANTS

The financial statements of OMEGA JV5 as of and for the fiscal year ended December 31, 2000 included in APPENDIX B to this Offering Memorandum, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report included in APPENDIX B hereto.

The financial information included in Appendix A of this offering document relates to the individual Participants of OMEGA JV-5 and is the responsibility of the related Participant. PricewaterhouseCoopers LLP has not examined or compiled this financial information, and accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report included in this offering document relate to OMEGA JV-5's historical financial information (see APPENDIX B). They do not extend to the financial information of the Participants and should not be read to do so.

FINANCIAL ADVISOR

New Harbor, Incorporated is serving as financial advisor to OMEGA JV5 with respect to the sale of the 2001 Certificates. The financial advisor assisted in the preparation of this Offering Memorandum and in other matters relating to the planning, structuring and issuance of the 2001 Certificates and provided other advice. New Harbor, Incorporated, will not participate as an underwriter in any offer to purchase the 2001 Certificates.

UNDERWRITING

Banc One Capital Markets, Inc., and the other underwriters shown on the cover page hereof (the "Underwriters") are offering the 2001 Certificates. The Underwriters' contract for offering the 2001 Certificates sets forth their obligation to purchase the 2001 Certificates at a price reflecting an underwriters' discount of \$244,601.94 from the sum of the offering prices derived from the yields shown on the cover page, and is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

MISCELLANEOUS

This Offering Memorandum speaks only as of its date and the information and expressions of opinion herein are subject to change. The foregoing summaries of certain provisions of Ohio statutes, the Code, the 2001 Certificates, the Joint Venture Agreement and the Trust Agreement, including the summaries in the Appendices, do not purport to be complete, and are subject to the complete provisions thereof to which reference is made. Copies of the Joint Venture Agreement and the Trust Agreement are available during the offering period from OMEGA JV5 at the address given on page iii. The definitions of certain capitalized terms used in this Offering Memorandum are set forth in Appendix C - "DEFINITIONS OF CERTAIN TERMS".

AMP-Ohio has furnished the information set forth in this Offering Memorandum relating AMP-Ohio, its Members, the Project and the other projects and the joint ventures referred to herein. The information respecting the Members and the Project has been obtained from sources believed to be reliable.

The summaries or descriptions of the 2001 Certificates and the provisions in the Trust Agreement contained herein and all references to other materials not purporting to be quoted in full, are only brief summaries of certain provisions thereof and do not constitute complete statements of such documents or provisions. Reference is hereby made to the complete documents for further information.

To the extent that any statements made in this Offering Memorandum involve matters of opinion or estimates, whether or not expressly stated to be such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by OMEGA JV5 from official and other sources and is believed by OMEGA JV5 to be reliable, but such information other than that obtained from official records of OMEGA JV5 has not been independently confirmed or verified by OMEGA JV5 and its accuracy is not guaranteed.

Neither this Offering Memorandum nor any statement which may have been made orally or in writing is to be construed as or as part of a contract with the Owners of the 2001 Certificates.

CONTINUING DISCLOSURE

On November 10, 1994, the Securities and Exchange Commission adopted in final form certain amendments (the "Amendments") to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). In general, the Amendments prohibit an underwriter from purchasing or selling municipal securities sold on or after July 3, 1995, such as the 2001 Certificates, unless it has determined that the issuer of such securities and/or other persons deemed to be "material obligated persons" have committed to provide (i) on an annual basis, certain financial information and operating data ("Annual Reports"), and, if available, audited financial statements, to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") and the relevant state information depository (if any)

and (ii) notice of various events described in the Amendments, if material ("Event Notices"), to each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB") and to any such state information depository.

OMEGA JV5 in its Continuing Disclosure Agreement will determine, that each of the 12 JV5 Participants with a 2% or more ownership interest in the Project, and a corresponding responsibility for the Bond Debt Service Payments (collectively interests that aggregate more than 80% of all such interests), is a material "obligated person" ("MOP") within the meaning of the Rule. See "OMEGA JV5 - JV5 Participants' Ownership in the Project". The acquisition and transfer of Step Up Power (See "SECURITY AND SOURCES OF PAYMENT FOR THE 2001 CERTIFICATES – Joint Venture Agreement - *Step-up Provisions*") could result in a change in the JV5 Participants that are MOPs. Each JV5 Participant that is a MOP has agreed to furnish to AMP-Ohio annually, no later than October 1 and to the extent required for AMP-Ohio to comply with the Rule, information updating the financial and operating data respecting the JV5 Participant and its Electric System, which data was included in this Offering Memorandum.

OMEGA JV5 will covenant in the Continuing Disclosure Agreement to be dated the date of delivery of the 2001 Certificates for the benefit of the holders of the 2001 Certificates to provide to each NRMSIR and to the Ohio Municipal Advisory Council, the Ohio state information depository, annually, not later than November 30 of each year commencing November 30, 2001, Annual Reports with respect to itself, as issuer and each MOP. AMP-Ohio will also provide Event Notices with respect to the 2001 Certificates to each such NRMSIR, the MSRB and the Ohio Municipal Advisory Council.

APPROVAL OF OFFERING MEMORANDUM

The execution and delivery of this Offering Memorandum have been duly authorized by the JV5 Participants collectively as OMEGA JV5.

/s/ Daryl D. Stockburger
Chairman

/s/ William J. Lyren, P.E.
Treasurer

[This page intentionally left blank]

THE OMEGA JV5 PARTICIPANTS

Table of Contents

| | <u>PAGE</u> |
|--|-------------|
| SECTION I-Participants' Peak Demand and Ownership in the Project | A-2 |
| SECTION II-Top Twelve Participants' Information | A-3 |
| SECTION III-Summary of Top Twelve Participants' Area, Population Assessed Valuation and Unemployment Rates | A-51 |
| SECTION IV-Top Twelve Participants' Residential, Industrial and Commercial Information | A-55 |

SECTION I

PARTICIPANTS' PEAK DEMAND AND OWNERSHIP IN THE PROJECT

| JV5 PARTICIPANT | 2000 | PROJECT OWNERSHIP AND | | CUMULATIVE |
|--------------------|-------------|-----------------------|-----------|------------|
| | PEAK DEMAND | ENTITLEMENT | | OWNERSHIP |
| | (Kilowatts) | (Kilowatts) | (Percent) | (Percent) |
| 1. Cuyahoga Falls | 87,837 | 7,000kW | 16.67% | 16.67% |
| 2. Bowling Green | 79,803 | 6,608 | 15.73 | 32.40 |
| 3. Niles | 64,615 | 4,463 | 10.63 | 43.03 |
| 4. Napoleon | 23,184 | 3,088 | 7.35 | 50.38 |
| 5. Jackson | 28,441 | 3,000 | 7.14 | 57.52 |
| 6. Hudson | 35,820 | 2,388 | 5.69 | 63.21 |
| 7. Wadsworth | 54,105 | 2,360 | 5.62 | 68.83 |
| 8. Oberlin | 20,630 | 1,270 | 3.02 | 71.85 |
| 9. New Bremen | 13,226 | 1,000 | 2.38 | 74.23 |
| 10. Bryan | 53,400 | 919 | 2.19 | 76.42 |
| 11. Hubbard | 12,336 | 871 | 2.07 | 78.49 |
| 12. Montpelier | 13,518 | 850 | 2.02 | 80.51 |
| 13. Minster | 16,456 | 837 | 1.99 | 82.50 |
| 14. Columbiana | 12,807 | 696 | 1.66 | 84.16 |
| 15. Wellington | 13,632 | 679 | 1.62 | 85.78 |
| 16. Versailles | 12,516 | 460 | 1.10 | 86.88 |
| 17. Monroeville | 7,197 | 427 | 1.02 | 87.90 |
| 18. Oak Harbor | 4,853 | 396 | 0.94 | 88.84 |
| 19. Lodi | 8,599 | 395 | 0.94 | 89.78 |
| 20. Pemberville | 4,020 | 386 | 0.92 | 90.70 |
| 21. Edgerton | 5,719 | 385 | 0.92 | 91.62 |
| 22. Arcanum | 4,957 | 352 | 0.84 | 92.46 |
| 23. Seville | 5,535 | 344 | 0.82 | 93.28 |
| 24. Brewster | 6,379 | 333 | 0.79 | 94.07 |
| 25. Pioneer | 6,013 | 321 | 0.76 | 94.83 |
| 26. Genoa | 3,295 | 288 | 0.69 | 95.52 |
| 27. Jackson Center | 4,131 | 281 | 0.67 | 96.19 |
| 28. Grafton | 4,616 | 269 | 0.64 | 96.83 |
| 29. Elmore | 2,969 | 244 | 0.58 | 97.41 |
| 30. Woodville | 2,657 | 209 | 0.50 | 97.91 |
| 31. Milan | 2,255 | 163 | 0.39 | 98.30 |
| 32. Bradner | 1,858 | 145 | 0.35 | 98.65 |
| 33. Beach City | 2,407 | 128 | 0.30 | 98.95 |
| 34. Prospect | 2,012 | 115 | 0.27 | 99.22 |
| 35. Haskins | 734 | 56 | 0.13 | 99.35 |
| 36. Lucas | 854 | 54 | 0.13 | 99.48 |
| 37. Arcadia | 937 | 46 | 0.11 | 99.59 |
| 38. South Vienna | 794 | 45 | 0.11 | 99.70 |
| 39. Waynesfield | 1,197 | 35 | 0.08 | 99.78 |
| 40. Eldorado | 1,124 | 35 | 0.08 | 99.86 |
| 41. Republic | 730 | 35 | 0.08 | 99.94 |
| 42. Custar | 604 | 24 | 0.06 | 100.00 |
| TOTAL | 628,772kW | 42,000kW | 100.00% | |

SECTION II
Top Twelve Participants' Information

CUYAHOGA FALLS

| | |
|-----------------------------|---------|
| JV5 Project Rank | 1 |
| JV5 Project Percentage | 16.67% |
| Municipality Established | 1836 |
| Electric System Established | 1888 |
| County | SUMMIT |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 87,837 |

Location, Population and Government: The City of Cuyahoga Falls is a charter city located in Summit County, approximately 30 miles southeast of Cleveland, in the northeast quadrant of the state. A Mayor, who is elected to a four-year term, and a city council of 11 members, including a Council President, govern the City. Three council members are elected at-large for four-year terms, and eight members are elected from wards for two-year terms. The table below sets forth historical population figures for Cuyahoga Falls since 1970.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 43,890 |
| 1990 | 48,950 |
| 2000 | 49,278 |

Source: U.S. Bureau of Census

Economic Base: Cuyahoga Falls' economy is based on a mix of industrial and commercial development. The City's major industries include health care, retail sales, hospitality, dairy products and light industrials.

The following table provides a summary of certain economic indicators for the City of Cuyahoga Falls.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------------------|--------------|--------------|--------------|--------------|
| Cuyahoga Falls | \$66,396,000 | \$45,248,360 | \$59,986,495 | \$55,669,110 |

Source: City of Cuyahoga Falls

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------------------|---------------|---------------|---------------|---------------|
| Cuyahoga Falls | \$754,741,609 | \$772,178,098 | \$793,554,509 | \$877,820,775 |

Source: City of Cuyahoga Falls

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------------------|-------------|-------------|-------------|-------------|
| Cuyahoga Falls | 3.1% | 2.8% | 2.9% | 2.8% |

Source: Ohio Bureau of Employment Services

Electric System: Authority over the Cuyahoga Falls electric system, established in 1888, is vested in the City Council. A superintendent, who reports in turn to the director of public service, manages the electric system. The municipal electric system serves a community covering approximately 27.4 square miles, and also partially serves the adjoining city of Stow. Cuyahoga Falls does not exercise its right to exclusively serve within its city limits, and several commercial and industrial customers are served by Ohio Edison within the city limits.

Cuyahoga Falls is in the Ohio Edison Transmission Service area. In 2000, Cuyahoga Falls purchased 100% of its power from AMP-Ohio or through the AMP-Ohio sponsored OMEGA JV5 (the Belleville project). The City utility owns and maintains 202 miles of transmission and distribution lines and has 11 substations. The City has a 600-kilowatt back-up diesel generator at its water treatment plant. In 2000, the Cuyahoga Falls electric system employed 49 people.

The City also is the site of 9 megawatts of diesel generation owned by the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1), which was formed in October 1992 so that the 21 municipalities in AMP-Ohio's Northeast AMP-Ohio Service Group could jointly own and operate the generating units known as the Engle Units. Cuyahoga Falls has a 21.05% ownership interest in the Engle Units.

The City is also a member of OMEGA JV2, a joint venture of 36 Ohio municipalities, that has acquired, and installed near the loads they serve, gas-fired and diesel generating units for peaking and other power supply purposes. An "Owner Participant" with a 7.46% undivided ownership interest in these units, the City is also a "Financing Participant" responsible for 9.52% (subject to an increase of up to 25% of such percentage) of the debt service on the \$50,260,000 bonds issued by AMP-Ohio to finance a portion of the cost of these units. Debt service on these AMP-Ohio bonds is approximately \$4 million annually for 20 years ending January 1, 2021. See "AMERICAN MUNICIPAL POWER-OHIO, INC. – Other Projects and Services – JVs 1, 2 and 4" in the body of this Official Statement.

In 2000, the Cuyahoga Falls electric system served 23,123 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | KWh Purchased (2000) | % of Total System Revenues |
|---------------------------|------------------|-------------------------|----------------------------------|
| 1. JPS Packaging | Food packaging | 11,564,400 | 2.05% |
| 2. Falls General Hospital | Medical care | 9,465,600 | 1.81 |
| 3. GoJo Industries | Hand cleaners | 8,508,000 | 1.77 |
| 4. Americhem | Pigments | 9,384,160 | 1.77 |
| 5. Alsides | Vinyl windows | 6,709,200 | 1.44 |

In 2000, the electric system also provided to the City of Cuyahoga Falls with 7,873,475 kWh for general municipal purposes.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

CUYAHOGA FALLS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--|------------------|------------------|------------------|---------------|
| Beginning Balance 1/1 | \$ 21,109,390 | \$ 24,298,664 | \$ 27,849,036 | \$ 32,093. |
| Power Sales | \$ 22,539,289 | \$ 24,958,135 | \$ 26,978,763 | \$ 26,523. |
| Other Income | <u>65,494</u> | <u>68,294</u> | <u>112,294</u> | <u>179.</u> |
| Total Revenue | \$ 22,604,783 | \$ 25,026,429 | \$ 27,091,588 | \$ 26,702. |
| Power Costs | \$ 10,268,983 | \$ 11,824,982 | \$ 12,249,772 | \$ 13,252 |
| O&M Expense | <u>6,588,344</u> | <u>6,891,395</u> | <u>7,663,370</u> | <u>6,488.</u> |
| Total Operating Expenses | \$ 16,857,327 | \$ 18,716,377 | \$ 19,913,142 | \$ 19,741. |
| Net Revenue Available for Debt Service | \$ 5,747,456 | \$ 6,310,052 | \$ 7,177,915 | \$ 6,960. |
| OMEGA JV5 Debt Service (1) | <u>1,463,272</u> | <u>1,652,334</u> | <u>1,818,531</u> | <u>1,818.</u> |
| Net Revenue after JV5 Debt Service | \$ 4,284,184 | \$ 4,657,718 | \$ 5,359,384 | \$ 5,141. |
| General Obligation Notes Debt Service (2)(3) | 327,776 | 324,043 | 324,261 | 369. |
| Depreciation | 767,134 | 783,303 | 790,365 | 817 |
| Ending Balance 12/31 (4) | \$ 24,298,664 | \$ 27,849,036 | \$ 32,093,794(5) | \$ 36,048,63 |

The following chart details the outstanding debt for the Cuyahoga Falls Electric System:

| <u>Type</u> | <u>12/31/1997</u> | <u>12/31/1998</u> | <u>12/31/1999</u> | <u>12/31/2000</u> |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| General Obligation Notes | \$ 3,315,983 | \$ 3,181,311 | \$ 3,031,639 | \$ 2,870 |

- (1) The City's allocable share of debt service on the 1993 Certificates.
- (2) Debt service on general obligation indebtedness issued for the benefit of the City's Electric System. Such indebtedness has no lien on the revenues of the City's Electric System but is payable from such revenues.
- (3) The debt service on the City's General Obligation notes issued for the benefit of the City's Electric System.
- (4) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.
- (5) Does not reflect capital lease payments of approximately \$15,000 in each of 1999 and 2000.

BOWLING GREEN

| | |
|-----------------------------|---------|
| JV5 Project Rank | 2 |
| JV5 Project Percentage | 15.73% |
| Municipality Established | 1833 |
| Electric System Established | 1942 |
| County | WOOD |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 79,803 |

Location, Population and Government: The City of Bowling Green is a charter city located in Wood County, approximately 15 miles south of Toledo, in the northwest quadrant of the state. The Mayor, who is elected to a four-year term, and a city council of seven members, including a Council President, governs the City. The table below sets forth historical population figures for Bowling Green since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 25,728 |
| 1990 | 28,176 |
| 2000 | 29,636 |

Source: U.S. Bureau of Census

Electric System: Authority over the Bowling Green electric system, established in 1942, is vested in the Board of Public Utilities. A Superintendent, who reports in turn to the Director of Utilities, manages the municipal electric system. The municipal electric system serves a community covering 10.01 square miles, and also serves the adjoining Village of Portage with retail power and the Village of Tontogany as a wholesale provider. In 2000, sales to Tontogany totaled \$218,467, or approximately 1 percent of total system revenues. Bowling Green provides exclusive service to all electric consumers within its city limits.

Bowling Green is in the First Energy Transmission Service Area. In 2000, Bowling Green purchased 100% of its power from AMP-Ohio or through the AMP-Ohio sponsored OMEGA JV3 or OMEGA JV5 (the Belleville project). The City utility owns and maintains 220 miles of transmission and distribution lines and has six substations. The City does not own any generating facilities. In 2000, the Bowling Green utility employed 38 people.

The City is also a member of OMEGA JV2, a joint venture of 36 Ohio municipalities, that has acquired, and installed near the loads they serve, gas-fired and diesel generating units for peaking and other power supply purposes. An "Owner Participant" with a 14.32% undivided ownership interest in these units, the City is also a "Financing Participant" responsible for 18.27% (subject to an increase of up to 25% of such percentage) of the debt service on the \$50,260,000 bonds issued by AMP-Ohio to finance a portion of the cost of these units. Debt service on these AMP-Ohio bonds is approximately \$4 million annually for 20 years ending January 1, 2021. See "AMERICAN MUNICIPAL POWER-OHIO, INC. – Other Projects and Services – *JVs 1, 2 and 4*" in the body of this Official Statement.

In 2000, the Bowling Green electric system served 12,762 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|-------------------------|------------------|--------------------|---------------------------------|
| 1. BGSU | University | 77,598,000 | 17.33% |
| 2. Cooper – Main Street | Manufacturing | 23,436,000 | 5.33 |
| 3. Southeastern Cont | Manufacturing | 24,548,000 | 5.48 |
| 4. Cooper – Van Camp | Manufacturing | 10,735,200 | 2.36 |
| 5. Lear | Manufacturing | 14,669,100 | 3.27 |

The electric system also provided service to the City of Bowling Green in 2000 totaling 2,419,892 kWh for general municipal purposes.

Economic Base: Bowling Green's economy is based on a mix of industrial and commercial development. The City's major industries include higher education, hospitality, and light industrials.

The following table provides a summary of certain economic indicators for the City of Bowling Green.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------------|--------------|--------------|--------------|--------------|
| Bowling Green | \$48,137,935 | \$42,061,891 | \$49,453,672 | \$53,996,242 |

Source: City of Bowling Green – Zoning Permits (Wood County Office of Building Inspection for Year 2000)

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------------|-------------|---------------|---------------|---------------|
| Bowling Green | 273,595,404 | \$285,693,825 | \$374,910,657 | \$390,615,169 |

Source: Wood County Auditor's Office

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------------|-------------|-------------|-------------|-------------|
| Bowling Green | 3.6% | 3.4% | 3.3% | 3.4% |

Source: Ohio Bureau of Employment Services

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

BOWLING GREEN

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|--|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 13,238,683 | \$ 13,558,205 | \$ 12,406,525 | \$ 12,719,026 |
| Power Sales | \$ 19,324,281 | \$ 19,624,545 | \$ 20,977,915 | \$ 22,604,472 |
| Other Income | <u>734,923</u> | <u>981,150</u> | <u>891,802</u> | <u>911,110</u> |
| Total Revenue | \$ 20,059,204 | \$ 20,605,695 | \$ 21,869,717 | \$ 23,515,582 |
| Power Costs | \$ 13,585,526 | \$ 14,085,334 | \$ 14,368,816 | \$ 17,107,188 |
| O&M Expense | 2,651,609 | 3,300,031 | 2,765,180 | 2,994,970 |
| Payment in Lieu of Taxes (2) | <u>1,281,020</u> | <u>1,194,538</u> | <u>1,258,675</u> | <u>638,193</u> |
| Total Operating Expenses | \$ 17,518,155 | \$ 18,579,903 | \$ 18,392,671 | \$ 20,740,351 |
| Net Revenue Available for Debt Service | \$ 2,541,049 | \$ 2,025,792 | \$ 3,477,046 | \$ 2,775,231 |
| OMEGA JV5 Debt Service (3) | <u>1,381,329</u> | <u>1,559,803</u> | <u>1,716,694</u> | <u>1,717,066</u> |
| Net Revenue after JV5 Debt Service | \$ 1,159,720 | \$ 465,989 | \$ 1,760,352 | \$ 1,058,165 |
| GO/AMP-Ohio Loan Debt Service (4)(5)(6) | 204,973 | 813,659 | 477,741 | 840,077 |
| Depreciation | 635,225 | 804,010 | 970,110 | 943,062 |
| Ending Balance 12/31 (7) | \$ 13,558,205 | \$ 12,406,525 | \$ 12,719,026 | \$ 11,994,052 |

The following chart details the outstanding debt for the Bowling Green Electric System:

| <u>Type</u> | <u>12/31/97</u> | <u>12/31/98</u> | <u>12/31/99</u> | <u>12/31/00</u> |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| General Obligation Notes (5) | \$ 1,375,000 | \$ 1,225,000 | \$ 1,165,000 | \$ 1,130,000 |
| AMP-Ohio Loans (6) | \$ 5,785,000 | \$ 5,605,000 | \$ 6,529,100 | \$ 7,809,000 |

(1) Extracted from the City's unaudited financial statements. The financial data has not been adjusted to reflect full accrual basis.

(2) Payments pursuant to an ordinance passed by the City that required 6%, reduced to 3% in 2000, of Electric Fund revenue to be transferred to the City's General Fund. It has been replaced by a kWh tax beginning 4/1/01.

(3) The City's allocable share of debt service on the 1993 Certificates.

(4) Debt service on general obligation indebtedness issued and indebtedness for AMP-Ohio Loans incurred for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from such revenues.

(5) The debt service on the City's GO notes issued for the benefit of the City's Electric System is as follows:

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--|-------------|-------------|-------------|-------------|
| | \$ 204,973 | \$ 196,694 | \$ 102,371 | \$ 93,088 |

(6) The debt service associated with the principal amount of the AMP-Ohio Loans shown above is as follows:

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--|-------------|-------------|-------------|-------------|
| | \$ 0 | \$ 616,965 | \$ 375,370 | \$ 746,989 |

(7) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.

NILES

| | |
|-----------------------------|----------|
| JV5 Project Rank | 3 |
| JV5 Project Percentage | 10.63% |
| Municipality Established | 1843 |
| Electric System Established | 1892 |
| County | TRUMBULL |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 64,615 |

Location, Population and Government: The City of Niles is a statutory city located in Trumbull County, sixty miles southeast of Cleveland, approximately ten miles from the Pennsylvania border, in the northeast quadrant of the state. The Mayor, who is elected to a four-year term, and a City Council of eight members, including a Council President, governs the City. Council members are elected to two-year terms. The table below sets forth historical population figures for Niles since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 23,088 |
| 1990 | 21,000 |
| 2000 | 20,932 |

Source: U.S. Bureau of Census

Electric System: Authority over Niles' electric system, established in 1892, is vested in the Mayor and City Council. A superintendent who is appointed by the Mayor manages the electric system. The Niles electric system serves 12 square miles within the city limits. The electric system also serves part of Howland Township, part of the communities of Howland, Warren, McDonald Village, McKindley Heights, Mineral Ridge and Weatherfield Township. In 2000, sales to these communities totaled \$3,477,856.

Niles is in the former Ohio Edison Transmission Service Area. In 2000, Niles purchased 100% of its power from AMP-Ohio. Niles, as a member of the Northeast AMP-Ohio Service Group, is one of the 21 municipalities that formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1) in October 1992 for the purposes of jointly owning and operating 9 megawatts of generation, known as the Engle Units, which are sited in Cuyahoga Falls. The City has a 17.71% ownership in the Engle Units. Niles owns and maintains 475 miles of transmission and distribution lines and has 17 distribution stations. As of 2000, Niles' utility system employed 43 people.

The City is also a member of OMEGA JV2, a joint venture of 36 Ohio municipalities, that has acquired, and installed near the loads they serve, gas-fired and diesel generating units for peaking and other power supply purposes. An "Owner Participant" with a 11.49% undivided ownership interest in these units, the City is also a "Financing Participant" responsible for 14.65% (subject to an increase of up to 25% of such percentage) of the debt service on the \$50,260,000 bonds issued by AMP-Ohio to finance a portion of the cost of these units. Debt service on these AMP-Ohio bonds is approximately \$4 million annually for 20 years ending January 1, 2021. See "AMERICAN MUNICIPAL POWER-OHIO, INC. - Other Projects and Services - JVs 1, 2 and 4" in the body of this Official Statement.

In 2000, the Niles electric system served 11,781 residential, commercial and industrial customers. The following table lists the Niles' five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|-------------------------|-----------------------|--------------------|---------------------------------|
| 1. General Electric Co. | Manufacturing | 28,737,300 | 6.16% |
| 2. Dinesol Plastics | Plastics | 17,546,640 | 4.08 |
| 3. Super K mart | Retail Distribution | 5,772,000 | 1.61 |
| 4. EASCO | Aluminum manufacturer | 9,550,400 | 2.44 |
| 5. Bob Hendricks | Steel Manufacturer | 4,894,800 | 1.13 |

The electric system also provided the City of Niles with 11,683,000 kWh for general municipal purposes.

Economic Base: Niles' economy is based largely on commerce and manufacturing. The City's major industries include retail sales and the manufacturing of lamps and various aluminum and titanium products.

The following table provides a summary of certain economic indicators for the City of Niles and Trumbull County.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--------------|--------------|--------------|--------------|--------------|
| Niles | \$14,748,512 | \$89,522,031 | \$22,130,347 | \$10,697,052 |

Source: City of Niles Office of Building Inspector

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--------------|---------------|---------------|---------------|---------------|
| Niles | \$248,345,451 | \$253,854,374 | \$295,557,667 | \$294,049,057 |

Source: Trumbull County Auditor's Office, City of Niles

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--------------|-------------|-------------|-------------|-------------|
| Niles | 5.3% | 5.7% | 4.3% | 5.1% |

Source: Ohio Bureau of Employment Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

NILES

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|--|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 11,598,699 | \$ 13,441,472 | \$ 15,039,131 | \$ 14,167,414 |
| Power Sales | \$ 17,765,225 | \$ 18,470,677 | \$ 18,825,519 | \$ 18,866,163 |
| Other Income | <u>46,347</u> | <u>64,015</u> | <u>56,365</u> | <u>65,743</u> |
| Total Revenue | \$ 17,811,572 | \$ 18,534,692 | \$ 18,881,884 | \$ 18,931,906 |
| | | | | |
| Power Costs (2) | \$ 11,426,125 | \$ 12,277,472 | \$ 14,174,296 | \$ 13,751,225 |
| O&M Expense | <u>3,353,900</u> | <u>3,365,859</u> | <u>4,179,640</u> | <u>2,695,690</u> |
| Total Operating Expenses | \$ 14,780,025 | \$ 15,643,331 | \$ 18,353,936 | \$ 16,446,915 |
| | | | | |
| Net Revenue Available for Debt Service | \$ 3,031,547 | \$ 2,891,361 | \$ 527,948 | \$ 2,484,991 |
| OMEGA JV5 Debt Service (3) | <u>932,940</u> | <u>1,053,481</u> | <u>1,159,444</u> | <u>1,159,695</u> |
| Net Revenue after JV5 Debt Service | \$ 2,098,607 | \$ 1,837,880 | \$ (631,496) | \$ 1,325,296 |
| | | | | |
| Depreciation | 255,834 | 240,221 | 240,221 | 295,360 |
| | | | | |
| Ending Balance 12/31 (4) | \$ 13,441,472 | \$ 15,039,131 | \$ 14,167,414 | \$ 15,197,350 |

- (1) Extracted from the City's unaudited financial statements.
- (2) Power costs include all payments owing under the Gorsuch Station power sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.
- (3) The City's allocable share of debt service on the 1993 Certificates.
- (4) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.

NAPOLEON

| | |
|-----------------------------|---------|
| JV5 Project Rank | 4 |
| JV5 Project Percentage | 7.35% |
| Municipality Established | 1848 |
| Electric System Established | 1894 |
| County | HENRY |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 23,184 |

Location, Population and Government: The City of Napoleon is a charter city located in Henry County, 25 miles southwest of Toledo, in the northwest quadrant of the state. The City is governed by council-manager form of government. A six-member city council is elected to a four-year term. The Mayor is elected separately and serves a four-year term as a ceremonial head of the city with limited powers and duties. The table below sets forth historical population figures for Napoleon since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 8,614 |
| 1990 | 8,884 |
| 2000 | 9,318 |

Source: U.S. Bureau of Census

Electric System: Authority over Napoleon’s electric system, established in 1894, is vested in the City Council. An Electric System Superintendent, who is appointed by the City Manager, manages the electric system.

Napoleon is in the Toledo Edison Transmission Service Area. In 2000, Napoleon purchased 100% of its power from AMP-Ohio. Napoleon exercises its right to serve within its city limits on an exclusive basis. Napoleon owns and maintains 466 miles of transmission and distribution lines and has three 69-kilovolt substations and one 138-kilowatt substation. As of 2000, Napoleon’s electric system employed 15 people.

The City is also a member of OMEGA JV2, a joint venture of 36 Ohio municipalities, that has acquired, and installed near the loads they serve, gas-fired and diesel generating units for peaking and other power supply purposes. The City is an “Owner Participant” with a 0.20% undivided ownership interest in these units. As a “Non-Financing Participant”, the City is not responsible for any portion of the debt service on the \$50,260,000 bonds issued by AMP-Ohio to finance a portion of the cost of these units. See “AMERICAN MUNICIPAL POWER-OHIO, INC. – Other Projects and Services – JVs 1, 2 and 4” in the body of this Official Statement.

In 2000, the Napoleon electric system served 5,754 residential, commercial, municipal and industrial customers. The following table lists the Napoleon’ five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|------------------------------|---------------------|--------------------|---------------------------------|
| 1. Clevite Elastomers | Automotive Prod. | 16,228,800 | 10.5% |
| 2. Vision Molded Plastic | Plastics | 14,282,400 | 9.2 |
| 3. Cloverleaf Cold Storage | Storage | 9,188,400 | 5.9 |
| 4. LDM Technologies | Manufacturing | 6,351,840 | 4.1 |
| 5. Advanced Drainage Systems | Polymer engineering | 4,888,800 | 2.83 |

Economic Base: Napoleon` economy is based largely on agriculture and manufacturing. The Napoleon area`s major industries include canning and the manufacturing of plastics and automobile parts.

The following table provides a summary of certain economic indicators for the City of Napoleon.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------------|-------------|-------------|-------------|-------------|
| Napoleon | \$4,044,180 | \$5,004,557 | \$5,066,085 | \$3,757,826 |

Source: City of Napoleon Building Department

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------------|---------------|---------------|---------------|---------------|
| Napoleon | \$119,956,467 | \$121,446,077 | \$141,835,256 | \$138,828,427 |

Source: Henry County Auditor, City of Napoleon

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-----------------|-------------|-------------|-------------|-------------|
| Napoleon | 5.4% | 5.3% | 5.6% | 4.8% |

Source: Ohio Bureau of Employment Services

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

NAPOLEON

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|--|------------------|------------------|------------------|-------------------|
| Beginning Balance 1/1 | \$ 13,901,201 | \$ 14,741,377 | \$ 14,359,990 | \$ 14,899,794 |
| Power Sales | \$ 9,409,323 | \$ 9,483,243 | \$ 10,659,234 | \$ 10,730,560 |
| Other Income | <u>381,831</u> | <u>522,115</u> | <u>411,297</u> | <u>621,962</u> |
| Total Revenue | \$ 9,791,154 | \$ 10,005,358 | \$ 11,070,531 | \$ 11,352,522 |
| Power Costs (2) | \$ 6,160,037 | \$ 6,722,033 | \$ 7,418,828 | \$ 6,890,868 |
| O&M Expense | <u>1,888,392</u> | <u>2,484,021</u> | <u>1,820,793</u> | <u>1,702,887</u> |
| Total Operating Expenses | \$ 8,048,429 | \$ 9,206,054 | \$ 9,239,621 | \$ 8,593,755 |
| Net Revenue Available for Debt Service | \$ 1,742,725 | \$ 799,304 | \$ 1,830,910 | \$ 2,758,767 |
| OMEGA JV5 Debt Service (3) | <u>645,512</u> | <u>728,915</u> | <u>802,232</u> | <u>802,406</u> |
| Net Revenue after JV5 Debt Service | \$ 1,097,213 | \$ 70,389 | \$ 1,028,678 | \$ 1,956,361 |
| General Obligation Note Debt Service (4) | --- | 194,394 | 234,584 | 256,092 |
| Depreciation | 257,037 | 257,382 | 254,290 | 247,737 |
| Ending Balance 12/31 (5) | \$ 14,741,377 | \$ 14,359,990 | \$ 14,899,794 | \$ 16,352,326 (6) |

The following chart details the outstanding debt for the Napoleon Electric System:

| <u>Type</u> | <u>12/31/97</u> | <u>12/31/98</u> | <u>12/31/99</u> | <u>12/31/00</u> |
|--------------------------|-----------------|-----------------|-----------------|-----------------|
| General Obligation Notes | \$ 0 | \$ 3,236,250 | \$ 3,140,000 | \$ 3,030,000 |

- (1) Extracted from the City's unaudited financial statements.
- (2) Power costs include all payments owing under the Gorsuch Station power sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.
- (3) The City's allocable share of debt service on the 1993 Certificates.
- (4) Debt service on general obligation indebtedness issued for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from such revenues.
- (5) Ending balance reflects the principal reduction of debt whereas GAAP balance would not
- (6) Includes \$324,941 which is restricted for payment of principal and interest.

JACKSON

| | |
|-----------------------------|---------|
| JV5 Project Rank | 5 |
| JV5 Project Percentage | 7.14% |
| Municipality Established | 1893 |
| Electric System Established | 1890 |
| County | JACKSON |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 28,441 |

Location, Population and Government: The City of Jackson is a statutory city and the county seat of Jackson County, approximately 70 miles south and slightly east of Columbus, in the southeast quadrant of the state. The Mayor and a City Council of seven members govern the City. The table below sets forth historical population figures for Jackson since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 6,675 |
| 1990 | 6,167 |
| 2000 | 6,184 |

Source: U.S. Bureau of Census

Electric System: Authority over the Jackson electric system, established in 1890, is vested in the City Council. A Superintendent, who reports in turn to the Safety/Service Director, manages the electric system. The municipal electric system serves a community covering 5.3 square miles. Jackson serves all electric customers within its city limits.

Jackson is in the Columbus Southern Power Transmission Service Area. In 2000, Jackson purchased 60% of its power from AMP-Ohio and the remaining 40% from Columbus Southern Power. The City utility owns and maintains 50 miles of transmission and distribution lines and has five substations. In 2000, the Jackson municipal electric department employed 18 people.

In 2000, the Jackson electric system served 3,956 residential, commercial and industrial customers. The following table lists the Jackson's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|----------------------|------------------|--------------------|---------------------------------|
| 1. Luigino's | Food processing | 48,081,890 | 25% |
| 2. Meridian | Tire & rubber | 9,473,998 | 10 |
| 3. Wal-Mart | Retail Sales | 5,857,200 | 5 |
| 4. Jackson Corp. | Plastic Molding | 4,619,099 | 3 |
| 5. Holzer Save-A-Lot | Medical | 1,160,400 | 1 |

The electric system also provided service to the City of Jackson in 2000 totaling 326 mgh for general municipal purposes.

Economic Base: Jackson’s economy is based on a mix of industrial and commercial development. The City’s major industries include frozen foods, fresh vegetables, home improvement products and light industrials.

The following table provides a summary of certain economic indicators for the City of Jackson.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|-------------|-------------|--------------|-------------|
| Jackson | \$3,610,194 | \$3,973,420 | \$42,476,959 | \$7,785,356 |

Source: City of Jackson – Yearly Building Permit Lists

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|--------------|--------------|--------------|---------------|
| Jackson | \$85,667,147 | \$84,560,118 | \$99,887,110 | \$105,426,281 |

Source: City of Jackson – General Purpose Financial Statements

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|-------------|-------------|-------------|-------------|
| Jackson | 7.8% | 6.0% | 6.3% | 6.6% |

Source: Ohio Bureau of Employment Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

JACKSON

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|--|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ (414,623) | \$ (142,251) | \$ 1,493,100 | \$ 2,269,294 |
| Power Sales | \$ 7,986,880 | \$ 8,724,196 | \$ 9,185,863 | \$ 9,525,413 |
| Other Income | <u>248,801</u> | <u>274,927</u> | <u>149,559</u> | <u>124,328</u> |
| Total Revenue | \$ 8,235,681 | \$ 8,999,123 | \$ 9,335,422 | \$ 9,649,741 |
| Power Costs (2) | \$ 4,021,529 | \$ 3,985,047 | \$ 4,859,794 | \$ 4,862,550 |
| O&M Expense | <u>2,120,713</u> | <u>1,395,111</u> | <u>1,596,951</u> | <u>1,782,413</u> |
| Total Operating Expenses | \$ 6,142,242 | \$ 5,380,158 | \$ 6,456,745 | \$ 6,644,963 |
| Net Revenue Available for Debt Service | \$ 2,093,439 | \$ 3,618,965 | \$ 2,878,677 | \$ 3,004,778 |
| OMEGA JV5 Debt Service (3) | 627,117 | 708,143 | 779,371 | 779,540 |
| Mortgage Revenue Bonds (4) | <u>1,120,014</u> | <u>1,191,940</u> | <u>1,255,638</u> | <u>1,189,827</u> |
| Net Revenue after Senior Debt Service | \$ 346,308 | \$ 1,718,882 | \$ 843,668 | \$ 1,035,411 |
| Depreciation | 73,936 | 83,531 | 67,474 | 114,405 |
| Ending Balance 12/31 (5) | \$ (142,251) | \$ 1,493,100 | \$ 2,269,294 | \$ 3,190,300 |

The following chart details the outstanding debt for the Jackson Electric System:

| <u>Type</u> | <u>12/31/1997</u> | <u>12/31/1998</u> | <u>12/31/1999</u> | <u>12/31/2000</u> |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Mortgage Revenue Bonds Payable | \$ 5,910,000 | \$ 5,635,000 | \$ 5,350,000 | \$ 5,050,000 |

- (1) Extracted from the City's unaudited financial statements.
- (2) Power costs include all payments owing under the Gorsuch Station power sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.
- (3) The City's allocable share of debt service on the 1993 Certificates.
- (4) The debt service on the City's Mortgage Revenue Bonds payable from the net revenues of the City's Electric System on a parity with its debt service payments to OMEGA JV5.
- (5) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.

HUDSON

| | |
|-----------------------------|---------|
| JV5 Project Rank | 6 |
| JV5 Project Percentage | 5.69% |
| Municipality Established | 1837 |
| Electric System Established | 1911 |
| County | SUMMIT |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 35,820 |

Location, Population and Government: The City of Hudson is a charter city located in Summit County, 20 miles southeast of Cleveland, in the northeast quadrant of the state. A Mayor/City Manager form of government governs the City. A seven-member village council, four of whom are elected to two-year terms and three to four-year terms, elects the Mayor to a four-year term. In 1994, the Village of Hudson and Hudson Township merged to create the City of Hudson. The table below sets forth historical population figures for Hudson since 1980:

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 4,615 |
| 1990 | 5,159 |
| 2000 | 22,439 |

Source: U.S. Bureau of Census

Electric System: Authority over Hudson’s electric system, established in 1911, is vested in the City Council. The Director of Electric Utilities, who is appointed by the City Council, manages the electric system. Hudson exercises its right to serve exclusively within the city limits.

Hudson is in the Ohio Edison Transmission Service area. In 2000, Hudson purchased 100% of its power from AMP-Ohio. As a member of the Northeast AMP-Ohio Service Group, Hudson is one of the 21 municipalities that formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1) in October 1992 for the purposes of jointly owning and operating 9 megawatts of generation, known as the Engle Units, which are sited in Cuyahoga Falls. Hudson has a 10.37% ownership interest in the Engle Units. Hudson owns and maintains 170 miles of transmission and distribution lines and has four substations. As of 2000, Hudson’s electric system employed 19 people.

In 2000, The City’s electric system served 6,144 residential, commercial, municipal and industrial customers. The following table lists Hudson’s five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|---------------------------|------------------|--------------------|---------------------------------|
| 1. Allstate Insurance Co. | Insurance | 10,656,000 | 7.1% |
| 2. Albrecht Grocery Co. | Grocery | 2,956,800 | 2.0 |
| 3. Board of Education | Education | 2,745,600 | 1.8 |
| 4. Konica Quality Photo | Photo Finishing | 2,736,000 | 1.81 |
| 5. Laurel Lake Mgmt. Inc. | Senior Care | 2,620,800 | 1.81 |

The Electric System also provided service to the Village Town Hall, wastewater treatment plant and the water treatment plant of Hudson for general municipal purposes.

Economic Base: Hudson's economy is based largely on financial services and retail sales. The Hudson area's major industries include insurance, telephone corporate headquarters and grocery sales.

The following table provides a summary of certain economic indicators for the City of Hudson.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|---------------|--------------|--------------|--------------|--------------|
| Hudson | \$49,368,420 | \$44,840,592 | \$44,400,383 | \$47,644,753 |

Source: City of Hudson

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|---------------|---------------|---------------|---------------|---------------|
| Hudson | \$665,533,350 | \$678,541,108 | \$688,091,120 | \$718,873,090 |

Source: City of Hudson

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|---------------|-------------|-------------|-------------|-------------|
| Hudson | 4.2% | 3.8% | 4.1% | 3.7% |

Source: Ohio Department of Job and Family Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

HUDSON

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|---|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 3,280,749 | \$ 5,023,449 | \$ 7,027,748 | \$ 9,080,902 |
| Power Sales | \$ 10,772,164 | \$ 12,229,654 | \$ 13,379,310 | \$ 11,047,361 |
| Other Income | <u>141,314</u> | <u>90,988</u> | <u>43,286</u> | <u>24,388</u> |
| Total Revenue | \$ 10,913,478 | \$ 12,320,642 | \$ 13,422,596 | \$ 11,071,749 |
| Power Costs (2) | \$ 7,014,523 | \$ 7,372,127 | \$ 7,665,211 | \$ 7,255,316 |
| O&M Expense | <u>1,193,051</u> | <u>1,945,339</u> | <u>1,843,641</u> | <u>1,725,210</u> |
| Total Operating Expenses | \$ 8,207,574 | \$ 9,317,466 | \$ 9,508,852 | \$ 8,980,526 |
| Net Revenue Available for Debt Service | \$ 2,705,904 | \$ 3,003,176 | \$ 3,913,744 | \$ 2,091,223 |
| OMEGA JV5 Debt Service (3) | <u>499,185</u> | <u>563,682</u> | <u>620,379</u> | <u>620,514</u> |
| Net Revenue after JV5 Debt Service | \$ 2,206,719 | \$ 2,439,494 | \$ 3,293,365 | \$ 1,470,709 |
| General Obligation Notes Debt Service (4) | 291,678 | 250,667 | 245,723 | 247,856 |
| Depreciation | 172,341 | 184,528 | 204,488 | 214,215 |
| Transfers Out | --- | --- | 790,000 | 804,500 |
| Ending Balance 12/31 (5) | \$ 5,023,449 | \$ 7,027,748 | \$ 9,080,902 | \$ 9,285,040 |

The following chart details the outstanding debt for the Hudson Electric System:

| <u>Type</u> | <u>12/31/1997</u> | <u>12/31/1998</u> | <u>12/31/1999</u> | <u>12/31/2000</u> |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| General Obligation Notes | \$ 1,370,000 | \$ 1,115,000 | \$ 915,000 | \$ 705,000 |

- (1) Extracted from the City's unaudited financial statements.
- (2) Power costs include all payments owing under the Gorsuch Station power sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.
- (3) The City's allocable share of debt service on the 1993 Certificates.
- (4) Debt service on general obligation indebtedness issued for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from such revenues.
- (5) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.

WADSWORTH

| | |
|-----------------------------|---------|
| JV5 Project Rank | 7 |
| JV5 Project Percentage | 5.62% |
| Municipality Established | 1866 |
| Electric System Established | 1903 |
| County | MEDINA |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 54,105 |

Location, Population and Government: The City of Wadsworth is a statutory city located in Medina County, approximately 30 miles south of Cleveland, in the northeast quadrant of the state. The Mayor and an eight-member City Council govern the City. The table below sets forth historical population figures for Wadsworth since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 15,166 |
| 1990 | 15,718 |
| 2000 | 18,437 |

Source: U.S. Bureau of Census

Electric System: Authority over the City's electric system, established in 1903, is vested in the Wadsworth City Council. A Director of Public Service, who is appointed by the Mayor, manages the electric system. The Wadsworth electric system serves an area of approximately 32 square miles. Included within the city's retail service area and served by the electric system are the City of Wadsworth, and parts of Wadsworth Township, Guilford Township, Sharon Township and part of the City of Norton. Wadsworth does not exercise its right to serve exclusively within the city limits. Currently, Ohio Edison serves one industrial customer within the Wadsworth city limits.

Wadsworth is in the Ohio Edison Transmission Service Area. In 2000, Wadsworth purchased 100% of its power from AMP-Ohio. As a member of the Northeast AMP-Ohio Service Group, Wadsworth is one of the 21 municipalities that formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1) in October 1992 for the purposes of jointly owning and operating 9 megawatts of generation, known as Engle Units, which are sited in Cuyahoga Falls. Wadsworth has an 11.23% ownership interest in the Engle Units. The City owns and maintains 175 miles of transmission and distribution lines and has 5 substations. As of 2000, the City's electric system employed 52 people.

The City is also a member of OMEGA JV2, a joint venture of 36 Ohio municipalities, that has acquired, and installed near the loads they serve, gas-fired and diesel generating units for peaking and other power supply purposes. An "Owner Participant" with a 5.81% undivided ownership interest in these units, the City is also a "Financing Participant" responsible for 7.41% (subject to an increase of up to 25% of such percentage) of the debt service on the \$50,260,000 bonds issued by AMP-Ohio to finance a portion of the cost of these units. Debt service on these AMP-Ohio bonds is approximately \$4 million annually for 20 years ending January 1, 2021. See "AMERICAN MUNICIPAL POWER-OHIO, INC. – Other Projects and Services – JVs 1, 2 and 4" in the body of this Official Statement.

In 2000, the Wadsworth electric system served 10,529 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|----------------------------|---------------------|--------------------|---------------------------------|
| 1. National Metal Abrasive | Steel shot | 34,178,400 | 4.46% |
| 2. Myers Industries | Polymer products | 10,633,500 | 3.17 |
| 3. Michael Day Enterprises | Polymer engineering | 10,041,600 | 3.09 |
| 4. Partners-in-Plastic | Polymer products | 9,141,600 | 2.64 |
| 5. Advanced Elastome | Polymer engineering | 4,888,800 | 2.83 |

The electric system also provided service to the City of Wadsworth in 2000 totaling 8,279,755 kWh for general municipal purposes.

Economic Base: Wadsworth's economy is based largely on small manufacturing. The Wadsworth area's major industries include the manufacturing of plastic products, building products and foundry works.

The following table provides a summary of certain economic indicators for the City of Wadsworth.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|------------------|--------------|--------------|--------------|--------------|
| Wadsworth | \$21,958,130 | \$33,160,588 | \$38,501,675 | \$33,500,000 |

Source: Wadsworth Information Survey (Data available for corporate limits only)

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|------------------|---------------|---------------|---------------|---------------|
| Wadsworth | \$393,244,560 | \$412,087,424 | \$424,302,830 | \$434,893,965 |

Source: Medina County Auditor, City of Wadsworth

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|------------------|-------------|-------------|-------------|-------------|
| Wadsworth | 3.6% | 3.4% | 3.9% | 3.4% |

Source: Ohio Bureau of Employment Services; unemployment figures may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

WADSWORTH

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|--|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 11,861,255 | \$ 10,782,877 | \$ 11,827,363 | \$ 14,248,932 |
| Power Sales | \$ 9,646,776 | \$ 12,599,086 | \$ 16,284,837 | \$ 18,341,973 |
| Other Income | <u>4,654,915</u> | <u>3,975,872</u> | <u>3,001,534</u> | <u>1,528,189</u> |
| Total Revenue | \$ 14,301,691 | \$ 16,574,958 | \$ 19,286,371 | \$ 19,870,162 |
| Power Costs (2) | \$ 9,645,682 | \$ 10,514,652 | \$ 12,108,227 | \$ 12,636,762 |
| O&M Expense | <u>4,556,942</u> | <u>3,713,257</u> | <u>2,931,390</u> | <u>5,251,384</u> |
| Total Operating Expenses | \$ 14,202,624 | \$ 14,227,909 | \$ 15,039,617 | \$ 17,888,146 |
| Net Revenue Available for Debt Service | \$ 99,067 | \$ 2,347,049 | \$ 4,246,754 | \$ 1,982,016 |
| OMEGA JV5 Debt Service (3) | <u>493,332</u> | <u>557,073</u> | <u>613,105</u> | <u>613,238</u> |
| Net Revenue after JV5 Debt Service | \$ (394,265) | \$ 1,789,976 | \$ 3,633,649 | \$ 1,368,778 |
| AMP-Ohio Loan Debt Service (4) | --- | --- | 257,462 | 361,064 |
| Depreciation | 597,163 | 620,530 | 808,238 | --- |
| Transfers Out | 86,950 | 124,960 | 146,380 | --- |
| Ending Balance 12/31 (5) | \$ 10,782,877 | \$ 11,827,363 | \$ 14,248,932 | \$ 15,256,646 |

The following chart details the outstanding debt for the Wadsworth Electric System:

| <u>Type</u> | <u>12/31/97</u> | <u>12/31/98</u> | <u>12/31/99</u> | <u>12/31/00</u> |
|----------------|-----------------|-----------------|-----------------|-----------------|
| AMP-Ohio Loans | \$ 0 | \$ 3,960,000 | \$ 7,665,000 | \$ 7,560,000 |

- (1) Extracted from the City's unaudited financial statements. The financial data has not been adjusted to accrual basis.
- (2) Power costs include all payments owing under the Gorsuch Station power sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.
- (3) The City's allocable share of debt service on the 1993 Certificates.
- (4) Debt service on indebtedness for AMP-Ohio Loans incurred for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from such revenues.
- (5) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.

OBERLIN

| | |
|-----------------------------|---------|
| JV5 Project Rank | 8 |
| JV5 Project Percentage | 3.02% |
| Municipality Established | 1832 |
| Electric System Established | 1933 |
| County | LORAIN |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 20,630 |

Location, Population and Government: The City of Oberlin is a charter city located in Lorain County, 20 miles southwest of Cleveland, and about 10 miles south of the Lake Erie shoreline in the north-central part of the state. Oberlin is governed by a seven-member City Council, all elected to two-year terms, under the administration of a City Manager. The table below sets forth historical population figures for Oberlin since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 8,660 |
| 1990 | 8,250 |
| 2000 | 8,195 |

Source: U.S. Bureau of Census

Electric System: Authority over Oberlin’s electric system, established in 1933, is vested in the City Council. A Director, who is appointed by the City Manager, manages the electric system. The Oberlin electric system serves an area of approximately five square miles.

Oberlin owns and operates a 12.5 MW diesel/natural gas fired municipal power plant that has been in service since 1933. This generation is operated under a contract with AMP-Ohio for the purpose of shaving the coincident peak of Oberlin and 20 other member communities who are connected to the Ohio Edison transmission system. As a member of the Northeast AMP-Ohio Service Group, Oberlin is one of the 21 municipalities that formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1) in October 1992 for the purposes of jointly owning and operating 9 megawatts of generation, known as Engle Units, which are sited in Cuyahoga Falls. Oberlin has a 5.52% ownership interest in the Engle Units. Oberlin owns and maintains 31 miles of transmission and distribution lines, four 69-kV substations and three 12-kV substations. The electric system serves 100% of the load within the Oberlin city limits. Oberlin has exercised its right to serve exclusively within its city limits. As of 2000, the City’s electric system employed 17 people.

The City is also a member of OMEGA JV2, a joint venture of 36 Ohio municipalities, that has acquired, and installed near the loads they serve, gas-fired and diesel generating units for peaking and other power supply purposes. An “Owner Participant” with a 0.91% undivided ownership interest in these units, the City is also a “Financing Participant” responsible for 1.16% (subject to an increase of up to 25% of such percentage) of the debt service on the \$50,260,000 bonds issued by AMP-Ohio to finance a portion of the cost of these units. Debt service on these AMP-Ohio bonds is approximately \$4 million annually for 20 years ending January 1, 2021. See “AMERICAN MUNICIPAL POWER-OHIO, INC. – Other Projects and Services – *JVs 1, 2 and 4*” in the body of this Official Statement.

In 2000, the Oberlin electric system served 3,122 residential, commercial and industrial customers. The following table lists the City’s five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|----------------------|-----------------------|--------------------|---------------------------------|
| 1. Oberlin College | Education | 21,292,434 | 20.36% |
| 2. Quebecor World | Lithographic Printing | 12,259,800 | 11.46 |
| 3. FAA | Air Traffic Control | 10,065,600 | 8.84 |
| 4. Kendal at Oberlin | Retirement Community | 4,561,200 | 4.06 |
| 5. Lorain Cty. JVS | Education | 4,197,600 | 4.10 |

The electric system also provided service to the City of Oberlin in 2000 totaling 3,350,000 kWh for general municipal purposes.

Economic Base: Oberlin's economy is based largely on the operation of a Federal Aviation Administration facility and higher education facilities, such as Oberlin College.

The following table provides a summary of certain economic indicators for the City of Oberlin.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|---------------|-------------|-------------|-------------|
| Oberlin | Not Available | \$1,123,000 | \$907,100 | \$792,100 |

Source: Code Administration Department

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|--------------|--------------|--------------|---------------|
| Oberlin | \$84,472,890 | \$97,456,010 | \$96,958,083 | \$105,306,130 |

Source: Oberlin City Auditor

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|---------------|-------------|-------------|-------------|
| Oberlin | Not Available | 5.0% | 4.8% | 5.1% |

Source: Ohio Bureau of Employment Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

OBERLIN

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000 (1)</u> |
|--|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 6,857,423 | \$ 8,507,078 | \$ 10,070,013 | \$ 11,111,574 |
| Power Sales | \$ 6,970,481 | \$ 7,080,506 | \$ 7,714,820 | \$ 7,498,665 |
| Other Income | <u>48,884</u> | <u>105,178</u> | <u>169,276</u> | <u>113,032</u> |
| Total Revenue | \$ 7,019,365 | \$ 7,185,684 | \$ 7,884,096 | \$ 7,611,697 |
| Power Costs (2) | \$ 3,300,474 | \$ 3,385,255 | \$ 4,205,295 | \$ 3,937,687 |
| O&M Expense | <u>1,287,725</u> | <u>1,406,658</u> | <u>1,763,503</u> | <u>1,878,091</u> |
| Total Operating Expenses | \$ 4,588,199 | \$ 4,791,913 | \$ 5,968,798 | \$ 5,815,778 |
| Net Revenue Available for Debt Service | \$ 2,431,166 | \$ 2,393,771 | \$ 1,915,298 | \$ 1,795,919 |
| OMEGA JV5 Debt Service (3) | <u>265,479</u> | <u>299,781</u> | <u>329,934</u> | <u>330,005</u> |
| Net Revenue after JV5 Debt Service | \$ 2,165,687 | \$ 2,093,990 | \$ 1,585,364 | \$ 1,465,914 |
| AMP-Ohio Loan Debt Service (4)(5) | --- | --- | --- | 6,828 |
| Depreciation | 516,032 | 531,055 | 543,803 | 568,349 |
| Ending Balance 12/31 | \$ 8,507,078 | \$ 10,070,013 | \$ 11,111,574 | \$ 12,002,311 |

The following chart details the outstanding debt for the Oberlin Electric System:

| <u>Type</u> | <u>12/31/1997</u> | <u>12/31/1998</u> | <u>12/31/1999</u> | <u>12/31/2000</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| AMP-Ohio Loan (5) | \$ 0 | \$ 0 | \$ 0 | \$ 4,000,000 |

- (1) Extracted from the City's unaudited financial statements.
- (2) Power costs include all payments owing under the Gorsuch Station power sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.
- (3) The City's allocable share of debt service on the 1993 Certificates.
- (4) Debt service on indebtedness for AMP-Ohio Loans incurred for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from such revenues.
- (5) The debt service associated with the principal amount of the AMP-Ohio Loans shown above.

NEW BREMEN

| | |
|-----------------------------|----------|
| JV5 Project Rank | 9 |
| JV5 Project Percentage | 2.38% |
| Municipality Established | 1893 |
| Electric System Established | 1893 |
| County | AUGLAIZE |
| Basis of Accounting | Cash |
| Peak Demand (kW) | 13,226 |

Location, Population and Government: The Village of New Bremen is located in Auglaize County, 40 miles northwest of Dayton, approximately 23 miles from the Indiana border, in the northwest quadrant of the state. A village administrator and a six-member village council govern the Village. The table below sets forth historical population figures for New Bremen since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 2,393 |
| 1990 | 2,558 |
| 2000 | 2,909 |

Source: U.S. Bureau of Census

Electric System: Authority over New Bremen's electric system, established in 1893, is vested in the village administrator and village council. The electric system operates under the supervision of the village administrator, with day-to-day operations directed by the superintendent. The New Bremen electric system serves 2.0 square miles within the village limits. New Bremen does not exercise its right to exclusively serve within its village limits.

New Bremen is in the Dayton Power and Light transmission service area. In 2000, New Bremen purchased its power from AMP-Ohio and Dayton Power and Light. New Bremen owns and maintains one substation. The Village does not own any generating facilities. As of 2000, the New Bremen utility system employed 5 people.

In 2000, the New Bremen electric system served 1,425 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|--------------------|----------------------|--------------------|---------------------------------|
| 1. Crown Equipment | Lift trucks | 30,636,610 | 45% |
| 2. Stamco | Build presses | 3,477,600 | 5 |
| 3. Big Bear | Grocery | 1,478,080 | 2 |
| 4. Nupco | Tiling | 659,200 | 1 |
| 5. YMCA | Recreation/Community | 543,920 | 1 |

The electric system also provided services to the City of New Bremen in 2000 totaling 3,037,896 kWh for municipal use.

Economic Base: New Bremen's economy is a mix of industrial, commercial and residential development. The New Bremen area's major industries include the manufacturing of lift trucks, presses and drain tile.

The following table provides a summary of certain economic indicators for the Village of New Bremen.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------------|-------------|-------------|-------------|-------------|
| New Bremen | \$8,698,415 | \$3,830,775 | \$2,607,438 | \$3,093,700 |

Source: Village of New Bremen

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------------|--------------|--------------|--------------|--------------|
| New Bremen | \$67,684,000 | \$64,979,180 | \$69,379,600 | \$76,543,090 |

Source: Village of New Bremen

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------------|-------------|-------------|-------------|-------------|
| New Bremen | 4.3% | 4.1% | 3.9% | 3.2% |

Source: Ohio Bureau of Employment Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the Village's Electric System for the calendar years shown, on a cash basis. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

NEW BREMEN

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000 (1)</u> |
|---|----------------|----------------|----------------|-----------------|
| Beginning Balance 1/1 | \$ 456,800 | \$ 559,497 | \$ 743,997 | \$ 1,660,735 |
| Power Sales | \$ 2,914,608 | \$ 3,109,308 | \$ 3,238,275 | \$ 3,042,464 |
| Other Income | <u>15,073</u> | <u>28,452</u> | <u>54,169</u> | <u>16,230</u> |
| Total Operating Receipts | \$ 2,929,681 | \$ 3,137,760 | \$ 3,292,444 | \$ 3,058,694 |
| Power Costs (2) | \$ 2,086,195 | \$ 2,272,655 | \$ 2,375,943 | \$ 2,221,585 |
| O&M Expense | <u>390,291</u> | <u>389,721</u> | <u>394,892</u> | <u>399,258</u> |
| Total Operating Disbursements | \$ 2,476,486 | \$ 2,662,376 | \$ 2,770,835 | \$ 2,620,843 |
| Net Receipts (Disbursements) Before Debt Service and Capital Outlay | \$ 453,195 | \$ 475,384 | \$ 521,609 | \$ 437,851 |
| OMEGA JV5 Debt Service (3) | <u>209,039</u> | <u>236,048</u> | <u>259,790</u> | <u>259,847</u> |
| Net Receipts (Disbursements) After JV5 Debt Service and Before Capital Outlay | \$ 244,156 | \$ 239,336 | \$ 261,819 | \$ 178,004 |
| Debt Service (4) | 0 | 0 | 0 | 47,461 |
| Debt Service (5) | 0 | 0 | 0 | 39,261 |
| Capital Outlay | 171,459 | 84,836 | 375,081 | 682,133 |
| Net Receipts (Disbursements) After Capital Outlay and Debt Service | \$ 72,697 | \$ 154,500 | \$ (113,262) | \$ (590,851) |
| Transfers In | 30,000 | 30,000 | 30,000 | 30,000 |
| Proceeds of AMP-Ohio Loan | --- | --- | 1,000,000 | --- |
| Ending Balance 12/31 | \$ 559,497 | \$ 743,997 | \$ 1,660,735 | \$ 1,099,884 |

The following chart details the outstanding debt for the New Bremen Electric System:

| <u>Type</u> | <u>12/31/1997</u> | <u>12/31/1998</u> | <u>12/31/1999</u> | <u>12/31/2000</u> |
|----------------|-------------------|-------------------|-------------------|-------------------|
| AMP-Ohio Loans | \$ 0 | \$ 0 | \$ 1,000,000 | \$ 1,000,000 |

(1) Unaudited -

(2) Power Costs include all payments under the Gorsuch Station Power Sales agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.

(3) The Village's allocable share of debt service on the 1993 Certificates.

(4) Debt service payments on an Inter-fund Loan.

(5) Debt service payment on AMP-Ohio Loans.

BRYAN

| | |
|-----------------------------|----------|
| JV5 Project Rank | 10 |
| JV5 Project Percentage | 2.19% |
| Municipality Established | 1849 |
| Electric System Established | 1896 |
| County | WILLIAMS |
| Basis of Accounting | Accrual |
| Peak Demand (kW) | 53,400 |

Location, Population and Government: The City of Bryan is a charter city and the county seat of Williams County. Bryan is located about 50 miles southeast of Toledo, approximately 15 miles from the Indiana and Michigan borders, in the northwest quadrant of the state. The Mayor and a five-member city council, which includes a council president, govern the City. The table below sets forth historical population figures for Bryan since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 7,879 |
| 1990 | 8,294 |
| 2000 | 8,333 |

Source: U.S. Bureau of Census

Electric System: Authority over Bryan's electric utility, established in 1896, is vested in the Bryan Board of Public Affairs. The electric system operates under the supervision of a director of utilities, with day-to-day operations directed by the operations manager. The Bryan electric system serves 8.5 square miles within the city limits as well as some residential and commercial customers in the surrounding unincorporated area. The Bryan electric utility is the exclusive provider of power within the City's corporate limits.

Bryan is in the Toledo Edison Transmission Service Area, although it receives services from the Ohio Power Co. In 2000, Bryan purchased power from AMP-Ohio and Ohio Power in addition to generating power at its own generating facility. Bryan owns and maintains 95.5 miles of transmission and distribution lines and has seven substations. As of 2000, Bryan's utility system employed 38 people.

In 2000, Bryan's electric system served 5,514 residential, commercial and industrial customers. The following table lists the City's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|-----------------------|------------------|--------------------|---------------------------------|
| 1. General Tire | Giant Tires | 26,317,570 | 9.05% |
| 2. Plastics | Plastics | 25,166,098 | 8.17 |
| 3. Spangler Candy Co. | Candy | 11,808,081 | 4.19 |
| 4. Ingersoll-Rand/ARO | Air Products | 11,278,597 | 3.91 |
| 5. Ohio Art Co. | Toys | 7,479,000 | 2.71 |

The electric system also provided service to the City of Bryan in 2000 totaling 8,845,339 kWh for general municipal purposes.

Economic Base: Bryan's economy is based largely on manufacturing. The Bryan area's major industries include the manufacturing of plastic products, tires and automotive parts and equipment.

The following table provides a summary of certain economic indicators for the City of Bryan.

BUILDING PERMITS

| | | | | |
|--------------|-------------|-------------|--------------|--------------|
| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
| Bryan | N/A | \$5,923,400 | \$11,073,572 | \$10,503,925 |

Source: City of Bryan

ASSESSED VALUATION

| | | | | |
|--------------|---------------|---------------|---------------|---------------|
| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
| Bryan | \$165,076,450 | \$163,963,750 | \$171,436,610 | \$197,290,340 |

Source: City of Bryan

% UNEMPLOYMENT

| | | | | |
|--------------|-------------|-------------|-------------|-------------|
| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
| Bryan | 4.2% | 4.2% | 4.5% | 3.7% |

Source: Ohio Bureau of Employment Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on an accrual basis except as otherwise noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

BRYAN

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000(1)</u> |
|--|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 7,632,004 | \$ 7,279,864 | \$ 8,412,882 | \$ 8,713,104 |
| Power Sales | \$ 12,756,363 | \$ 13,813,568 | \$ 14,742,136 | \$ 14,232,178 |
| Other Income | <u>453,148</u> | <u>653,777</u> | <u>649,470</u> | <u>3,452,622</u> |
| Total Revenue | \$ 13,209,511 | \$ 14,467,345 | \$ 15,391,606 | \$ 17,684,800 |
| Power Costs | \$ 11,151,644 | \$ 10,862,287 | \$ 10,075,966 | \$ 8,407,043 |
| O&M Expense | <u>1,766,549</u> | <u>1,461,811</u> | <u>3,872,584</u> | <u>3,864,544</u> |
| Total Operating Expenses | \$ 12,918,193 | \$ 12,324,098 | \$ 13,948,550 | \$ 12,271,587 |
| Net Revenue Available for Debt Service | \$ 291,318 | \$ 2,143,247 | \$ 1,443,056 | \$ 5,413,213 |
| OMEGA JV5 Debt Service (3) | <u>192,107</u> | <u>216,928</u> | <u>238,747</u> | <u>238,799</u> |
| Net Revenue after JV5 Debt Service | \$ 99,211 | \$ 1,926,319 | \$ 1,204,309 | \$ 5,174,414 |
| GO/AMP-Ohio Loan Debt Service | 61,500 | 153,760 | 258,862 | 330,775 |
| (4)(5)(6) | | | | |
| Inter-fund Loan (2) | --- | --- | --- | 400,000 |
| Depreciation | 380,537 | 637,075 | 645,225 | --- |
| Capital Outlay | --- | --- | --- | 2,907,046 |
| Transfers Out | 9,314 | 2,466 | --- | 17,154 |
| Ending Balance 12/31 (7) | \$ 7,279,864 | \$ 8,412,882 | \$ 8,713,104 | \$ 10,232,543 |

The following chart details the outstanding debt for the Bryan Electric System:

| <u>Type</u> | <u>12/31/97</u> | <u>12/31/98</u> | <u>12/31/99</u> | <u>12/31/00</u> |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| General Obligation Notes (5) | \$ 2,000,000 | \$ 0 | \$ 0 | \$ 0 |
| AMP-Ohio Loans (6) | \$ 0 | \$ 6,000,000 | \$ 6,000,000 | \$ 9,000,000 |

(1) Extracted from the City's unaudited financial statements. The financial data has not been adjusted to accrual basis.

(2) Represents amount of Inter-fund Loan the Electric Fund made to the Sewer Fund.

(3) The City's allocable share of debt service on the 1993 Certificates.

(4) Debt service on general obligation indebtedness issued and indebtedness for AMP-Ohio Loans incurred for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from such revenues.

(5) The debt service on the City's GO notes issued for the benefit of the City's Electric System is as follows:

| <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------|-------------|-------------|-------------|
| \$ 61,500 | \$ 0 | \$ 0 | \$ 0 |

(6) The debt service associated with the principal amount of the AMP-Ohio Loans shown above is as follows:

| <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------|-------------|-------------|-------------|
| \$ 0 | \$ 153,760 | \$ 258,862 | \$ 330,775 |

(7) Ending balance reflects the principal reduction of debt whereas GAAP balance would not.

HUBBARD

| | |
|-----------------------------|--------------|
| JV5 Project Rank | 11 |
| JV5 Project Percentage | 2.07% |
| Municipality Established | 1905 |
| Electric System Established | 1919 |
| County | TRUMBULL |
| Basis of Accounting | Cash/Accrual |
| Peak Demand (kW) | 12,336 |

Location, Population and Government: The City of Hubbard is a statutory city located in Trumbull County, 80 miles southeast of Cleveland. Hubbard is governed by a Mayor, who is elected to a four-year term; and by a seven-member city council, each elected to two-year terms. The table below sets forth historical population figures for Hubbard since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 9,191 |
| 1990 | 8,248 |
| 2000 | 8,284 |

Source: U.S. Bureau of Census

Electric System: Authority over Hubbard's electric system, established in 1919, is vested in the Mayor and city council. A Superintendent who is appointed by the Mayor manages the electric system. The Hubbard electric system serves an area of approximately three square miles.

Hubbard is in the Ohio Edison Transmission Service Area. In 2000, Hubbard purchased 100% of its power from AMP-Ohio. As a member of the Northeast AMP-Ohio Service Group, Hubbard is one of the 21 municipalities that formed the Ohio Municipal Electric Generation Agency Joint Venture 1 (OMEGA JV 1) in October 1992 for the purposes of jointly owning and operating 9 megawatts of generation, known as the Engle Units, which are sited in Cuyahoga Falls. Hubbard has a 3.79% ownership interest in the Engle Units. Hubbard owns and maintains 45.61 miles of transmission and distribution lines and has three substations. The City has exercised its right to serve exclusively within the city limits. As of 2000, the City of Hubbard's electric system employed 13 people.

In 2000, Hubbard's electric system served 3,720 residential, commercial and industrial customers. The following table lists Hubbard's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|-------------------------|------------------|--------------------|---------------------------------|
| 1. U. S. Can Co. | Manufacturing | 6,282,000 | 11% |
| 2. Board of Education | Schools | 1,822,680 | 4 |
| 3. Devine's Shop`N`Save | Supermarket | 1,711,440 | 3 |
| 4. Parton's IGA | Supermarket | 1,702,800 | 3 |
| 5. Hubbard Square | Apt. Management | 830,896 | 2 |

The electric system also provided service to the City of Hubbard in 2000 totaling 7,576,063 kWh for general municipal purposes.

Economic Base: Hubbard's economy is based largely on manufacturing and retail sales. The Hubbard area's major industries include can manufacturing and grocery sales.

The following table provides a summary of certain economic indicators for the City of Hubbard.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|-------------|-------------|-------------|-------------|
| Hubbard | \$1,944,500 | \$2,993,130 | \$2,962,000 | \$2,940,408 |

Source: City of Hubbard, Ohio Engineer's Office – Zoning Inspection Department

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|--------------|--------------|--------------|--------------|
| Hubbard | \$79,912,553 | \$80,118,592 | \$81,567,008 | \$98,063,602 |

Source: Trumbull County Auditor

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|----------------|-------------|-------------|-------------|-------------|
| Hubbard | 5.8% | 6.1% | 5.4% | 5.3% |

Source: Ohio Department of Job and Family Services Labor Market Information Division

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on a cash or accrual basis as noted. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

HUBBARD

| | <u>1997(1)</u> | <u>1998(1)</u> | <u>1999(2)(7)</u> | <u>2000(2)(7)</u> |
|--|----------------|----------------|-------------------|-------------------|
| Beginning Balance 1/1 | \$ 298,169 | \$ 365,567 | \$ 3,331,511 | \$ 4,100,660 |
| Power Sales | \$ 4,002,306 | \$ 4,392,096 | \$ 4,421,242 | \$ 4,258,740 |
| Other Income | <u>11,347</u> | <u>77,132</u> | <u>26,773</u> | <u>63,668</u> |
| Total Revenue | \$ 4,013,653 | \$ 4,469,228 | \$ 4,448,015 | \$ 4,322,408 |
| Power Costs (3) | \$ 2,448,997 | \$ 2,367,843 | \$ 2,745,479 | \$ 2,733,860 |
| O&M Expense | <u>981,851</u> | <u>943,138</u> | <u>1,048,897</u> | <u>979,881</u> |
| Total Operating Expenses | \$ 3,430,848 | \$ 3,310,981 | \$ 3,794,376 | \$ 3,713,741 |
| Non-Operating Expenses | 177,000 | 151,376 | --- | --- |
| Net Revenue Available for Debt Service | \$ 405,805 | \$ 1,006,871 | \$ 653,639 | \$ 608,667 |
| OMEGA JV5 Debt Service (4) | <u>182,073</u> | <u>205,598</u> | <u>226,277</u> | <u>226,326</u> |
| Net Revenue after JV5 Debt Service | \$ 223,732 | \$ 801,273 | \$ 427,362 | \$ 382,341 |
| Capital Outlay (5) | 30,674 | 61,637 | --- | --- |
| Debt Service (6) | 125,700 | 30,300 | --- | --- |
| Depreciation | --- | --- | 47,045 | 68,778 |
| Restate Fund Balance – change in accounting method | --- | --- | 388,832 | --- |
| Ending Balance 12/31 (8) | 365,527 | 1,074,863 | 4,100,660 | 4,414,223 |
| Light Investment Fund Balance 12/31 | 2,244,670 | 2,256,648 | --- | --- |
| Total Fund Ending Balances 12/31 | 2,610,197 | 3,331,511 | 4,100,660 | 4,414,223 |

(1) Cash Basis Reporting for the years 1997 and 1998.

(2) Accrual Basis Reporting for the years 1999 and 2000.

(3) Power costs include all payments owing under the Gorsuch Station Power Sales Agreement, including the City's allocable share of debt service payable by AMP-Ohio on its bonds.

(4) The City's allocable share of debt service on the 1993 Certificates.

(5) Cash Basis capital outlays.

(6) Debt Service was repayment on inter-fund borrowing for 1997 and 1998.

(7) The Light Investment Fund Balance was combined with the Light Fund Balance for GAAP purposes.

MONTPELIER

| | |
|-----------------------------|----------|
| JV5 Project Rank | 12 |
| JV5 Project Percentage | 2.02% |
| Municipality Established | 1845 |
| Electric System Established | 1893 |
| County | WILLIAMS |
| Basis of Accounting | Cash |
| Peak Demand (kW) | 13,518 |

Location, Population and Government: The Village of Montpelier is located in Williams County, 47 miles west of Toledo, approximately 9 miles from the Indiana and Michigan borders, in the northwest quadrant of the state. The Village is governed by a Village Administrator and a six-member Village Council. The table below sets forth historical population figures for Montpelier since 1980.

| <u>YEAR</u> | <u>POPULATION</u> |
|-------------|-------------------|
| 1980 | 4,431 |
| 1990 | 4,299 |
| 2000 | 4,429 |

Source: U.S. Bureau of Census

Electric System: Authority over Montpelier's electric system, established in 1893, is vested in the Village Administrator and Village Council. The electric system operates under the supervision of the Village Administrator, with day-to-day operations directed by the Superintendent. The Montpelier electric system serves 2.33 square miles within the village limits. Montpelier does not exercise its right to exclusively serve within its village city limits. Northwestern Electric and Toledo Edison currently serve customers within Montpelier's village limits.

Montpelier is in the Toledo Edison Transmission Service Area. In 2000, Montpelier purchased 100% of its power from AMP-Ohio. Montpelier owns and maintains 35.86 miles of transmission and distribution lines and three substations. The Village does not own any generating facilities. As of 2000, the Montpelier utility system employed 5 people.

In 2000, Montpelier's electric system served 2,367 residential, commercial and industrial customers. The following table lists Montpelier's five largest customers by energy purchased in 2000 and as a percentage of total system revenues during that year.

| Customer | Type of Business | 2000 kWh Purchased | % Of 2000 Total System Revenues |
|----------------------|-------------------|--------------------|---------------------------------|
| 1. Winzeler Stamping | Metal Stamping | 7,932,800 | 9.75% |
| 2. Powers & Sons | Auto parts | 7,327,560 | 8.64 |
| 3. Clarion Plastics | Plastic injection | 6,715,200 | 8.05 |
| 4. Key Plastics | Plastic Finishing | 5,209,800 | 5.55 |
| 5. Bob-Mor Inc. | Hotel | 3,109,285 | 3.41 |

The electric system also provided service to the Village of Montpelier in 2000 totaling 704,027 kWh for general municipal purposes.

Economic Base: Montpelier's economy is a mix of industrial, commercial and residential development. The Montpelier area's major industries include the manufacturing of specialty cutting tools, sprockets and gears and automobile assemblies.

The following table provides a summary of certain economic indicators for the City of Montpelier.

BUILDING PERMITS

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------------|-------------|-------------|-------------|-------------|
| Montpelier | \$1,844,540 | \$2,899,422 | \$8,549,441 | \$1,367,834 |

Source: Planning Commission

ASSESSED VALUATION

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------------|--------------|--------------|--------------|--------------|
| Montpelier | \$42,600,833 | \$43,757,560 | \$46,850,550 | \$56,054,530 |

Source: County Auditor

% UNEMPLOYMENT

| | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|-------------------|-------------|-------------|-------------|-------------|
| Montpelier | 4.4% | 4.2% | 4.5% | 3.7% |

Source: Ohio Bureau of Employment Services; unemployment rates may be for the county in which the community is located.

The following table presents certain financial data respecting the City's Electric System for the calendar years shown, on a cash basis. The presentation is generally consistent with the flow of revenues of the Electric System required by the OMEGA JV5 Joint Venture Agreement.

MONTPELIER

| | <u>1997</u> | <u>1998</u> | <u>1999(1)</u> | <u>2000(1)</u> |
|---|------------------|------------------|------------------|------------------|
| Beginning Balance 1/1 | \$ 1,049,447 | \$ 1,660,223 | \$ 4,439,468 | \$ 3,961,389 |
| Power Sales | \$ 4,096,811 | \$ 4,220,243 | \$ 4,851,891 | \$ 5,029,084 |
| Other Income | <u>43,091</u> | <u>129,585</u> | <u>135,994</u> | <u>78,356</u> |
| Total Operating Receipts | \$ 4,139,902 | \$ 4,349,828 | \$ 4,987,885 | \$ 5,107,440 |
| Power Costs | \$ 2,917,536 | \$ 2,940,513 | \$ 2,911,464 | \$ 4,003,718 |
| O&M Expense | 498,955 | 553,426 | 473,379 | 523,045 |
| Total Operating Disbursements | <u>3,416,491</u> | <u>3,493,939</u> | <u>3,384,843</u> | <u>4,526,763</u> |
| Net Receipts (Disbursements) Before Debt Service and Capital Outlay | \$ 723,411 | \$ 855,889 | \$ 1,603,042 | \$ 580,677 |
| Debt Service OMEGA JV5(2) | 177,683 | 200,641 | 220,822 | 220,870 |
| Net Receipts (Disbursements) After OMEGA JV5 Debt Service and Before Capital Outlay | \$ 545,728 | \$ 655,248 | \$ 1,382,220 | \$ 359,807 |
| GO and AMP-Ohio Debt Service (3) (4) | 125,675 | 173,925 | 240,536 | 93,478 |
| Net Receipts (Disbursements) After Debt Service and Before Capital Outlay | \$ 420,053 | \$ 481,323 | \$ 1,141,684 | \$ 266,329 |
| Transfers Out | (50,000) | 0 | 0 | (520,000) |
| Capital Outlay | 309,277 | 202,078 | 1,619,763 | 1,001,385 |
| Bond Proceeds | 550,000 | 2,500,000 | 0 | 1,450,000 |
| Ending Balance 12/31 | \$ 1,660,223 | \$ 4,439,468 | \$ 3,961,389 | \$ 4,156,333 |

The following chart details the outstanding debt for the Montpelier Electric System:

| Type | <u>12/31/1997</u> | <u>12/31/1998</u> | <u>12/31/1999</u> | <u>12/31/2000</u> |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| AMP-Ohio Loans | \$ 0 | \$ 2,500,000 | \$ 2,350,000 | \$ 3,800,000 |
| General Obligation Notes | \$ 550,000 | \$ 400,000 | \$ 0 | \$ 0 |

(1) Unaudited - Ohio revised code requires a village to be audited every two years. The audit for fiscal years 1999 and 2000 has not been completed to date.

(2) The City's allocable share of debt service on the 1993 certificates.

(3) Debt Service on general obligation indebtedness issued and AMP-Ohio Loans incurred for the benefit of the City's Electric System. Such indebtedness has no lien in the revenues of the City's Electric System but is payable from the revenues of the Electric System.

(4) The debt service on the outstanding debt for the Montpelier Electric System issued for the benefit of the City's Electric System is as follows:

| Type | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> |
|--------------------------|-------------|-------------|-------------|-------------|
| General Obligation Notes | \$ 125,675 | \$ 173,925 | \$ 0 | \$ 0 |
| AMP-Ohio Loans | \$ 0 | \$ 0 | \$ 240,536 | \$ 93,478 |

SECTION III

Summary of Top Twelve Participants'

Area,

Population,

Assessed Valuation and

Unemployment Rates

[This page intentionally left blank]

SECTION III

Summary of Participants' Area, Population, Assessed Valuation and Unemployment Rates

| <u>Participant</u> | <u>County</u> | <u>Area (in Sq. Miles)</u> | <u>Population</u> | | | <u>Property Tax Base Assessed Valuation</u> | | | <u>Unemployment Averages¹</u> | | |
|--------------------|---------------|--------------------------------|-------------------------|-------------------------|-------------------------|---|-------------------------|-------------------------|--|-------------------------|-------------------------|
| | | | <u>2000²</u> | <u>1990²</u> | <u>1980²</u> | <u>2000³</u> | <u>1999³</u> | <u>1998³</u> | <u>2000⁴</u> | <u>1999⁴</u> | <u>1998⁴</u> |
| Bowling Green | Wood | 10.01 | 29,636 | 28,176 | 25,728 | 390,615,169 | 374,910,657 | 285,693,825 | 3.4% | 3.3% | 3.4% |
| Bryan | Williams | 7.90 | 8,333 | 8,294 | 7,879 | 197,290,340 | 171,436,610 | 163,963,750 | 3.7% | 4.5% | 4.2% |
| Cuyahoga Falls | Summit | 27.80 | 49,278 | 48,950 | 43,890 | 877,820,775 | 793,554,509 | 772,178,098 | 2.8% | 2.9% | 2.8% |
| Hubbard | Trumbull | 3.10 | 8,284 | 8,248 | 9,191 | 98,063,602 | 81,567,008 | 80,118,592 | 5.3% | 5.4% | 6.1% |
| Hudson* | Summit | 25.00 | 22,439 | 5,159 | 4,615 | 718,873,090 | 688,091,120 | 678,541,108 | 3.7% | 4.1% | 3.8% |
| Jackson | Jackson | 10.10 | 6,184 | 6,167 | 6,675 | 105,426,281 | 99,887,110 | 84,560,118 | 6.6% | 6.3% | 6.0% |
| Montpelier | Williams | 2.85 | 4,429 | 4,299 | 4,431 | 56,054,530 | 46,850,550 | 43,757,560 | 3.7% | 4.5% | 4.2% |
| Napoleon | Henry | 5.40 | 9,318 | 8,884 | 8,614 | 138,828,427 | 141,835,256 | 121,446,077 | 4.8% | 5.6% | 5.3% |
| New Bremen | Auglaize | 2.00 | 2,909 | 2,558 | 2,393 | 76,543,090 | 69,379,600 | 64,979,180 | 3.2% | 3.9% | 4.1% |
| Niles | Trumbull | 12.00 | 20,932 | 21,000 | 23,088 | 294,049,057 | 295,557,667 | 253,854,374 | 5.1% | 4.3% | 5.7% |
| Oberlin | Lorain | 4.33 | 8,195 | 8,250 | 8,660 | 105,306,130 | 96,958,083 | 97,456,010 | 5.1% | 4.8% | 5.0% |
| Wadsworth | Medina | 9.30 | 18,437 | 15,718 | 15,166 | 434,893,965 | 424,302,830 | 412,087,424 | 3.4% | 3.9% | 3.4% |

¹For Participants with populations of less than 25,000, unemployment averages reflect those for the county.

²Source: U.S. Census Bureau.

³Source: Ohio Municipal Advisory Council.

⁴Source: Ohio Bureau of Employment Services.

Note: In 1994, the Village of Hudson and Hudson Township merged to create the City of Hudson

(E) Estimate

[This page intentionally left blank]

SECTION IV

Top Twelve Participants'

Residential,

Industrial and

Commercial Information

[This page intentionally left blank]

Participants' Residential, Industrial and Commercial Information

Participants' Information
Residential, Industrial, and Commercial
(000's)

| | 2000 | | | 1999 | | | 1998 | | |
|-----------------------|---------------|-------------------|------------------|---------------|-------------------|------------------|---------------|-------------------|------------------|
| | Customers | Power Sales (MWh) | Power Sales (\$) | Customers | Power Sales (MWh) | Power Sales (\$) | Customers | Power Sales (MWh) | Power Sales (\$) |
| Bowling Green | | | | | | | | | |
| Residential | 10,921 | 81,178 | 5,387 | 10,734 | 79,766 | 5,125 | 10,483 | 76,371 | 4,885 |
| Commercial | 1,559 | 54,667 | 3,183 | 1,539 | 51,610 | 2,893 | 1,528 | 49,942 | 2,788 |
| Industrial | 79 | 271,712 | 13,911 | 81 | 248,256 | 12,588 | 76 | 225,981 | 11,626 |
| Other | 52 | 3,408 | 161 | 50 | 2,817 | 142 | 29 | 2,869 | 148 |
| Total: | 12,611 | 410,965 | 22,642 | 12,404 | 382,449 | 20,748 | 12,116 | 355,163 | 19,447 |
| Bryan | | | | | | | | | |
| Residential | 4,778 | 41,958 | 2,490 | 4,580 | 44,028 | 2,519 | 4,705 | 42,925 | 2,405 |
| Commercial | 694 | 30,613 | 2,130 | 660 | 27,560 | 1,884 | 476 | 27,440 | 1,024 |
| Industrial | 41 | 173,985 | 8,654 | 45 | 187,058 | 8,571 | 190 | 184,036 | 9,820 |
| Other | 1 | 884 | 86 | 1 | 10,984 | 344 | 1 | 10,968 | 243 |
| Total: | 5,514 | 247,440 | 13,360 | 5,286 | 269,630 | 13,318 | 5,372 | 265,369 | 13,492 |
| Cuxahoga Falls | | | | | | | | | |
| Residential | 21,202 | 147,125 | 11,510 | 20,975 | 152,977 | 12,565 | 20,702 | 141,276 | 9,605 |
| Commercial | 1,532 | 40,787 | 4,180 | 1,526 | 54,690 | 4,648 | 1,475 | 66,344 | 4,725 |
| Industrial | 164 | 173,170 | 9,936 | 164 | 161,724 | 11,080 | 162 | 141,435 | 10,913 |
| Other | 225 | 11,614 | 1,284 | 225 | 15,743 | 2,150 | 226 | 19,983 | 1,844 |
| Total: | 23,123 | 372,696 | 26,910 | 22,890 | 385,134 | 30,443 | 22,565 | 369,038 | 27,087 |
| Hubbard | | | | | | | | | |
| Residential | 3,419 | 26,607 | 2,117 | 3,379 | 26,614 | 2,122 | 3,361 | 25,294 | 2,019 |
| Commercial | 300 | 17,936 | 1,323 | 300 | 19,465 | 1,449 | 301 | 20,433 | 1,488 |
| Industrial | 1 | 6,282 | 439 | 1 | 5,570 | 406 | 1 | 5,852 | 413 |
| Other | - | - | - | - | - | - | - | - | - |
| Total: | 3,720 | 50,825 | 3,879 | 3,680 | 51,649 | 3,977 | 3,663 | 51,579 | 3,920 |

Source: US Department of Energy - Annual Electric Utility Report (Form EIA-861)

(1)

Participants' Residential, Industrial and Commercial Information

Participants' Information
Residential, Industrial, and Commercial
(000's)

| Customers | 2000 | | 1999 | | 1998 | |
|-------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | Power Sales (MWh) | Power Sales (\$) | Power Sales (MWh) | Power Sales (\$) | Power Sales (MWh) | Power Sales (\$) |
| Hudson | | | | | | |
| Residential | 5,507 | 83,466 | 5,431 | 81,842 | 5,293 | 75,750 |
| Commercial | 637 | 60,958 | 634 | 60,746 | 621 | 58,213 |
| Industrial | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Total: | 6,144 | 144,424 | 6,065 | 142,588 | 5,914 | 133,963 |
| Jackson | | | | | | |
| Residential | 3,299 | 27,917 | 3,302 | 28,285 | 3,295 | 28,669 |
| Commercial | 646 | 35,002 | 633 | 32,408 | 629 | 33,613 |
| Industrial | 11 | 76,491 | 11 | 75,450 | 8 | 66,972 |
| Other | - | - | - | - | - | - |
| Total: | 3,956 | 139,410 | 3,946 | 136,143 | 3,932 | 129,254 |
| Montpelier | | | | | | |
| Residential | 2,039 | 14,754 | 2,039 | 14,754 | 1,814 | 14,754 |
| Commercial | 289 | 9,120 | 289 | 9,120 | 235 | 9,120 |
| Industrial | 39 | 46,545 | 39 | 46,545 | 18 | 39,120 |
| Other | - | - | - | - | - | - |
| Total: | 2,367 | 70,419 | 2,367 | 70,419 | 2,067 | 62,994 |
| Napoleon | | | | | | |
| Residential | 4,996 | 44,300 | 6,180 | 22,184 | 6,027 | 42,926 |
| Commercial | 612 | 22,865 | 690 | 43,958 | 669 | 21,379 |
| Industrial | 50 | 84,471 | 56 | 83,916 | 54 | 84,562 |
| Other | - | 2,900 | 27 | 2,396 | 47 | 2,242 |
| Total: | 5,658 | 154,536 | 6,953 | 152,454 | 6,797 | 151,109 |

Source: US Department of Energy -- Annual Electric Utility Report (Form EIA-861)

(1)

Participants' Residential, Industrial and Commercial Information

Participants' Information
Residential, Industrial, and Commercial
(000's)

| | Customers | 2000 | | 1999 | | 1998 | |
|--------------------------|---------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | | Power Sales (MWh) | Power Sales (\$) | Power Sales (MWh) | Power Sales (\$) | Power Sales (MWh) | Power Sales (\$) |
| <u>New Bremen</u> | | | | | | | |
| Residential | 1,204 | 12,004 | 711 | 1,186 | 12,171 | 11,790 | 670 |
| Commercial | 195 | 12,153 | 704 | 188 | 13,585 | 13,310 | 714 |
| Industrial | 3 | 33,498 | 1,448 | 3 | 38,003 | 37,584 | 1,590 |
| Other | 23 | 3,037 | 155 | 23 | 2,269 | 1,995 | 98 |
| Total: | 1,425 | 60,692 | 3,018 | 1,400 | 66,028 | 64,679 | 3,072 |
| <u>Niles</u> | | | | | | | |
| Residential | 10,492 | 79,596 | 5,785 | 10,392 | 84,401 | 84,401 | 6,182 |
| Commercial | 1,192 | 113,805 | 7,546 | 1,057 | 87,598 | 87,598 | 5,791 |
| Industrial | 97 | 98,224 | 5,350 | 87 | 85,425 | 85,425 | 4,038 |
| Other | - | - | - | 690 | 2,482 | 2,635 | 304 |
| Total: | 11,781 | 291,625 | 18,681 | 12,226 | 259,906 | 260,059 | 16,315 |
| <u>Oberlin</u> | | | | | | | |
| Residential | 2,823 | 26,372 | 1,829 | 2,830 | 21,646 | 21,309 | 1,404 |
| Commercial | 299 | 79,117 | 5,487 | 341 | 86,586 | 85,236 | 5,618 |
| Industrial | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - |
| Total: | 3,122 | 105,489 | 7,316 | 3,171 | 108,232 | 106,545 | 7,022 |
| <u>Wadsworth</u> | | | | | | | |
| Residential | 9,222 | 81,946 | 6,974 | 9,061 | 90,800 | 89,072 | 6,381 |
| Commercial | 1,154 | 56,875 | 4,170 | 1,171 | 60,335 | 59,711 | 3,268 |
| Industrial | 153 | 123,993 | 7,306 | 141 | 110,253 | 105,730 | 5,914 |
| Other | - | - | - | - | - | - | - |
| Total: | 10,529 | 262,814 | 18,450 | 10,373 | 261,388 | 254,513 | 15,563 |

Source: US Department of Energy – Annual Electric Utility Report (Form EIA-861)

(1)

[This page intentionally left blank]

**APPENDIX B – OMEGA JV5 FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000
AND FOR THE FISCAL YEARS ENDED DECEMBER 31, 1999 AND 1998**

[This page intentionally left blank]

**Ohio Municipal Electric
Generation Agency
Joint Venture 5**
Financial Statements
December 31, 2000

Ohio Municipal Electric Generation Agency Joint Venture 5

Table of Contents December 31, 2000

| | Pages |
|-----------------------------------|--------------|
| Report of Independent Accountants | 1 |
| Financial Statements | |
| Balance Sheet | 2 - 3 |
| Statement of Operations | 4 |
| Statement of Participants' Equity | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7 – 15 |

Report of Independent Accountants

Board of Participants
Ohio Municipal Electric Generation Agency
Joint Venture 5

In our opinion, the accompanying general-purpose financial statements present fairly, in all material respects, the financial position of Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV-5) as of December 31, 2000, and results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These general-purpose financial statements are the responsibility of OMEGA JV-5's management; our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

April 12, 2001

Ohio Municipal Electric Generation Agency Joint Venture 5

Balance Sheet As of December 31, 2000

| | |
|--|-----------------------|
| Assets | |
| Utility plant | |
| Electric plant in service | \$ 188,092,678 |
| Accumulated depreciation | <u>(8,190,254)</u> |
| Total utility plant | <u>179,902,424</u> |
| Restricted assets | <u>43,209,002</u> |
| Current assets | |
| Cash and cash equivalents | 1,733,932 |
| Receivables from participants | 917,202 |
| Inventories | 69,843 |
| Prepaid expenses | <u>116,484</u> |
| Total current assets | <u>2,837,461</u> |
| Other assets | |
| Prepaid dedicated capacity | 1,971,900 |
| Prepaid bond insurance | 1,699,465 |
| Certificates of beneficial interest issuance costs | <u>1,387,955</u> |
| Total other assets | <u>5,059,320</u> |
| Total assets | <u>\$ 231,008,207</u> |

Continued

Ohio Municipal Electric Generation Agency Joint Venture 5

Balance Sheet

As of December 31, 2000

Participants' Equity and Liabilities

Participants' equity

| | |
|-----------------------------|------------------|
| Participants' contributions | \$ 200,000 |
| Accumulated net margins | <u>4,143,928</u> |

4,343,928

| | |
|---|---------------|
| Accumulated other comprehensive net margins | <u>22,471</u> |
|---|---------------|

| | |
|----------------------------|------------------|
| Total participants' equity | <u>4,366,399</u> |
|----------------------------|------------------|

Certificates of beneficial interest

| | |
|-------------------------------------|--------------------|
| Certificates of beneficial interest | 141,700,000 |
| Unamortized discount | <u>(3,017,774)</u> |

| | |
|---|--------------------|
| Net certificates of beneficial interest | <u>138,682,226</u> |
|---|--------------------|

Liabilities payable from restricted assets

| | |
|--------------------------------|------------------|
| Accrued interest | 2,918,981 |
| Accrued construction costs | 30,680,735 |
| Construction retainage payable | <u>7,322,668</u> |

| | |
|--|-------------------|
| Total liabilities payable from restricted assets | <u>40,922,384</u> |
|--|-------------------|

Current liabilities

| | |
|--|------------------|
| Accounts payable | 1,625,376 |
| Payable to American Municipal Power-Ohio, Inc. | 254,372 |
| Certificates of beneficial interest, current | <u>3,130,000</u> |

| | |
|---------------------------|------------------|
| Total current liabilities | <u>5,009,748</u> |
|---------------------------|------------------|

| | |
|------------------|-------------------|
| Deferred revenue | <u>42,027,450</u> |
|------------------|-------------------|

| | |
|--|-----------------------|
| Total participants' equity and liabilities | <u>\$ 231,008,207</u> |
|--|-----------------------|

The accompanying notes are an integral part of these general-purpose financial statements.

Ohio Municipal Electric Generation Agency Joint Venture 5

Statement of Operations For the Year Ended December 31, 2000

| | |
|-------------------------------|----------------------|
| Revenues | |
| Electric revenue | <u>\$ 21,815,222</u> |
| Expenses | |
| Purchased power | 5,842,480 |
| Affiliated entity services | 622,477 |
| Depreciation and amortization | 4,405,651 |
| Payment in lieu of taxes | 839,975 |
| Professional services | 59,677 |
| Insurance | 109,795 |
| Maintenance | 437,427 |
| Electric services | 63,738 |
| Other operating expenses | 783,520 |
| Interest expense | <u>7,801,670</u> |
| Total expenses | <u>20,966,410</u> |
| Operating margins | 848,812 |
| Nonoperating Revenues | |
| Investment income | <u>939,023</u> |
| Net margins | <u>\$ 1,787,835</u> |

The accompanying notes are an integral part of these general-purpose financial statements.

Ohio Municipal Electric Generation Agency Joint Venture 5

Statement of Participants' Equity For the Year Ended December 31, 2000

| | <u>Participants'</u> <u>Contributions</u> | <u>Accumulated</u> <u>Net Margins</u> | <u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>Net Margins</u> | <u>Total</u> |
|--|--|--|--|---------------------|
| Balances as of December 31, 1999 | \$ 200,000 | \$ 2,356,093 | \$ (157,317) | \$ 2,398,776 |
| Net margins | - | 1,787,835 | - | 1,787,835 |
| Change in investment valuation allowance | <u>-</u> | <u>-</u> | <u>179,788</u> | <u>179,788</u> |
| Comprehensive net margins | | | | <u>1,967,623</u> |
| Balances as of December 31, 2000 | <u>\$ 200,000</u> | <u>\$ 4,143,928</u> | <u>\$ 22,471</u> | <u>\$ 4,366,399</u> |

The accompanying notes are an integral part of these general-purpose financial statements.

Ohio Municipal Electric Generation Agency Joint Venture 5

Statement of Cash Flows For the Year Ended December 31, 2000

| | |
|--|----------------------|
| Cash flows from operating activities | |
| Operating margins | \$ 848,812 |
| Adjustments to reconcile operating margins to net cash provided by operating activities: | |
| Depreciation and amortization | 4,405,651 |
| Amortization of deferred revenue | (1,279,476) |
| Changes in assets and liabilities: | |
| Receivables from participants | 41,514 |
| Inventories | (10,845) |
| Prepaid expenses | 54,991 |
| Accounts payable | 966,566 |
| Receivable from/payable to American Municipal Power-Ohio, Inc. | <u>(1,580,506)</u> |
| Net cash provided by operating activities | <u>3,446,707</u> |
| Cash flows from capital and related financing activities | |
| Interest received | 2,458,970 |
| Purchases of investments | (13,414,410) |
| Proceeds from sales of investments | 14,385,495 |
| Payments on certificates of beneficial interest | <u>(2,985,000)</u> |
| Net cash provided by capital and related financing activities | <u>445,055</u> |
| Cash flows from investing activities | |
| Purchase of utility plant | <u>(3,923,778)</u> |
| Net cash used in investing activities | <u>(3,923,778)</u> |
| Net change in cash and cash equivalents | (32,016) |
| Cash and cash equivalents, beginning of year | <u>1,765,948</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,733,932</u> |
| Supplemental Cash Flow Information | |
| Accrued additions to utility plant | <u>\$ 30,680,735</u> |

The accompanying notes are an integral part of these general-purpose financial statements.

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

1. Organization

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV-5) was organized by 42 subdivisions of the State of Ohio (the Participants) on April 20, 1993, pursuant to a Joint Venture Agreement (the Agreement) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose was to undertake the Belleville Hydroelectric Project (the Project). The Participants are members of American Municipal Power-Ohio, Inc. (AMP-Ohio). OMEGA JV-5 constructed and owns and operates the Project. The Project operations consists of:

- The Belleville hydroelectric generating plant and associated transmission facilities (Belleville Hydroelectric Facilities);
- Backup generation facilities, including contracts for the output thereof; and
- Power purchased on behalf of OMEGA JV-5 participants.

The Belleville Hydroelectric Facilities consists of a run-of-the-river hydroelectric plant designed for a capacity of 42 megawatts and approximately 26.5 miles of 138-kilovolt transmission facilities. The plant is located in West Virginia, on the Ohio River, at the Belleville Locks and Dam.

OMEGA JV-5 was constructed with proceeds from the issuance of Certificates of Beneficial Interest (the Certificates). The Certificates evidence the obligation of the Participants to pay for the cost of the Project from revenues of their electric systems. Management services are provided to OMEGA JV-5 by AMP-Ohio and Municipal Energy Services Agency (MESA).

2. Summary of Significant Accounting Policies

The following summarizes the significant accounting policies followed by OMEGA JV-5:

Basis of Accounting

The accounting records of OMEGA JV-5 are maintained in conformity with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). Accounts of OMEGA JV-5 are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less.

Utility Plant

Electric plant in service is recorded at cost and consists of the hydroelectric plant, transmission facilities and backup generating units. Depreciation is provided on the straight-line method over the estimated useful life of the assets.

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

The Project was placed in service in May 1999. However, proceeds from the Certificates were not fully paid to vendors until 2001. Accordingly, interest earned and realized and unrealized gains loss on investments, through the disbursements date, have been reflected in the cost of utility plant (see Note 10).

Construction work in progress consisted of all costs incurred directly related to the Project during the construction period, including all interest costs of the Certificates, interest earned, and realized and unrealized gains and losses on related interest-bearing investments acquired with proceeds of the Certificates.

Participants' Equity

Participants' equity consists of contributed capital of the Participants and accumulated net margins. Should OMEGA JV-5 cease business, these amounts, if available, will be returned to the Participants.

All property constituting OMEGA JV-5 is owned by the Participants as tenants in common in undivided shares, each such share being equal to that participant's percentage ownership interest as follows:

| <u>Municipality</u> | <u>Percent Project Ownership and Entitlement</u> |
|---------------------|--|
| Cuyahoga Falls | 16.67 % |
| Bowling Green | 15.73 |
| Niles | 10.63 |
| Napoleon | 7.35 |
| Jackson | 7.14 |
| Hudson Village | 5.69 |
| Wadsworth | 5.62 |
| Oberlin | 3.02 |
| New Bremen | 2.38 |
| Bryan | 2.19 |
| Hubbard | 2.07 |
| Montpelier | 2.02 |
| Minster | 1.99 |
| Columbiana | 1.66 |
| Wellington | 1.62 |
| Versailles | 1.10 |
| Monroeville | 1.02 |
| Oak Harbor | 0.94 |
| Lodi | 0.94 |
| Pemberville | 0.92 |
| Edgerton | 0.92 |
| Arcanum | 0.84 |
| Seville | 0.82 |
| Brewster | 0.79 |
| Pioneer | 0.76 |
| Genoa | 0.69 |
| Jackson Center | 0.67 |

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

| <u>Municipality</u> | <u>Percent Project Ownership and Entitlement</u> |
|---------------------|--|
| Grafton | 0.64 % |
| Elmore | 0.58 |
| Woodville | 0.50 |
| Milan | 0.39 |
| Bradner | 0.35 |
| Beach City | 0.30 |
| Prospect | 0.27 |
| Haskins | 0.13 |
| Lucas | 0.13 |
| Arcadia | 0.11 |
| South Vienna | 0.11 |
| Waynesfield | 0.08 |
| Eldorado | 0.08 |
| Republic | 0.08 |
| Custar | 0.06 |
| | <hr/> |
| | 100.00 % |

Inventories

Inventories consist of fuel, materials and supplies used to operate the Project and are determined on the first-in, first-out method.

Revenue Recognition and Rates

Revenues are recognized when earned as service is delivered to the Participants' points of delivery. OMEGA JV-5 's rates for electric power are designed to cover annual operating costs except depreciation. Debt service is billed separately to the Participants. Rates are set annually by the Board of Participants.

Deferred revenue represents amounts prepaid by the Participants for debt service payments and contributions to the Reserve and Contingency Fund. The amounts related to debt service payments are amortized on a basis which allows the related depreciation expense, interest expense and billings to the Participants for debt service to have no net impact on operating margins.

Investments

Investments of restricted assets are held for sale and are, therefore, recorded at market with unrealized gains and losses excluded from earnings and reported in accumulated other comprehensive net margins, a separate component of participants' equity. Realized gains and losses on investment transactions are determined on the specific-identification basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Related Agreements

OMEGA JV-5 has entered into the following agreements:

- AMP-Ohio periodically provides services to OMEGA JV-5 as its agent. The cost of these services for the year ended December 31, 2000 was \$21,612.
- As OMEGA JV-5's agent, AMP-Ohio purchases power on OMEGA JV-5's behalf. Power and fuel purchases for the year ended December 31, 2000 amounted to \$5,842,480. As of December 31, 2000, OMEGA JV-5 owed AMP-Ohio \$254,372 related to these services.
- OMEGA JV-5 sold capacity from back-up generating units to AMP-Ohio's Northwest Area Service Group, Northeast Area Service Group and Jackson, Ohio. This revenue was approximately \$647,500 for the year ended December 31, 2000.
- In 1993, OMEGA JV-5 paid \$3,045,707 to the City of Oberlin, Ohio, for a commitment to provide 12,000 kilowatts (kW) of its generating capacity as a backup resource to OMEGA JV-5. The commitment is for dedicated capacity from June 1, 1996 through May 31, 2009. This asset is being amortized ratably over the term of the commitment.
- OMEGA JV-5 has entered into an agreement with MESA, a related joint venture, for MESA to provide management, engineering and other technical services. The expenses related to these services were \$846,821 in 2000, including \$245,956 in construction work in progress.

4. Cash and Cash Equivalents

As of December 31, 2000, the carrying amount of OMEGA JV-5's operating cash deposits were \$590,656, and the bank balance was \$684,412. The difference between cash deposits and the bank balance is due to outstanding checks. At December 31, 2000, \$1,143,276 was invested in certain money market funds associated with the bank. Amounts in the operating cash deposits and investments with the bank in excess of \$100,000 are not covered by federal depository insurance. Periodically, cash on deposit is invested overnight in these funds, which consist principally of obligations guaranteed by the United States government. The funds are collateralized by investments purchased by the funds, which are not held in the name of OMEGA JV-5.

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

5. Restricted Assets

Restricted assets include those assets comprising Construction, Debt Service, Certificate Payment, Construction Retainage and Reserve and Contingency Funds, which are established and maintained pursuant to the Trust Agreement for the Certificates. Substantially all assets in the Certificate Payment Fund are available only to meet principal and interest payments on the Certificates. Assets in the Construction and Construction Retainage Funds are available for payment of construction and acquisition costs of the facility. The Construction Fund also includes the liquidated damages withheld from progress payments as discussed in Note 10. Assets in the Debt Service Reserve Fund are for use to make up any deficiency in the amount of principal and interest currently due and, to the extent available, to make any portion of the final debt service payment amount due on February 15, 2024. Assets in the Reserve and Contingency Fund are for use to make up any deficiency in the amount of principal and interest payments and, to the extent available, to provide for future repair and maintenance costs.

The aggregate amount of cash and investments in each of these funds as of December 31, 2000 is as follows:

| | |
|--------------------------------|----------------------|
| Construction Fund | \$ 20,968,842 |
| Debt Service Reserve Fund | 11,382,586 |
| Certificate Payment Fund | 6,650,721 |
| Construction Retainage Fund | 3,058,518 |
| Reserve and Contingency Fund | <u>999,087</u> |
| Investments at cost | 43,059,754 |
| Investment valuation allowance | <u>22,471</u> |
| Investments at market | 43,082,225 |
| Accrued interest receivable | <u>126,777</u> |
| | <u>\$ 43,209,002</u> |

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

As of December 31, 2000, investments were held as follows:

| | <u>Cost</u> | <u>Market Value</u> |
|---|----------------------|----------------------|
| Money market funds and cash equivalents | \$ 32,068,092 | \$ 32,068,092 |
| United States Treasury obligations | <u>10,991,662</u> | <u>11,014,133</u> |
| Total | <u>\$ 43,059,754</u> | <u>\$ 43,082,225</u> |

The Certificates' Trust Agreement limits permissible restricted investments to those authorized for municipalities by Chapter 135 of the Ohio Revised Code and also permits investments approved in writing by the AMBAC Indemnity Corporation (AMBAC). The Trust Agreement does not restrict the duration of investments to the limitations imposed by Chapter 135.

At December 31, 2000, all investments were purchased in the name of the restricted funds' trustee and are held by the trustee. The United States Treasury obligations mature at various dates from the period February 2000 through August 2002.

Interest income capitalized to construction work in progress was \$1,250,061 for the year ended December 31, 2000.

6. Prepaid Bond Insurance

In connection with the issuance of the Certificates in 1993, OMEGA JV-5 paid \$2,274,376 on behalf of the Participants to AMBAC for municipal bond insurance (the Policy). In consideration of the payment of the premium and subject to the terms of the Policy, AMBAC agrees to pay to the United States Trust Company of New York, as trustee, or its successor, for benefit of the bondholders, that portion of the principal and interest on the Certificates that becomes due for payment but remains unpaid by reason of nonpayment by the Participants. This cost is being amortized over the maturities of the Certificates using the straight-line method.

7. Certificates of Beneficial Interest Issuance Costs

In connection with the issuance of the Certificates in 1993, OMEGA JV-5 paid \$1,854,451 on behalf of the Participants for underwriter's discount and other costs of issuance. These costs are being amortized over the maturities of the Certificates using the straight-line method.

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

8. Certificates of Beneficial Interest

The Series 1993 Certificates of Beneficial Interest (the Series 1993 Certificates) outstanding as of December 31, 2000 are as follows:

| <u>Maturity Date</u> <u>February 15,</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> |
|---|-----------------------------------|--------------------------------|
| 2001 | \$ 3,130,000 | 4.88 % |
| 2002 | 3,280,000 | 5.00 |
| 2003 | 3,445,000 | 5.00 |
| 2004 | 3,620,000 | 5.10 |
| 2005 | 3,800,000 | 5.25 |
| 2006 | 4,000,000 | 5.38 |
| 2007 | 4,215,000 | 5.40 |
| 2008 | 4,445,000 | 5.50 |
| 2013 | 26,100,000 | 5.38 |
| 2016 | 19,320,000 | 5.63 |
| 2024 | <u>69,475,000</u> | 5.38 |
| | <u>\$ 144,830,000</u> | |

The Series 1993 Certificates stated to mature on February 15, 2013, February 15, 2016 and February 15, 2024 are subject to mandatory sinking fund redemption. Interest on the Series 1993 Certificates is payable semiannually on February 15 and August 15 of each year, commencing February 15, 1994, to and including the date of maturity or prior redemption.

The Series 1993 Certificates are not subject to optional redemption before February 15, 2003. Series 1993 Certificates maturing after February 15, 2003 are subject to redemption in whole or in part on any date on or after February 15, 2003 at a redemption price plus accrued interest to the redemption date as set forth below:

| <u>Redemption Period</u> | <u>Redemption</u> <u>Price</u> |
|---|-----------------------------------|
| February 15, 2003 through February 14, 2004 | 102 % |
| February 15, 2004 through February 14, 2005 | 101 % |
| February 15, 2005 and thereafter | 100 % |

Except for the limited step-up provisions, in the event of default by a participant as described in Section 18 of the Trust Agreement, the 1993 Series Certificates are payable solely from bond debt service payments to be made by the OMEGA JV-5 Participants pursuant to an agreement dated as of January 1, 1993. The bond debt service payments are obligations of the OMEGA JV-5 Participants, payable from the revenues of their municipal electric utility systems, subject only to the prior payment of the operation and maintenance expenses thereof. For accounting purposes, the obligation for repayment of the Certificates is reflected in the financial statements of OMEGA JV-5.

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

Debt service requirements for the next five years and cumulative requirements thereafter as of December 31, 2000 are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|-----------------------|-----------------------|-----------------------|
| 2001 | \$ 3,130,000 | \$ 7,707,655 | \$ 10,837,655 |
| 2002 | 3,280,000 | 7,549,362 | 10,829,362 |
| 2003 | 3,445,000 | 7,381,237 | 10,826,237 |
| 2004 | 3,620,000 | 7,202,802 | 10,822,802 |
| 2005 | 3,800,000 | 7,010,741 | 10,810,741 |
| 2006-2024 | <u>127,555,000</u> | <u>76,323,301</u> | <u>203,878,301</u> |
| | <u>\$ 144,830,000</u> | <u>\$ 113,175,098</u> | <u>\$ 258,005,098</u> |

9. Commitments

OMEGA JV-5 has agreed to make certain payments in lieu of taxes to Wood County, West Virginia. The payments in lieu of taxes will be approximately \$840,000 annually until the later of September 1, 2028 or such time as the Project ceases commercial operations.

10. Project Contractor and Related Matters

On February 24, 1995, OMEGA JV-5 entered into a contract for the construction of the Project near Belleville, West Virginia. Under the dispute procedure in the contract, the contractor asserted claims in 1996 against OMEGA JV-5 for different site conditions, extra work delays, and acceleration, certain of which were rejected by the independent resident engineer. The contractor subsequently filed two civil actions in 1996 against OMEGA JV-5 in the United States District Court for the Western District of West Virginia.

In March 1997, the contractor notified OMEGA JV-5 of additional claims that were also submitted to the resident engineer. In April 1997, the contractor and OMEGA JV-5 entered into a mediation agreement that provided for a three-stage mediation process. After substantial exchange of documents and review, the resident engineer substantially denied entitlement of Phase 1 claims by the contractor. The mediation session required under the mediation agreement was conducted relative to Phase 1 claims, but no settlement was reached. Phase 2 and 3 claims have not yet been addressed.

In an additional development, on August 10, 1997, the contractor and certain related companies filed for bankruptcy protection under 11 U.S.C. §1101 in the United States Bankruptcy Court for the Northern District of California. That proceeding is continuing. Since that time, the insurance companies that bonded the contractor have provided financing and assumed control of the construction contract.

Ohio Municipal Electric Generation Agency Joint Venture 5

Notes to Financial Statements December 31, 2000

In June 1999, the contractor and its insurance companies submitted a consolidated claim to OMEGA JV-5. In September 1999, the engineer issued a decision denying the consolidated claim in its entirety.

By stipulation of the parties, the two district court actions were dismissed without prejudice in September 1999. In November 1999, the parties agreed that a single action would be refiled. OMEGA JV-5 filed its answer to the complaint in December 1999 and also filed a counterclaim. In November 1999, the parties agreed to conduct a mediation in attempt to reach a settlement of the disputes. The mediation was conducted January 24-25, 2000. The parties did not reach a settlement.

On February 14, 2001, a full settlement agreement was reached between the contractor, the insurance companies and OMEGA JV-5. The settlement agreement stated OMEGA JV-5 must pay the following amounts to the insurer: \$21,000,000 within five days of the settlement agreement; \$3,800,000 within thirty days of the settlement agreement; and \$12,800,000 within five days of OMEGA JV-5's receipt of financing but no later than one hundred eighty calendar days from January 29, 2001. The OMEGA JV-5 has recorded the settlement amount, less previously accrued related construction retainage payable of \$6,919,265, as accrued construction costs at December 31, 2000.

[This page intentionally left blank]

BALANCE SHEETS

December 31, 1999 and 1998

| | 1999 | 1998 |
|---|----------------|----------------|
| ASSETS | | |
| Utility plant (Note 2) | | |
| Electric plant in service | \$ 154,648,958 | \$ 7,936,446 |
| Accumulated depreciation | (4,291,218) | (797,354) |
| | 150,357,740 | 7,139,092 |
| Construction work in progress | | 139,949,281 |
| Total utility plant | 150,357,740 | 147,088,373 |
| Restricted assets (Notes 2 and 5) | 44,145,174 | 49,313,345 |
| Current assets | | |
| Cash and cash equivalents (Notes 2 and 4) | 1,765,948 | 687,644 |
| Receivables from participants | 958,716 | 1,087,957 |
| Fuel inventory, materials and supplies (Note 2) | 58,998 | |
| Prepaid expenses | 171,475 | 102,859 |
| Total current assets | 2,955,137 | 1,878,460 |
| Other assets | | |
| Prepaid dedicated capacity (Note 3) | 2,206,185 | 2,440,470 |
| Prepaid bond insurance (Note 6) | 1,775,277 | 1,851,090 |
| Certificates of beneficial interest issuance costs (Note 7) | 1,449,872 | 1,511,788 |
| Total other assets | 5,431,334 | 5,803,348 |
| Total assets | \$ 202,889,385 | \$ 204,083,526 |
| | | |
| PARTICIPANTS' EQUITY AND LIABILITIES | | |
| Participants' equity (Note 2) | | |
| Participants' contributions | \$ 200,000 | \$ 200,000 |
| Accumulated net margins | 2,356,093 | 1,646,891 |
| | 2,556,093 | 1,846,891 |
| Investment valuation allowance | (157,317) | 433,450 |
| Total participants' equity | 2,398,776 | 2,280,341 |
| Certificates of beneficial interest | | |
| Certificates of beneficial interest (Note 8) | 144,830,000 | 147,815,000 |
| Unamortized discount | (3,152,376) | (3,286,978) |
| Net certificates of beneficial interest | 141,677,624 | 144,528,022 |
| Liabilities payable from restricted assets | | |
| Accrued interest | 2,972,151 | 3,020,414 |
| Accounts payable | | 879,242 |
| Construction retainage payable | 7,123,491 | 8,234,018 |
| Total liabilities payable from restricted assets | 10,095,642 | 12,133,674 |
| Current liabilities | | |
| Accounts payable | 658,810 | 29,078 |
| Payable to AMP-Ohio (Note 3) | 1,834,878 | 1,203,934 |
| Certificates of beneficial interest, current (Note 8) | 2,985,000 | 2,860,000 |
| Total current liabilities | 5,478,688 | 4,093,012 |
| Deferred revenue (Note 2) | 43,238,655 | 41,048,477 |
| Total participants' equity and liabilities | \$ 202,889,385 | \$ 204,083,526 |

See accompanying notes to the financial statements.

STATEMENTS OF OPERATIONS

Years Ended December 31, 1999 and 1998

| | 1999 | 1998 |
|-------------------------------|------------------|--------------------|
| REVENUES | | |
| Electric revenue | \$ 20,029,759 | \$ 11,781,307 |
| EXPENSES | | |
| Purchased power | 8,898,131 | 9,626,866 |
| AMP-Ohio services | 113,333 | 96,161 |
| MESA services | 461,777 | 30,962 |
| Depreciation and amortization | 3,909,703 | 498,838 |
| Payment in lieu of taxes | 876,427 | 250,000 |
| Professional services | 26,264 | 33,108 |
| Insurance | 127,131 | 85,893 |
| Maintenance | 231,921 | 90,556 |
| Electric services | 18,922 | 15,160 |
| Other operating expenses | 27,758 | 18,383 |
| Interest expense | 5,283,824 | |
| Total expenses | 19,975,191 | 10,745,927 |
| Operating margins | 54,568 | 1,035,380 |
| NONOPERATING REVENUES | | |
| Investment income | 654,634 | 47,492 |
| NET MARGINS | \$709,202 | \$1,082,872 |

STATEMENTS OF PARTICIPANTS' EQUITY

Years Ended December 31, 1999 and 1998

| | Participants' Contributions | Accumulated Net Margins | Subtotal | Investment Valuation Allowance | Total |
|---|--------------------------------|----------------------------|-------------|--------------------------------------|-------------|
| Balances as of January 1, 1998 | \$200,000 | \$ 564,019 | \$ 764,019 | \$ 70,811 | \$ 834,830 |
| Net margins for the year ended December 31, 1998 | — | 1,082,872 | 1,082,872 | — | 1,082,872 |
| Investment valuation allowance | — | — | — | 362,639 | 362,639 |
| Balances as of December 31, 1998 | 200,000 | 1,646,891 | 1,846,891 | 433,450 | 2,280,341 |
| Net margins for the year ended December 31, 1999 | — | 709,202 | 709,202 | — | 709,202 |
| Investment valuation allowance | — | — | — | (590,767) | (590,767) |
| Balances as of December 31, 1999 | \$200,000 | \$2,356,093 | \$2,556,093 | \$(157,317) | \$2,398,776 |

See accompanying notes to the financial statements.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 1999 and 1998

| | <u>1999</u> | <u>1998</u> |
|---|---------------------|--------------------|
| Cash flows from operating activities | | |
| Operating margins | \$ 54,568 | \$ 1,035,380 |
| Adjustments to reconcile operating margins to net cash provided by operating activities | | |
| Depreciation and amortization | 3,909,703 | 498,838 |
| Changes in assets and liabilities | | |
| Receivables from participants | 129,241 | (316,322) |
| Inventories | (58,998) | |
| Prepaid expenses | (68,616) | (27,167) |
| Accounts payable | 629,732 | (645,960) |
| Receivable from/payable to AMP-Ohio | 630,944 | 1,407,752 |
| Net cash from operating activities | <u>5,226,574</u> | <u>1,952,521</u> |
| Cash flows from investing activities | | |
| Deferred revenue | 2,190,178 | 9,952,014 |
| Electric plant including construction work in progress | (8,705,991) | (11,715,252) |
| Net cash from investing activities | <u>(6,515,813)</u> | <u>(1,763,238)</u> |
| Cash flows from capital and related financing activities | | |
| Interest received | 654,634 | 47,492 |
| Purchase of investments | (21,299,521) | (78,819,001) |
| Sales and maturities of investments | 25,872,430 | 80,876,821 |
| Payments on certificates of beneficial interest | (2,860,000) | (2,740,000) |
| Net cash from capital and related financing activities | <u>2,367,543</u> | <u>(634,688)</u> |
| Net change in cash and cash equivalents | <u>1,078,304</u> | <u>(445,405)</u> |
| Cash and cash equivalents, beginning of year | <u>687,644</u> | <u>1,133,049</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,765,948</u> | <u>\$ 687,644</u> |

Supplemental cash flow information:

Noncash additions to construction work in progress for 1999 and 1998 include \$1,076,543 and \$1,825,672, respectively.

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1999 and 1998

I. ORGANIZATION

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5) was organized by 42 subdivisions of the State of Ohio (the participants) on April 20, 1993, pursuant to a Joint Venture Agreement (the Agreement) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose was to undertake the Belleville Hydroelectric Project (the Project). The participants are members of American Municipal Power-Ohio, Inc. (AMP-Ohio). OMEGA JV5 constructed and will own and operate the Project. The Project consists of:

- The Belleville hydroelectric plant and associated transmission facilities (Belleville Hydroelectric Facilities);
- Backup generation facilities, including contracts for the output thereof; and
- Power purchased on behalf of OMEGA JV5 participants.

The Belleville Hydroelectric Facilities essentially consists of a run-of-the river hydroelectric plant designed for a capacity of 42 megawatts and approximately 25 miles of 138-kilovolt transmission facilities. The plant is located in West Virginia, on the Ohio River, at the Belleville Locks and Dam.

OMEGA JV5 was constructed with proceeds from the issuance of Certificates of Beneficial Interest (the Certificates). The Certificates evidence the obligation of participants to pay for the cost of the project from revenues of their electric systems. Management services are provided to OMEGA JV5 by AMP-Ohio and Municipal Energy Services Agency (MESA).

2. SIGNIFICANT ACCOUNTING POLICIES

The following summarizes the significant accounting policies followed by OMEGA JV5.

BASIS OF ACCOUNTING: The accounting records of OMEGA JV5 are maintained in conformity with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC). Accounts of OMEGA JV5 are maintained on an accrual basis of accounting in accordance with generally accepted accounting principles.

CASH AND CASH EQUIVALENTS: For purposes of statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less.

UTILITY PLANT: Electric plant in service is recorded at cost and consists of the hydroelectric plant, transmission facilities and backup generating units. Depreciation is provided on the straight-line method over the estimated useful life of the assets (30 years).

Construction work in progress consisted of all costs incurred directly related to the Project, including all interest costs of the Certificates, interest earned, and realized and unrealized gains and losses on related interest-bearing investments acquired with proceeds of the Certificates.

PARTICIPANTS' EQUITY: All property constituting OMEGA JV5 is owned by the participants as tenants in common in undivided shares, each such share being equal to that participant's percentage ownership interest as follows:

| <u>Municipality</u> | <u>Percent Project Ownership and Entitlement</u> | <u>Municipality</u> | <u>Percent Project Ownership and Entitlement</u> |
|---------------------|--|---------------------|--|
| Cuyahoga Falls | 16.67% | Columbiana | 1.66 |
| Bowling Green | 15.73 | Wellington | 1.62 |
| Niles | 10.63 | Versailles | 1.10 |
| Napoleon | 7.35 | Monroeville | 1.02 |
| Jackson | 7.14 | Oak Harbor | .94 |
| Hudson Village | 5.69 | Lodi | .94 |
| Wadsworth | 5.62 | Pemberville | .92 |
| Oberlin | 3.02 | Edgerton | .92 |
| New Bremen | 2.38 | Arcanum | .84 |
| Bryan | 2.19 | Seville | .82 |
| Hubbard | 2.07 | Brewster | .79 |
| Montpelier | 2.02 | Pioneer | .76 |
| Minster | 1.99 | Genoa | .69 |

Continued next page

| Municipality | Percent Project Ownership and Entitlement | Municipality | Percent Project Ownership and Entitlement |
|----------------|---|--------------|---|
| Jackson Center | .67 | Lucas | .13 |
| Grafton | .64 | Arcadia | .11 |
| Elmore | .58 | South Vienna | .11 |
| Woodville | .50 | Waynesfield | .08 |
| Milan | .39 | Eldorado | .08 |
| Bradner | .35 | Republic | .08 |
| Beach City | .30 | Custar | .06 |
| Prospect | .27 | | |
| Haskins | .13 | Total | 100.00% |

INVENTORIES: Inventories of fuel, materials and supplies are stated at the lower of cost (first-in, first-out) or market.

REVENUE RECOGNITION AND RATES: Revenues are recognized when earned as service is delivered to participants' points of delivery. OMEGA JV5's rates for electric power are designed to cover annual operating costs except depreciation. Debt service is billed separately to participants. Rates are set annually by the Board of Participants.

Deferred revenue represents amounts prepaid by participants for debt service payments and contributions to the Reserve and Contingency Fund. These amounts are amortized on a basis consistent with the life of the assets or over the remaining period of the Certificates from the electric plant in service date.

INVESTMENTS: Investments of restricted assets are held for sale and are, therefore, recorded at market with unrealized gains and losses excluded from earnings and reported in a separate component of participants' equity. Realized gains and losses on investment transactions are determined on the specific-identification basis.

ESTIMATES: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

3. RELATED AGREEMENTS

OMEGA JV5 has entered into the following agreements:

- AMP-Ohio provides staffing and expertise to fulfill management and operational obligations under an agreement with OMEGA JV5 and acts as OMEGA JV5's agent. Beginning in 1993, and for each year this agreement is in effect, AMP-Ohio is paid a management fee of \$70,000 per year; for each year after the initial term, such management fee shall be increased by 5% per year, compounded, plus, a reasonable allocation of the cost to AMP-Ohio for direct expenses, personnel and overhead related to AMP-Ohio's performance of its obligations. The total of these amounts for the years ended December 31, 1999 and 1998 was \$155,244 (of which \$41,911 was capitalized as construction work in progress) and \$145,738 (of which \$49,577 was capitalized as construction work in progress), respectively. OMEGA JV5 makes estimated payments to AMP-Ohio throughout the year for these expenses. In addition, as OMEGA JV5's agent, AMP-Ohio purchases power on behalf of OMEGA JV5. Power and fuel purchases for the years ended December 31, 1999 and 1998 amounted to \$8,898,131 and \$9,626,866, respectively. As of December 31, 1999 and 1998, OMEGA JV5 owed AMP-Ohio \$1,834,878 and \$1,203,934, respectively, related to these services.
- OMEGA JV5 sold capacity from back-up generating units to AMP-Ohio's Northwest Area Service Group, Northeast Area Service Group and Jackson, Ohio. This revenue was approximately \$728,000 and \$1,640,000 for the years ended December 31, 1999 and 1998, respectively.
- In 1993, OMEGA JV5 paid \$3,045,707 to the city of Oberlin, Ohio, for a commitment to provide 12,000 kilowatts (kW) of its generating capacity as a backup resource to OMEGA JV5. The commitment is limited to no more than 1,000 kWhs per kW of dedicated capacity in any 12 consecutive months during the term of the Backup Agreement from June 1, 1996 through May 31, 2000. This asset is being amortized ratably over the term of the Backup Agreement.
- OMEGA JV5 had two back-up generators, originally included in construction work-in-progress, which OMEGA JV5 determined would not be used in the Project. In 1998 and 1997, AMP-Ohio, on behalf of OMEGA JV5, negotiated the terms of the sale of these back-up generators to two participants of OMEGA JV5 for approximately \$411,000 each. This amount was the original cost of each unit.

- In 1997, OMEGA JV5 entered into an agreement with MESA, a related joint venture, for MESA to provide certain engineering and other technical services. The expenses related to these services were \$769,505 and \$381,190 in 1999 and 1998, including \$307,728 and \$350,228 in construction work in progress.

4. CASH AND CASH EQUIVALENTS

As of December 31, 1999 and 1998, the carrying amount of OMEGA JV5's operating cash deposits were \$906,993 and \$262,658, respectively, and the bank balance was \$932,826 and \$284,501, respectively. The difference between cash deposits and bank balance is due to outstanding checks. The amount of the bank balance covered by federal depository insurance is \$100,000. At December 31, 1999 and 1998, \$858,945 and \$424,986, respectively, was invested in certain money market funds associated with the bank. Periodically, cash on deposit is invested overnight in these funds, which consist principally of obligations guaranteed by the U.S. government. The funds are collateralized by investments purchased by the funds, which are not held in the name of OMEGA JV5.

5. RESTRICTED ASSETS

Restricted assets include those assets comprising construction, debt service, certificate payment, construction retainage and reserve and contingency funds, which are established and maintained pursuant to the Trust Agreement for the Certificates. Substantially all assets in the Certificate Payment Fund are available only to meet principal and interest payments on the Certificates. Assets in the Construction and Construction Retainage Funds are available for payment of construction and acquisition costs of the facility. However, the Construction Fund also includes the liquidated damages withheld from progress payments as discussed in Note 10. Assets in the Debt Service Reserve Fund are for use to make up any deficiency in the amount of principal and interest due and, to the extent available, to make any portion of the final debt service payment amount due on February 15, 2024. Assets in the Reserve and Contingency Fund are for use to make up any deficiency in the amount of principal and interest and, to the extent available, provide for future repair and maintenance costs.

The aggregate amount in each of these funds is as follows:

| | 1999 | 1998 |
|--------------------------------|---------------------|---------------------|
| Construction Fund | \$ 22,798,852 | \$ 26,420,233 |
| Debt Service Reserve Fund | 11,021,315 | 11,004,245 |
| Certificate Payment Fund | 6,271,497 | 6,066,354 |
| Construction Retainage Fund | 2,985,522 | 4,201,930 |
| Reserve and Contingency Fund | 953,653 | 920,056 |
| Investments at cost | 44,030,839 | 48,612,818 |
| Investment valuation allowance | (157,317) | 433,450 |
| Investments at market | 43,873,522 | 49,046,268 |
| Accrued interest receivable | 271,652 | 267,077 |
| | <u>\$44,145,174</u> | <u>\$49,313,345</u> |

As of December 31, investments were held as follows:

| | 1999 | | 1998 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Cost | Market Value | Cost | Market Value |
| Money market funds and cash equivalents | \$26,776,132 | \$26,776,132 | \$32,381,360 | \$32,381,360 |
| United States Treasury obligations | 17,254,607 | 17,097,390 | 16,231,458 | 16,664,908 |
| Total | <u>\$44,030,839</u> | <u>\$43,873,522</u> | <u>\$48,612,818</u> | <u>\$49,046,268</u> |

The Certificates' Trust Agreement limits permissible restricted investments to those authorized for municipalities by Chapter 135 of the Ohio Revised Code, and also permits investments approved in writing by the AMBAC Indemnity Corporation (AMBAC). The Agreement does not restrict the duration of investments to the limitations imposed by Chapter 135.

At December 31, 1999 and 1998, all investments were purchased in the name of the restricted funds' trustee and are held by the trustee. The United States Treasury obligations mature at various dates from the period February 2000 through August 2002.

Interest income capitalized to construction work-in-progress was \$1,426,182 and \$2,225,477 for the years ended December 31, 1999 and 1998, respectively.

6. PREPAID BOND INSURANCE

With the issuance of the Certificates in 1993, OMEGA JV5 paid \$2,274,376 on behalf of the participants to AMBAC for municipal bond insurance (the Policy). In consideration of the payment of the premium and subject to the terms of the Policy, AMBAC agrees to pay to the United States Trust Company of New York, as trustee, or its successor, for benefit of the bondholders, that portion of the principal and interest on the Certificates that becomes due for payment, but remains unpaid by reason of nonpayment by the participants. This cost is being amortized over the maturities of the Certificates using the straight-line method. Amortization expense capitalized to construction work-in-progress was approximately \$25,200 and \$75,800 for the years ended December 31, 1999 and 1998, respectively.

7. CERTIFICATES OF BENEFICIAL INTEREST ISSUANCE COSTS

With the issuance of the Certificates in 1993, OMEGA JV5 paid \$1,854,451 on behalf of the participants for underwriter's discount and costs of issuance. These costs are being amortized over the maturities of the Certificates using the straight-line method. Amortization expense capitalized to construction work-in-progress was approximately \$20,600 and \$62,000 for the years ended December 31, 1999 and 1998, respectively.

8. CERTIFICATES OF BENEFICIAL INTEREST

The Series 1993 Certificates of Beneficial Interest outstanding as of December 31, 1999, are as follows:

| <u>Maturity Date</u> <u>February 15,</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> |
|---|-----------------------------------|--------------------------------|
| 2000 | \$ 2,985,000 | 4.75% |
| 2001 | 3,130,000 | 4.88 |
| 2002 | 3,280,000 | 5.00 |
| 2003 | 3,445,000 | 5.00 |
| 2004 | 3,620,000 | 5.10 |
| 2005 | 3,800,000 | 5.25 |
| 2006 | 4,000,000 | 5.38 |
| 2007 | 4,215,000 | 5.40 |
| 2008 | 4,445,000 | 5.50 |
| 2013 | 26,100,000 | 5.38 |
| 2016 | 19,320,000 | 5.63 |
| 2024 | 69,475,000 | 5.38 |
| | <u>\$ 147,815,000</u> | |

The Series 1993 Certificates stated to mature on February 15, 2013, February 15, 2016 and February 15, 2024 are subject to mandatory sinking fund redemption. Interest on the Series 1993 Certificates is payable semiannually on February 15 and August 15 of each year, commencing February 15, 1994, to and including the date of maturity or prior redemption.

The Series 1993 Certificates are not subject to optional redemption before February 15, 2003. Series 1993 Certificates maturing after February 15, 2003 are subject to redemption in whole or in part on any date on

or after February 15, 2003 at a redemption price plus accrued interest to the Redemption Date as set forth below:

| Redemption Period | Redemption Price |
|---|------------------|
| February 15, 2003 through February 14, 2004 | 102% |
| February 15, 2004 through February 14, 2005 | 101 |
| February 15, 2005 and thereafter | 100 |

Except for the limited step-up provisions, in the event of default by a participant as described in Section 18 of the Agreement, the 1993 Certificates are payable solely from Bond Debt Service Payments to be made by the OMEGA JV5 participants pursuant to an agreement dated as of January 1, 1993. The Bond Debt Service Payments are obligations of the OMEGA JV5 participants, payable from the revenues of their municipal electric utility systems, subject only to prior payment of the operation and maintenance expenses thereof. For accounting purposes, the obligation for repayment of the Certificates is reflected in the financial statements of OMEGA JV5.

Debt service requirements for the next five years and cumulative requirements thereafter as of December 31, 1999 are as follows:

| | Principal | Interest | Total |
|--------------|----------------------|-----------------------|-----------------------|
| 2000 | \$2,985,000 | \$7,854,843 | \$10,839,843 |
| 2001 | 3,130,000 | 7,707,655 | 10,837,655 |
| 2002 | 3,280,000 | 7,549,361 | 10,829,361 |
| 2003 | 3,445,000 | 7,381,236 | 10,826,236 |
| 2004 | 3,620,000 | 7,202,810 | 10,822,810 |
| 2005-2024 | 131,355,000 | 83,334,122 | 214,689,122 |
| Total | \$147,815,000 | \$ 121,030,017 | \$ 268,845,017 |

Interest paid and capitalized to construction work-in-progress was approximately \$7,990,086 and \$8,113,000 for the years ended December 31, 1999 and 1998, respectively.

9. COMMITMENTS

OMEGA JV5 has agreed to make certain payments instead of taxes to Wood County, West Virginia. The payments in lieu of taxes will be approximately \$840,000 annually until the latter of September 1, 2024 or such time as the Project ceases commercial operations.

10. PROJECT CONTRACTOR AND RELATED MATTERS

On February 24, 1995, OMEGA JV5 entered into a contract for the construction of the Belleville Hydroelectric Project (the Project) near Belleville, West Virginia. Under the dispute procedure in the contract, the contractor asserted claims in 1996 against OMEGA JV5 for differing site conditions, extra work delays, and acceleration, certain of which were rejected by the independent resident engineer. The contractor subsequently filed two civil actions in 1996 against OMEGA JV5 in the U.S. District Court for the Western District of West Virginia.

In March 1997, the contractor notified OMEGA JV5 of additional claims that were also submitted to the resident engineer. In April 1997, the contractor and OMEGA JV5 entered into a Mediation Agreement that provided for a three-stage mediation process. After substantial exchange of documents and review, the resident engineer substantially denied entitlement of Phase 1 claims by the contractor. The mediation session required under the Mediation Agreement was conducted relative to Phase 1 claims, but no settlement was reached. Phase 2 and 3 claims have not yet been addressed.

In an additional development, on August 10, 1997, the contractor and certain related companies filed for bankruptcy protection under 11 U.S.C. 1101 in the United States Bankruptcy Court for the Northern District of California. That proceeding is continuing. Since that time, the insurance companies that bonded the contractor have provided financing and assumed control of the construction contract.

In June 1999, the contractor and its insurance companies submitted a consolidated claim to Omega JV5. In September 1999, the engineer issued a decision denying the consolidated claim in its entirety.

By stipulation of the parties, the two District Court actions were dismissed without prejudice in September 1999. In November 1999, the parties agreed that a single action would be refiled. Omega JV5 filed its answer to the Complaint in December 1999, and also filed a counterclaim. In November 1999, the parties agreed to conduct a mediation in attempt to reach a settlement of the disputes. The mediation was conducted January 24-25, 2000. The parties did not reach a settlement.

OMEGA JV5 has asserted its rights to assess liquidating damages for late completion as provided under the contract. These amounts, totaling approximately \$16,351,000 as of December 31, 1999, have been withheld from progress payments. OMEGA JV5 also has additional claims pursuant to the contract. OMEGA JV5 has vigorously defended itself against the contractor's and its insurance companies' claims and intends to continue to do so. Another prime contractor has presented OMEGA JV5 with claims of material amounts arising from a number of issues, including delays. OMEGA JV5 believes that the majority of these claims will be the responsibility of the contractor and its insurance companies. The management of OMEGA JV5 is currently unable to estimate the final resolution of the claims or potential losses, if any, from them.

[This page intentionally left blank]

APPENDIX C-DEFINITIONS OF CERTAIN TERMS

[This page intentionally left blank]

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined in the body of the Offering Memorandum, the following are certain terms used in the body of the Offering Memorandum and in Appendices D, E and F.

“Bond Debt Service Payments” - see Bond Payments.

“Bond Payments” means the sum of the following:

(i) amounts required for payment of principal of and premium, if any, and interest on all Bonds, which are required to be paid into any fund or account during any period to be set aside for the payment of such principal, premium or interest when due from time to time under the terms of any trust indenture, whether, in the case of principal of any Bond, upon the stated maturity or upon prior redemption, under such trust indenture (collectively “Bond Debt Service Payments”);

(ii) payments which are required to be paid into any fund or account to establish or maintain a reserve exclusively for the payment of such principal, premium or interest under the terms of any trust indenture;

(iii) amounts required under any trust indenture to be paid or deposited into any fund or account established by, or pursuant to, such trust indenture (other than funds and accounts referred to in clauses (i) and (ii) above and amounts required to be paid or deposited into the Reserve and Contingency Fund), including any amounts required to be paid or deposited by reason of the transfer of moneys from such funds or accounts to the funds or accounts referred to in clauses (i) and (ii) above;

(iv) amounts required to be paid to procure, or to perform obligations under, any liquidity or credit support obligation, to the extent not included in clause (ii) above, interest rate swap or hedging instrument (including, in each case, any amounts due in connection with the termination thereof) associated with any Bonds or amounts payable with respect thereto;

(v) additional amounts, if any, which must be paid in order to meet the requirements of any covenant with respect to coverage of debt service on Bonds under the terms of any trust indenture, and such additional amounts as may be deemed by OMEGA JV5 prudent to facilitate marketing Bonds on favorable terms; and

(vi) trustee and financial advisory fees.

The amounts described in clauses (ii) to (vi), inclusive, collectively, are referred to as “Other Bond Payments”.

“Bonds” or **“Certificates”** means the 2001 Certificates and any Additional Certificates.

“Business Day” means any day other than (i) a Saturday or Sunday, or (ii) a day on which the Federal Reserve System or banking institutions in the City of New York, New York or the City of Columbus, Ohio or the city in which the principal corporate trust office of the Trustee or any Paying Agent is located are authorized or obligated by law or executive order to be closed.

“Certificate Payment Date” means February 15 of each year commencing February 15, 2025 and ending February 15, 2030.

“**Certificate Payment Fund**” means the Certificate Payment Fund created pursuant to the Trust Agreement.

“**Certificates**” means the beneficial interest certificates registered as to principal and interest and payable to the Owner thereof, and prepared and delivered by the Trustee pursuant to the Trust Agreement designated as Series 2001, and any Additional Certificates.

“**Charge Appendix**” means the listing of charges, and the components thereof, designed to recover the costs associated with the JV5 Participants’ ownership interests of the Project, attached as Appendix B to the Joint Venture Agreement, as the same may be revised from time to time in accordance with the provisions of the Joint Venture Agreement.

“**Closing Date**” means the date of which the 2001 Certificates are delivered and certain rights of the JV5 Participants under the Joint Venture Agreement are assigned to the Trustee.

“**Code**” means the Internal Revenue Code of 1986, as amended, and regulations prescribed thereunder and any subsequent amendments or modifications thereto.

“**Construction Fund**” means the Construction Fund created pursuant to the Trust Agreement.

“**Costs of Issuance Sub-Fund**” means the Costs of Issuance Sub-Fund created pursuant to the Trust Agreement.

“**DTC**” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“**DTC Participant**” means banks, brokers or dealers who are participants of DTC.

“**Debt Service Reserve Fund**” means the Debt Service Reserve Fund created pursuant to the Trust Agreement.

“**Defeasance Obligations**” means cash and those investments listed in clauses (i) and (ii) of the definition of Permitted Investments which are at the time legal for investment of the funds of Ohio municipalities.

“**FERC**” means the Federal Energy Regulatory Commission or its successor agencies.

“**Fund**” or “**Funds**” means the funds, including the sub-funds thereof, created pursuant to the Trust Agreement.

“**Historical Adjusted Net Revenues**” means the difference between the revenues and O&M Expenses of the municipal electric utility system from the average of the two last complete fiscal years of the JV5 Participant, adjusted to reflect any change in electric rates duly adopted after the beginning of the first of such fiscal years and on, or prior to, such date of issuance or incurrence, so long as such change in rates shall be fully effective within five (5) years of such adoption.

“**JV5 Participant**” or “**JV5 Participants**” means those municipal corporations of the State of Ohio which have executed the Joint Venture Agreement.

“**Joint Venture Agreement**” means the Joint Venture Agreement dated as of January 1, 1993 among the JV5 Participants regarding Ohio Municipal Electric Generation Agency Joint Venture 5.

“License” means: (i) the license issued on September 27, 1989 by the Federal Energy Regulatory Commission (“FERC”) authorizing the City of Jackson, Ohio to construct, operate and maintain the Project (FERC Project No. 6939), as such license has from time to time and may in the future from time to time be amended; and (ii) any and all requirements of the Federal Power Act, as amended, the FERC’s regulations, and any and all lawful orders of the FERC applicable to the Project.

“Maximum Future Debt Service” means the greatest amount of debt service (including Bond Debt Service Payments), taking into account debt service on all outstanding bonds, notes and other indebtedness and on the bonds, notes and other indebtedness then to be issued or incurred but excluding any bonds, notes or other indebtedness legally defeased as of such date, payable from the revenues of its municipal electric utility system on a parity with its obligation to make Bond Debt Service Payments under the Joint Venture Agreement, scheduled to become due in the current or any future fiscal year.

“Members” means municipalities that are members of American Municipal Power – Ohio, Inc.

“Month” or **“Monthly”** refers to a calendar month.

“2001 Certificates” means the Beneficial Interest Certificates, Series 2001, authorized by the Trust Agreement.

“O&M Expenses” means the ordinary and necessary operating expenses with respect to a JV5 Participant’s municipal electric utility system under generally accepted accounting principles, including such JV5 Participant’s share of Operating Expenses, but excluding interest expense, capitalized lease payments, amortization and depreciation. O&M Expenses may include contractual obligations for power, transmission and other services to the extent such obligations are not incurred or owing during or in respect of a period of unavailability, where “period of unavailability” means the period in excess of ninety (90) days when such service is not furnished or is unavailable, for whatever reason.

“OMEGA JV5” means the JV5 Participants acting jointly pursuant to the Joint Venture Agreement as the Ohio Municipal Electric Generation Agency Joint Venture 5 and any agents and assigns approved by the JV5 Participants acting through the Board of Participants of OMEGA JV5.

“Operating Expenses” means the sum of the following, to the extent not paid as Project Costs out of the proceeds of Bonds or related investment income:

- (i) all costs incurred by OMEGA JV5 under the Related Agreements;
- (ii) the cost to OMEGA JV5 of operation and maintenance of the Project, including the cost to OMEGA JV5 of taxes, mandatory payments in lieu of taxes, Project related payments to the U.S. Army Corps of Engineers and the FERC, the cost of insurance, including directors and officers liability, all costs to settle or compromise threatened or pending claims or litigation to the extent associated with the Project or OMEGA JV5, and including reserves against losses established in connection with any program of self insurance, the costs of any Transmission Service, other costs of transmission and delivery of Project Power to the Delivery Points including costs for delivery at less than transmission voltage and losses, fuel costs, and costs of compliance with and renewals of the License and all other required licenses and permits, legal, engineering, accounting and financial advisory fees and expenses, including without limitation other licensing, permitting, siting and organizational costs and any payments associated with any validation proceedings regarding the Certificates or the Joint Venture Agreement, and including repayment of any sums advanced by AMP-Ohio or any JV5 Participant in connection therewith whether incurred prior to the effective date hereof or otherwise;

(iii) costs to OMEGA JV5 of retirement, decommissioning and disposal of all or any part of the Project;

(iv) the cost to OMEGA JV5 to establish and maintain an allowance for working capital and the cost to OMEGA JV5 of repairs, renewals and replacements of the Project or any portion thereof to the extent not paid for out of working capital or reserves;

(v) the cost of Replacement Power;

(vi) the cost of power supply engineering, planning and forecasting incurred by OMEGA JV5 in furtherance of or related to the Project, including repayment of any sums advanced by AMP - Ohio or a JV5 Participant in connection therewith whether incurred prior to the effective date hereof or otherwise, and all costs incurred by OMEGA JV5 in connection with the performance of its obligations under the Joint Venture Agreement or in attempting to comply with laws or regulations requiring the same to the extent such laws or regulations are applicable to the Project or OMEGA JV5 or for expanding or replacing the Project; and

(vii) Step Up Power Costs;

less the net proceeds available from the sale of any excess Project Power or from the sale of any excess transmission capacity of any transmission facilities which are a part of the Project.

“Other Bond Payments” - see Bond Payments.

“Other Required Payments” means and includes all payments, other than Bond Payments and Operating Expenses, required to be made pursuant to the Joint Venture Agreement including but not limited to payments to the credit of the Reserve and Contingency Fund, payments pursuant to the Joint Venture Agreement for a Shortfall, trustee and financial advisory fees, and any other payments, other than Bond Payments, required to be made pursuant to the Trust Agreement or similar instrument and not designated otherwise thereby.

“Outstanding” when used with reference to the Certificates and as of any particular date means all Certificates theretofore delivered except: (a) any Certificate canceled by the Trustee at or before that date, (b) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to the Trust Agreement, and (c) any Certificate paid or deemed to have been paid under the Trust Agreement.

“Owner” or **“Certificate Owner”** or any similar term means, when used with respect to the Certificates, the registered owner of any Outstanding Certificate.

“Permitted Investments” means, as to the 1993 Certificates, any of the following securities, if and to the extent the same are at the time legal for investment of the funds of Ohio municipalities pursuant to Chapter 135, Ohio Revised Code (it being recognized that not all of such securities are, as of the date of the Trust Agreement, legal for investment):

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below);
- (2) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

- (3) Obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

Export - Import Bank
Farmers Home Administration
General Services Administration
U.S. Maritime Administration
Small Business Administration
Government National Mortgage Association
(GNMA)
U.S. Department of Housing & Urban
Development (PHA's)
Federal Housing Administration;

- (4) Bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (5) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank);
- (6) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1 +" by Standard & Poor's and "P-1" by Moody's Investors Service and which matures not more than 270 days after the date of purchase;
- (7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation;
- (8) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Standard & Poor's Corporation and Moody's Investors Service, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and any interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the

irrevocable instructions referred to above, as appropriate:

- (9) Investment agreements approved in writing by AMBAC Assurance Corporation, supported by appropriate opinions of counsel, with notice to Standard & Poor's Corporation; and
- (10) Other forms of investments approved in writing by AMBAC with notice to Standard & Poor's Corporation.

For the purpose of determining the amount on deposit to the credit of any Fund or Sub-Fund, obligations in which money in such Fund or Sub-Fund shall have been invested shall be valued at the amortized cost or market value thereof, whichever is lower; provided, however, that investments credited to the Debt Service Reserve Fund shall be valued at amortized cost if the weighted average life of the investments to the credit of such Fund is nine years or less; and provided, further, that in the event of a withdrawal and transfer from the Reserve and Contingency Fund (i) to the Certificate Payment Fund with the result that the balance in the Reserve and Contingency Fund shall for any period be less than the Reserve and Contingency Fund Requirement, or (ii) to any other Fund or Sub-Fund with the result that the balance in the Reserve and Contingency Fund shall be for any period less than fifty percent (50%) of the Reserve and Contingency Fund Requirement, then in either case obligations to the credit of the Reserve and Contingency Fund shall be valued, during such period and for 13 months thereafter following the date when there first shall again be to the credit of the Reserve and Contingency Fund an amount equal to the Reserve and Contingency Fund Requirement, at the lower of amortized cost or market.

The Trustee shall value the Permitted Investments in the Funds and Sub-Funds held by it at least once in every calendar year and report such balances to OMEGA JV5. In addition, the Permitted Investments shall be valued by the Trustee at any time required by OMEGA JV5 on reasonable notice (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value the Permitted Investments more than once in any calendar month.

As to the 2001 Certificates, "Permitted Investments" means any of the following securities, if and to the extent the same are at the time legal for investment of the funds of Ohio municipalities pursuant to Chapter 135, Ohio Revised Code (it being recognized that not all of such securities are, as of the date of the Trust Agreement, legal for investment):

(i) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(ii) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership
- (2) Farmers Home Administration (FmHA)
Certificates of beneficial ownership
- (3) Federal Financing Bank

- (4) Federal Housing Administration Debentures (FHA)
- (5) General Services Administration
Participation certificates
- (6) Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
- (7) U.S. Maritime Administration
Guaranteed Title XI financing
- (8) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public
housing notes and bonds

(iii) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

- (1) Federal Home Loan Bank System
Senior debt obligations
- (2) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations
- (3) Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations
- (4) Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations
- (5) Resolution Funding Corp. (REFCORP) obligations
- (6) Farm Credit System
Consolidated systemwide bonds and notes

(iv) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

(v) Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(vi) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(vii) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to MBIA (Investment Agreement criteria is available upon request).

(viii) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

(ix) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(x) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

(xi) Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to MBIA (criteria available upon request).

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

(1) Repos must be between the municipal entity and a dealer bank or securities firm

a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or

b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

(2) The written repo contract must include the following:

a. Securities which are acceptable for transfer are:

1. Direct U.S. governments, or

2. Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

b. The term of the repo may be up to 30 days

c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of Collateral

1. The securities must be valued weekly, marked-to-market at current market price plus accrued interest.

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) Legal opinion which must be delivered to the municipal entity:

a. Repo meets guidelines under state law for legal investment of public funds.

“Point(s) of Delivery” means the respective point or points at which power and energy shall be delivered to or for the benefit of each of the respective JV5 Participants pursuant to the Joint Venture Agreement; provided, however, that the Point of Delivery with respect to any JV5 Participant may, with the written approval of OMEGA JV5 (which approval shall not be unreasonably withheld), be changed, modified or added to by such JV5 Participant.

“Principal Office” used with respect to the Trustee, means the principal office of the Trustee situated in Cincinnati, Ohio, at which the Trustee conducts its corporate trust business.

“Project” shall mean the electric generation and related transmission facilities (whether real or personal property or contract rights) in which each JV5 Participant shall, as a tenant in common, own an undivided interest equal to the percentage of ownership interest set forth for each JV5 Participant in the Joint Venture Agreement; provided, however, that no such change in the Project which shall increase the nominal capacity of the Project’s hydroelectric generation facilities in excess of a nominal forty-two megawatts (42MW), or provide back-up generation facilities in excess of a nominal forty-two megawatts (42MW), shall be undertaken without the unanimous written consent of all JV5 Participants.

“Project Costs” shall mean all capital costs incurred in connection with the planning, investigating, licensing, siting, permitting, engineering, financing, equipping, construction and acquisition of the Project including related environmental compliance costs, legal, engineering, accounting, advisory and other financing costs relating thereto and the refurbishing, improving, repairing, retiring, decommissioning or disposing of the Project, or otherwise paid or incurred or to be paid or incurred by or on behalf of the JV5 Participants or OMEGA JV5 in connection with its performance of its obligations under the Joint Venture Agreement, the Trust Indenture or any Related Agreement and may include prepayment of any demand charges associated with the purchase of Replacement Power.

“Project Power” means all power and energy produced by the Project’s electric generating facilities and Replacement Power.

“Prudent Utility Practice” means any of the practices, methods or acts which, in the exercise of reasonable judgment, in the light of the facts, including but not limited to the practices, methods or acts engaged in or approved by a significant portion of the electrical utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act at the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

“**Purchase Contract**” means the Purchase Agreement dated July 13, 2001, between the Underwriters and OMEGA JV5.

“**Rebate Fund**” means the Rebate Fund created pursuant to the Trust Agreement.

“**Regulations**” means the terms which govern the manner in which the JV5 Participants shall transact business and make decisions concerning the joint exercise of their powers and obligations under the Joint Venture Agreement acting as OMEGA JV5, as the same may be amended or supplemented from time to time in accordance with such Regulations. The initial Regulations are attached as Appendix E to the Joint Venture Agreement which shall be updated to reflect such amendments or supplements made in accordance with the Joint Venture Agreement.

“**Related Agreements**” means (i) the Construction Management Agreement and the Operations Management Agreement; (ii) any future agreements entered into by OMEGA JV5 in accordance with the Joint Venture Agreement; and (iii) any supplements, modifications, renewals or replacements to the agreements described in (i) and (ii) entered into in accordance with the Joint Venture Agreement.

“**Replacement Power**” means power and energy purchased by OMEGA JV5 (i) to backup all or any portion of the output of the Project’s hydroelectric or fossil-fired generation facilities or (ii) for delivery to the JV5 Participants after execution of the Joint Venture Agreement but prior to construction and operation of the Project’s hydroelectric and fossil generation.

“**Reserve and Contingency Fund**” means the Fund by that name created pursuant to the Trust Agreement.

“**Reserve and Contingency Fund Requirement**” means an amount equal to \$750,000.

“**Reserve Requirement**” means an amount equal to \$10,915,111 which is less than ten percent (10%) of the face amount of the 1993 Certificates and does not exceed the lesser of the maximum principal and interest requirements on the 1993 Certificates for any year or one hundred twenty-five percent (125%) of the average annual principal and interest requirements on the 1993 Certificates.

“**Revenue Requirements**” shall consist of the sum of Bond Payments, Operating Expenses and Other Required Payments, net of any credits expressly authorized in the Joint Venture Agreement.

“**Step Up Power**” means a pro rata share of a defaulting JV5 Participant’s entitlement to Project Power which, together with the shares of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant’s ownership share of the Project, in kilowatts, provided, however, that the sum of any such increases for a non-defaulting JV5 Participant shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to twenty-five percent (25%) of such non-defaulting JV5 Participant’s ownership share of the Project prior to any such increases.

“**Step Up Power Costs**” means that portion of Revenue Requirements which is attributable to a defaulting JV5 Participant’s ownership share.

“**Transmission Service**” means all transmission, wheeling, power delivery, buy-sell, interconnection, interchange, or other arrangements, together with all related services and facilities, entered into or arranged by OMEGA JV5 for delivery of Project Power to the JV5 Participants at their respective Points of Delivery at transmission voltages, or other points on their behalf deemed appropriate by OMEGA JV5.

“Trust Agreement” means the Trust Agreement, dated as of June 1, 1993, by and between OMEGA JV5 and the Trustee.

“Trust Funds” means all funds and sub-funds established pursuant to the Trust Agreement, except for the Rebate Fund.

“Trust Indenture” means any one or more trust indentures, trust agreements, loan agreements, resolutions or other similar instruments providing for the issuance and securing of Bonds.

“Trustee” means Firststar Bank, as successor to Star Bank, National Association, the named Trustee, and any successor trustee appointed under the Trust Agreement.

“Uncontrollable Forces” means any cause beyond the control of OMEGA JV5 or a JV5 Participant, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, pestilence, war, riot, civil disturbance, labor disturbance, sabotage, and restraint or action by court or public authority, which by due diligence and foresight OMEGA JV5 or such JV5 Participant, as the case may be, could not reasonably have been expected to avoid.

“Uniform System of Accounts” means the FERC Uniform System of Accounts for Public Utilities and Licensees subject to the provisions of the Federal Power Act, as the same may be modified, amended or supplemented from time to time, except to the extent such system of accounts shall have been superseded or modified by any regulatory authority of competent jurisdiction.

“Utility Governing Body” means, as to any JV5 Participant, the governing body of the JV5 Participant which has the requisite authority to authorize an appropriate officer of the JV5 Participant to execute and deliver the Joint Venture Agreement in the name of, and on behalf of, the JV5 Participant.

“Year” means the twelve-month period commencing at 12:00 a.m. on January 1 of each calendar year; provided, however, that the first Year shall commence on _____ and shall expire at 12:00 a.m. on the next succeeding January 1.

[This page intentionally left blank]

**APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE JOINT VENTURE
AGREEMENT**

[This page intentionally left blank]

SUMMARY OF CERTAIN PROVISIONS OF THE JOINT VENTURE AGREEMENT

The following is a summary of certain provisions of the Joint Venture Agreement. The following summary is not to be considered a full statement of the terms of the Joint Venture Agreement and, accordingly, is qualified by reference thereto and is subject to the full text thereof. Summaries of certain provisions of the Joint Venture Agreement also appear in the body of the Offering Memorandum.

Joint Undertakings Relating to the Project (Section 3)

The JV5 Participants, acting jointly as OMEGA JV5, in good faith and in accordance with Prudent Utility Practice and subject to the provisions of the Joint Venture Agreement and Related Agreements have established OMEGA JV5 and authorize, empower, and direct it to perform, in accordance with the Joint Venture Agreement, such undertakings for the benefit of the JV5 Participants as are specified therein, subject to such limitations and standards as are set forth therein, including without limitation the execution and delivery of the Trust Agreement; and the JV5 Participants individually and jointly, shall use their best efforts and covenant as follows:

(i) to undertake, or cause to be undertaken, (x) the acquisition, construction and equipping of the Project, including any planning or engineering studies related thereto, (y) the financing, either individually or jointly, of Project Costs and the operating, maintaining, retiring, decommissioning and disposing of the Project and (z) the acquisition and renewal of all federal, state and local permits, licenses and other rights and regulatory approvals necessary therefor;

(ii) to undertake, or cause to be undertaken, such efforts and measures as may from time to time be required to comply and remain in compliance with the License, including but not limited to Project operation and maintenance, dam safety, environmental protection, mitigation and compensation, and all lawful orders of the FERC or other governmental body or agency with jurisdiction over the Project;

(iii) to undertake, or cause to be undertaken, the acquisition of such contractual rights and operating arrangements, including the acquisition of Replacement Power, as are necessary or desirable to make available or to deliver Project Power to the JV5 Participants at their respective Points of Delivery, or to other points for the benefit of the JV5 Participants in such amounts and on such terms as are set forth in the Joint Venture Agreement;

(iv) to perform such billing, collection and accounting for sales of power and energy associated with any JV5 Participant's ownership share, as requested by any JV5 Participant and as OMEGA JV5 shall determine appropriate;

(v) to prohibit OMEGA JV5 from engaging in any business other than that associated with the Project as set forth in this Joint Venture Agreement, unless reasonably incidental thereto; and

(vi) to operate OMEGA JV5 at all times on a not-for-profit basis for the mutual benefit of the JV5 Participants.

Shortfall (Section 4)

In the event that for whatever reason the sum of the proceeds of the 2001 Certificates available to pay Project Costs (excluding financing expenses and reserves held exclusively for debt service) shall be

determined by OMEGA JV5 to be less than required to place all of the facilities comprising the Project in service (a "Shortfall"), OMEGA JV5 may determine, subject to and in accordance with the Trust Agreement and the License, (x) to revise the plans and specifications or the scope of the Project (without, however, reducing the nominal capacity of the Project's hydroelectric generating facilities) so as not to exceed the funds available to pay Project Costs or (y) to obtain the funds necessary to cure the Shortfall in which case OMEGA JV5 shall have the options (i) to withdraw moneys from the Reserve and Contingency Fund, (ii) to bill JV5 Participants for their respective shares of the estimated Shortfall, (iii) to require the JV5 Participants jointly to finance their respective shares of the estimated Shortfall, or (iv) to utilize a combination of the methods described in (i), (ii) and (iii).

Allocation of Costs, Charges; Payment (*Section 5*)

(A) OMEGA JV5 acting on behalf of the JV5 Participants shall establish and maintain, and each JV5 Participant severally and not jointly agrees to pay, charges reflecting the costs associated with each JV5 Participant's respective ownership interest, usage and the contractual rights and operating arrangements necessary or desirable to make available or to deliver Project Power to each JV5 Participant's Point of Delivery, all as set forth in the Charge Appendix to the Joint Venture Agreement. Such charges shall, in the aggregate, provide revenues which are sufficient, but only sufficient, to meet the estimated Revenue Requirements. The Revenue Requirements shall consist of the sum of Bond Payments, Operating Expenses and Other Required Payments net of any credits expressly authorized in this Joint Venture Agreement.

(B) At such intervals as it shall determine appropriate, but in any event not less frequently than once each Year, OMEGA JV5 shall review and, if necessary, shall revise the Charge Appendix to ensure that the charges under the Joint Venture Agreement continue to (i) recover OMEGA JV5's estimate of all of the Revenue Requirements, (ii) represent an appropriate allocation of the Revenue Requirements among the JV5 Participants in proportion to their respective ownership interests in and usage of the Project, and (iii) recognize other factors or changes in service conditions as determined appropriate by OMEGA JV5. Unless otherwise determined by OMEGA JV5, the Charge Appendix shall reflect charges consisting of (i) demand charges which shall be principally designed to recover fixed costs associated with each such JV5 Participant's ownership of the Project (including fixed costs of Transmission Service and fixed costs associated with Replacement Power); (ii) an energy charge principally designed to recover the variable costs of providing Project Power (including fuel costs) and delivery thereof; (iii) a power cost adjustment factor designed to adjust the energy and demand charges upward or downward to reflect Monthly changes in, respectively, the cost of fuel and other variable costs associated with any Related Agreement or any fixed costs associated with any Related Agreement; and (iv) such other factors so as to reflect any individual JV5 Participant's distinct costs, such as costs associated with difference voltages of the various Points of Delivery if less than transmission voltage, costs incurred for reactive power requirements, or credits, such as a credit for the direct payment or provision of any Transmission Service. The determination of the power cost adjustment factor each Month shall be made by appropriate officials or agents designated by OMEGA JV5.

(C) The obligations of each JV5 Participant to make payments for the Operating Expenses component of Revenue Requirements under the Joint Venture Agreement shall constitute an obligation of such JV5 Participant payable as O&M Expenses of its Electric System, and such payments, except for any portion of Operating Expenses which are Step Up Power Costs, shall be made as an obligation of ownership. Each of the JV5 Participants shall be obligated to make payments for the Step Up Power Costs component of Operating Expenses with respect to any Month during which any Project Power was made available to such JV5 Participant under the Joint Venture Agreement and whether or not such JV5 Participant actually accepts delivery thereof. The obligation of each JV5 Participant to make payments for the Bond Debt Service Payments component of Revenue Requirements shall be made as an obligation of

ownership and shall constitute an obligation of such JV5 Participant payable subject to only the prior payment or provision for the payment of O&M Expenses of its Electric System and on a parity with any outstanding and future senior electric system revenue bonds, notes, or other evidences of indebtedness payable from any revenues of its Electric System except as disclosed in writing to all JV5 Participants. The obligations of each JV5 Participant to make payments for the Other Bond Payments and Other Required Payments components of the Revenue Requirements shall be made as an obligation of ownership and shall constitute an obligation of such JV5 Participant payable from any legally available revenues and funds of its Electric System. No JV5 Participant shall be required to make payments under the Joint Venture Agreement except from the revenues of its Electric System and from other funds of such system legally available therefor. In no event shall any JV5 Participant be required to make payments under the Joint Venture Agreement from tax revenues. Except as otherwise expressly provided, the obligation of each JV5 Participant to make payments under the Joint Venture Agreement shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and such payment obligations of such JV5 Participant shall not be conditioned upon the performance by any other JV5 Participant or by OMEGA JV5 of their respective obligations under this Joint Venture Agreement, the Related Agreements or any other agreement; provided, however, that nothing contained in the Joint Venture Agreement shall be construed to prevent or restrict such JV5 Participant from asserting any rights which it may have against OMEGA JV5 under the Joint Venture Agreement or under any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

(D) Proceeds from the sale of Certificates in excess of the amounts required for the purposes for which such Certificates were issued shall be applied by OMEGA JV5 either (i) to the Reserve and Contingency Fund, or (ii) to, respectively and ratably, the defeasance of Certificates to their maturity or to the purchase or redemption of Certificates prior to their stated maturity or; provided, however, that OMEGA JV5 receives an opinion of nationally recognized bond counsel that such application will not adversely affect the exclusion of interest on any Certificates from gross income for federal income taxation.

(E) Insurance proceeds (other than proceeds from liability insurance and business interruption insurance), condemnation awards and damages received by OMEGA JV5 in connection with the Project and proceeds from the sale or disposition of surplus or obsolete property or contract rights constituting a part of the Project shall be deposited by OMEGA JV5 to the Reserve and Contingency Fund for application in accordance with the Trust Indenture.

Scheduling and Dispatching *(Section 6)*

Each JV5 Participant shall schedule and take each hour an amount of power equal to the percentage of that JV5 Participant's ownership interest in the Project multiplied by the lesser of: (i) forty-two megawatts (42MW); or (ii) during such hour the net capability of the Project's generating facilities, as determined by OMEGA JV5 in accordance with Prudent Utility Practice, plus any available capacity associated with Replacement Power at any particular time. The JV5 Participants acknowledge that OMEGA JV5 may require that Step Up Power be scheduled and dispatched in a manner different than the Project Power associated with each JV5 Participant's ownership share is scheduled and dispatched.

Electric Characteristics; Points of Delivery; Measurement of Electric Power and Energy Furnished *(Section 7)*

Project Power is to be alternating current, three (3) phase, sixty (60) Hertz delivered at the JV5 Participants' respective specified Points of Delivery. It is the responsibility of each JV5 Participant to arrange for any transmission, wheeling or other service necessary to transmit power and energy from its

Point of Delivery to any other point, and failure of any JV5 Participant to make such arrangements shall not relieve the JV5 Participant from any obligation under the Joint Venture Agreement.

Metering *(Section 8)*

To the extent necessary, OMEGA JV5 shall install, maintain and operate, or cause to be installed, maintained and operated, any metering equipment, including area interchange metering and telemetering equipment, required to measure the power and energy produced and delivered pursuant to the Joint Venture Agreement.

Reactive Power; Power Factor *(Section 10)*

Each JV5 Participant shall furnish or cause to be furnished, at its own expense, its own reactive power requirements. Delivery of Project Power pursuant to the Joint Venture Agreement may require a JV5 Participant to maintain a specific power factor or keep its power factor within a specified range, and such JV5 Participant shall take all steps necessary to maintain the range or specific power factor required. OMEGA JV5 may levy a charge to any such JV5 Participant equal to OMEGA JV5's cost of obtaining reactive power or power factor correcting equipment if such JV5 Participant fails to correct any such problem within a reasonable time of notification by OMEGA JV5 that such a problem exists.

Uncontrollable Forces *(Section 11)*

Neither OMEGA JV5 nor any JV5 Participant shall be considered to be in default in respect to any obligation hereunder (other than the obligation of each JV5 Participant to make any payments required by the Joint Venture Agreement for Revenue Requirements or otherwise) if prevented from fulfilling such obligation by reason of Uncontrollable Forces. A party rendered unable to fulfill any such obligation by reason of Uncontrollable Forces shall exercise due diligence to remove such inability with all reasonable dispatch except in no case shall any Party to the Joint Venture Agreement be required by reason of this provision to settle any labor dispute.

Insurance *(Section 12)*

OMEGA JV5 shall maintain, or cause to be maintained, in force, insurance with responsible insurers with policies payable to OMEGA JV5 on behalf of the JV5 Participants, against risk of direct physical loss, damage or destruction, at least to the extent that similar insurance is usually carried by utilities constructing and operating facilities of the nature of the facilities of the Project, including liability insurance and employers' liability, all to the extent available at reasonable cost and subject to reasonable deductible provisions in accordance with Prudent Utility Practice. OMEGA JV5 may also maintain such other insurance as it deems reasonable for the benefit of OMEGA JV5 and the JV5 Participants. Notwithstanding the foregoing, OMEGA JV5 may, to the extent permitted by the Related Agreements, the Trust Agreement and the similar instruments relating to borrowings to finance the Project, self-insure or participate in a program of self-insurance or group insurance to the extent it receives a written opinion of a qualified insurance consultant that such self-insurance, after consideration of any existing or required reserve deposits, is reasonable.

Accounting *(Section 13)*

OMEGA JV5 shall keep accurate records and accounts relating to the Joint Venture Agreement substantially in accordance with the Uniform System of Accounts, separate and distinct from any other records and accounts. Said accounts shall be audited each Year, which shall be OMEGA JV5's fiscal year, by a firm of independent certified public accountants, experienced in public finance and electric

utility accounting and of favorable national reputation. Alternatively in the event that the Auditor of the State of Ohio performs such an audit, then OMEGA JV5 may utilize such audit in lieu of that provided for above, to the extent allowed by law.

Separate Funds; Assignment of Interest *(Section 15)*

All 2001 Certificates, the Trust Agreement, and all revenues and other funds of OMEGA JV5 shall be separate and apart from all other borrowing, indentures, revenues and funds. Neither OMEGA JV5 nor its agents shall pledge or assign any right, title or interest in, to or under any of the foregoing, or the Joint Venture Agreement or otherwise make available any of the foregoing, to secure or pay any indebtedness or obligation of OMEGA JV5 or other than as necessary to carry out the purposes of the Joint Venture Agreement.

Disposition or Termination of the Project *(Section 16)*

(A) Except as provided in the Joint Venture Agreement, OMEGA JV5 shall not sell or otherwise dispose of any interest in the Project without the unanimous consent of all JV5 Participants. OMEGA JV5 may provide for: (i) the sale or other disposal of any property or contract rights associated with the Project which is surplus, obsolete or otherwise not required for the operation of the Project and either (x) the original cost of such property in 2001 dollars is less than fifty thousand dollars (\$50,000.00), or (y) OMEGA JV5 receives a certification from a qualified independent engineering consultant that- such sale will neither materially adversely affect the operation of the Project nor increase Revenue Requirements; or (ii) the mortgaging, pledging or encumbering of all or any portion of the JV5 Participants' ownership interests in the Project pursuant to the Trust Agreement. Neither the Assignment Agreement nor the Trust Agreement creates any lien on the real estate comprising the Project for the benefit of the owners of the Certificates.

(B) The Project shall be terminated, and OMEGA JV5 shall cause such facilities to be salvaged, discontinued, decommissioned, retired, and disposed of or sold in whole or in part on such terms as OMEGA JV5 determines to be reasonable and appropriate, subject to the License and so long as no Certificates are outstanding or any such outstanding Certificates have been defeased, when:

(i) OMEGA JV5 determines that it is unable to operate such facilities due to licensing or operating conditions or other cause which are beyond its control; or

(ii) OMEGA JV5 determines that such facilities are not capable of producing or delivering energy consistent with Prudent Utility Practice.

Additional Covenants of the JV5 Participants *(Section 17)*

(A) Each JV5 Participant covenants that it shall fix, charge and collect rates, fees and charges, and from time to time and as often as shall be necessary revise such rates, fees and charges, for electric power and energy and other services, facilities and commodities sold, furnished, supplied or otherwise provided by its Electric System at least sufficient in each Year to provide revenues equal to the greater of:

- (1) the sum of (i) the O&M Expenses, including its share of Operating Expenses under the Joint Venture Agreement and (ii) 110% of the sum of the debt service *on any outstanding senior lien electric system revenue obligations* of the JV5 Participant and its share of Bond Debt Service Payments, payable in such Year; or

- (2) the sum of (i) the O&M Expenses, including its share of Operating Expenses under this Joint Venture Agreement, (ii) its share of Bond Debt Service Payments, (iii) debt service on outstanding electric system revenue obligations of the JV5 Participant, and (iv) all other amounts payable from such revenues including, without limitation, debt service on general obligation or other tax supported debt incurred for purposes of the JV5 Participant's Electric System, and its share of Other Bond Payments and Other Required Payments, payable in such Year.

(B) Each JV5 Participant covenants and agrees that it shall not sell, lease or otherwise dispose of all or substantially all of its Electric System except on no less than one hundred-eighty (180) days' prior written notice to OMEGA JV5 and, in any event, shall not so sell, lease or otherwise dispose of the same unless OMEGA JV5 shall reasonably determine that all of the following conditions are met: (i) such JV5 Participant shall assign its ownership interest in the Project and the Joint Venture Agreement and its rights thereunder in writing to the purchaser or lessee of the Electric System and such purchaser or lessee, as assignee of rights and obligations of such JV5 Participant under the Joint Venture Agreement, shall assume in writing all obligations (except to the extent theretofore accrued) of such JV5 Participant under the Joint Venture Agreement; (ii) if and to the extent necessary to reflect such assignment and assumption, OMEGA JV5 or the remaining JV5 Participants and such assignee shall enter into an agreement supplemental to the Joint Venture Agreement to clarify the terms on which such assignee shall exercise its ownership rights and obligations hereunder; (iii) the senior debt of such assignee shall be rated no lower than the same whole rating category as such JV5 Participant by at least one nationally recognized bond rating agency; (iv) such assignment will not materially adversely affect the security afforded by the provisions of the Joint Venture Agreement for Bond Payments; and (v) OMEGA JV5 shall have received an opinion or opinions of counsel of recognized standing selected by OMEGA JV5 stating that such assignment: (a) will not materially adversely affect the pledge and assignment of the Joint Venture Agreement or the revenues hereunder as security for Bond Payments; (b) is lawful; (c) will not adversely affect the status for federal income tax purposes of interest on, or the interest component of, any outstanding Certificates; (d) will not adversely affect OMEGA JV5's tax or regulatory status; (e) will not adversely affect the remaining JV5 Participants' ownership rights; (f) will not adversely affect the legality of the Joint Venture Agreement or the activities contemplated hereunder; and (g) will not adversely affect the License. Notwithstanding the foregoing, if OMEGA JV5 reasonably determines that the assignment of the Joint Venture Agreement, pursuant to the immediately preceding sentence in connection with the sale, lease or other disposition of a JV5 Participant's Electric System, could reasonably be expected to result in any increase in the charges to any of the remaining JV5 Participants under the Joint Venture Agreement, OMEGA JV5 may, by delivery of written notice thereof no later than one hundred twenty (120) days following receipt by OMEGA JV5 of notice pursuant to the immediately preceding sentence, refuse to approve such sale, lease or other disposition and effective upon such sale, lease or other disposition, terminate all of such JV5 Participant's rights and obligations under the Joint Venture Agreement (except to the extent of any obligations theretofore accrued); provided, however, that prior to the effective date of any such termination OMEGA JV5 shall have arranged for the assignment by such JV5 Participant of its rights and obligations (except to the extent theretofore accrued) thereunder and under the License to another entity which assumes in writing all obligations of such JV5 Participant hereunder (except to the extent theretofore accrued) and under the License and which satisfies each of the conditions set forth in clauses (ii) through (v) above. Each JV5 Participant agrees to cooperate in effecting any such assignment.

(C) Each JV5 Participant covenants and agrees that it shall take no action the effect of which would be to prevent, hinder or delay OMEGA JV5 or any other JV5 Participant from the timely fulfillment of its obligations under the Joint Venture Agreement, any Related Agreement, any outstanding 2001 Certificates or the Trust Agreement or the License; provided, however, that nothing contained

herein shall be construed to prevent or restrict such JV5 Participant from asserting any rights which it may have against OMEGA JV5 or any other JV5 Participant hereunder or under any provision of law, including institution of legal proceedings for specific performance or recovery of damages.

(D) Each JV5 Participant covenants and agrees that it shall, in accordance with Prudent Utility Practice, operate the properties of its Electric System and the business in connection therewith in an efficient manner, and maintain its Electric System in good repair, working order and condition; provided, however, that this covenant shall not be construed as requiring such JV5 Participant to expend any funds which are derived from sources other than the operation of its Electric System, although nothing in the Joint Venture Agreement shall be construed as preventing such JV5 Participant from doing so.

(E) Each JV5 Participant covenants and agrees that it shall not issue bonds, notes or other evidences of indebtedness or incur lease or contractual obligations which are payable from the revenues derived from its Electric System superior to the payment of the O&M Expenses of its Electric System; provided, however, that nothing in the Joint Venture Agreement shall limit such JV5 Participant's present or future right to incur lease or contractual obligations which are payable on a parity with O&M Expenses, including Operating Expenses, or issue bonds, notes or other evidences of indebtedness payable from revenues subject only to the prior payment or provision for the payment of O&M Expenses of its Electric System.

(F) Each of the JV5 Participants covenants that it will not issue any bonds or notes or otherwise incur any indebtedness payable from the revenues of its Electric System on a parity with its obligations to make Bond Debt Service Payments under this Joint Venture Agreement unless it shall first obtain, and deliver to OMEGA JV5, a certificate of its chief financial officer to the effect that on the date of issue or incurrence the Historical Adjusted Net Revenues of the JV5 Participant are at least equal to its Maximum Future Debt Service, where "Historical Adjusted Net Revenues" means the difference between the revenues and O&M Expenses of the Electric System from the average of the two last complete fiscal years of the JV5 Participant, adjusted to reflect any change in electric rates duly adopted after the beginning of the first of such fiscal years and on, or prior to, such date of issuance or incurrence, so long as such change in rates shall be fully effective within five (5) years of such adoption, and "Maximum Future Debt Service" means the greatest amount of debt service (including Bond Debt Service Payments), taking into account debt service on all outstanding bonds, notes and other indebtedness and on the bonds, notes and other indebtedness then to be issued or incurred but excluding any bonds, notes or other indebtedness legally defeased as of such date, payable from the revenues of its Electric System on a parity with its obligation to make Bond Debt Service Payments under the Joint Venture Agreement, scheduled to become due in the current or any future fiscal year; provided, however, that in the event such additional bonds, notes or other indebtedness is to be issued or incurred for the purpose of completing payment of the cost of a project (including a Shortfall in respect of the Project), then no such certificate shall be required to the extent that the principal amount of such additional bonds, notes or other indebtedness (and any such indebtedness therefore incurred pursuant to this proviso) does not exceed fifteen percent (15%) of the estimated project costs on the date that bonds, notes or other indebtedness were first issued or incurred for such project. The JV5 Participants jointly but not severally may refinance or refund Bond Debt Service Payments and their bonds, respectively, but only in accordance with and subject to any limitations imposed by the Joint Venture Agreement and the Trust Agreement.

(G) Each JV5 Participant agrees to use its best efforts to take all lawful actions necessary or convenient to fulfill all of its obligations under the Joint Venture Agreement and the License.

(H) Each JV5 Participant covenants and agrees that it shall make available any and all of its rights-of-way on a reasonable basis for the use of OMEGA JV5 to the extent the same can be reasonably

accommodated and are necessary or convenient in furtherance of the obligations and business of OMEGA JV5 and shall cooperate, including the exercise of its powers of appropriation and condemnation, with OMEGA JV5 and the other JV5 Participants to acquire any and all property necessary for the proper and efficient operation of the Project and delivery of Project Power to or for the benefit of the JV5 Participants.

(I) Each JV5 Participant covenants and agrees that it shall not mortgage or take, or fail to take, any other action which would result in any lien or other security interest in its ownership interest in the Project.

(J) Each JV5 Participant covenants and agrees that, upon written request of the Trustee, it shall cause its chief financial officer to issue a certificate stating that, for the last fiscal year of such JV5 Participant for which data is available, it is not in default of any obligation or covenant under the Joint Venture Agreement.

Default (*Section 18*)

(A) In the event any payment due from any JV5 Participant under the Joint Venture Agreement remains unpaid subsequent to the due date thereof, such non-payment shall constitute a default hereunder and OMEGA JV5 may, upon fifteen (15) days' written notice to and at the cost and expense of such defaulting JV5 Participant, (i) suspend deliveries of electric power and energy to or on behalf of the defaulting JV5 Participant under the Joint Venture Agreement, (ii) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation against the defaulting JV5 Participant, or (iii) take any other action permitted by law to enforce the Joint Venture Agreement. Upon suspension of the rights of the defaulting JV5 Participant as provided in the immediately preceding sentence, OMEGA JV5 shall be entitled to sell, from time to time, to any other person or persons the power and energy which is available from the defaulting JV5 Participant's ownership share of the Project, and any such sale or sales may be on such terms and for such period deemed necessary in OMEGA JV5's judgment, which shall not be exercised unreasonably, to accomplish such sales under then existing market conditions; provided, however, that any such sale shall not be made for a period exceeding two months. Any such sale of such power and energy so contracted for by OMEGA JV5 shall not relieve the defaulting JV5 Participant from any liability under the Joint Venture Agreement, except that the net proceeds of such sale shall be applied in reduction of the liability (but not below zero) of such defaulting JV5 Participant under the Joint Venture Agreement. When any default giving rise to the suspension of delivery of power and energy has been cured in less than sixty (60) days subsequent to such default and payment has been made by the defaulting JV5 Participant to OMEGA JV5 of all costs and expenses incurred as a result of such default, the JV5 Participant which had been in default shall be entitled to a resumption of delivery of the power and energy from its ownership share under the Joint Venture Agreement, subject to any sales of such power and energy to others entered into by OMEGA JV5. OMEGA JV5 shall promptly notify all JV5 Participants in writing of any default by any other JV5 Participant which remains uncured for thirty (30) days or more.

(B)(1) If any JV5 Participant shall fail to pay any amounts due under the Joint Venture Agreement, or to perform any other obligation hereunder, which failure constitutes a default under this Joint Venture Agreement and such default continues for sixty (60) days or more, OMEGA JV5 may, in addition to any other remedy available at law or equity, terminate the provisions of the Joint Venture Agreement insofar as the same entitle the JV5 Participant to Project Power; however, the obligations of the JV5 Participant under the Joint Venture Agreement shall continue in full force and effect. OMEGA JV5 shall forthwith notify such JV5 Participant of such termination.

(2) Upon the termination of entitlement to Project Power for default, each nondefaulting JV5 Participant shall purchase, for so long as such default remains uncured, a pro rata share of the defaulting JV5 Participant's entitlement to Project Power which, together with the shares of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power"); provided, however, that no such termination shall reduce the defaulting JV5 Participant's obligations described in paragraph (3) below; and, provided further, however, that the sum of any such increases for a non-defaulting JV5 Participant shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to twenty-five percent (25%) of such non-defaulting JV5 Participant's ownership share of the Project prior to any such increases. OMEGA JV5 shall mail written notice to each JV5 Participant of the amount of any Step Up Power as soon as practicable. All Step Up Power Costs shall be determined consistent with and be treated as a part of Revenue Requirements and shall be paid by the non-defaulting JV5 Participants in accordance with the Joint Venture Agreement. Within twenty (20) days after the notice of default by any other JV5 Participant, a JV5 Participant may notify OMEGA JV5 in writing of its election to purchase voluntarily Step Up Power in any amount more than that which would otherwise be its pro rata share and up to the amount of the defaulting JV5 Participant's entitlement to Project Power. Such purchase shall continue for so long as the default is not cured. To the extent the sum of such voluntary elections is greater than the amount of Step Up Power to be distributed, the same shall be distributed among the JV5 Participants so electing in proportion to the amounts requested. To the extent the sum of such voluntary elections is less than the defaulting JV5 Participant's entitlement to Project Power, the remainder shall be distributed pro rata among the balance of the JV5 Participants.

(3) The fact that other JV5 Participants have assumed the obligation for Step Up Power Costs shall not relieve the defaulting JV5 Participant of its liability for such payments and any JV5 Participants assuming such obligation (voluntarily or otherwise), either individually or as a member of a group, shall have a right of recovery from the defaulting JV5 Participant of all damages occasioned thereby, including all costs of recovery and attorneys' fees less any amounts recovered. OMEGA JV5 or any JV5 Participants as their interests may appear, jointly or severally, may commence such suits, actions or proceedings, at law or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of the Joint Venture Agreement against the defaulting JV5 Participant.

(4) Any JV5 Participant which has defaulted and all or any portion of such JV5 Participant's entitlement to Project Power has become Step Up Power, may cure such default by paying all arrearages and all liabilities otherwise owing due to such default, net of the proceeds of any sales and of the recovery of Step Up Power Costs, plus, as liquidated damages and not as a penalty in recognition of the difficulty in precisely measuring damages to the non-defaulting JV5 Participants caused by the defaulting JV5 Participant by reason of such default, an amount equal to the product of one hundred twenty-five percent (125%) of the defaulting JV5 Participant's share of Bond Debt Service Payments paid by the non-defaulting JV5 Participants as Step Up Power Costs, multiplied by the quantity $(1 + i/1200)^n$, where i equals the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, for each successive twelve-month period, or part thereof, of any such default, and n means the number of months of default for which Step Up Power Costs were charged. Such amount shall then be paid over to the non-defaulting JV5 Participants in proportion to their respective payments of Step Up Power Costs.

Modification or Amendment of the Joint Venture Agreement (*Section 21*)

Except to the extent otherwise provided therein, the Joint Venture Agreement shall not be amended, modified or otherwise changed except by written instrument executed and delivered by each of the JV5 Participants; provided, however, that the Joint Venture Agreement shall not in any event be

amended, modified or otherwise changed in any manner that will materially adversely affect the security afforded by the provisions of the Joint Venture Agreement for Bond Payments; and, provided further, that so long as any Certificates are outstanding, no amendment of the Joint Venture Agreement shall be effective without the written consent of the Trustee.

Assignment of Joint Venture Agreement *(Section 27)*

(A) The Joint Venture Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the Parties to this Joint Venture Agreement; provided, however, that (i) neither the Joint Venture Agreement nor any interest therein or, except as otherwise permitted herein, in the Project, shall be transferred or assigned by OMEGA JV5 except with the consent in writing of each JV5 Participant, which consent shall not be unreasonably withheld, and (ii) except for an assignment by a JV5 Participant with the consent of OMEGA JV5 or an assignment in connection with the sale, lease or other disposition of all or substantially all of a JV5 Participant's Electric System, neither the Joint Venture Agreement nor any interest therein or the Project shall be transferred or assigned by any JV5 Participant.

(B) A JV5 Participant may assign to any entity the Joint Venture Agreement and its rights hereunder including its ownership interest in the Project if all of the following conditions are met: (i) OMEGA JV5 consents in writing to such assignment, which consent shall not be unreasonably withheld; (ii) the assignment shall be evidenced by a written instrument pursuant to which the assignee shall assume all obligations (except to the extent theretofore accrued) of such JV5 Participant under the Joint Venture Agreement; (iii) if and to the extent necessary to reflect such assignment and assumption, OMEGA JV5 and such assignee shall enter into an agreement supplemental to the Joint Venture Agreement to clarify the terms on which power and energy from such ownership share are to be delivered hereunder by OMEGA JV5 to such assignee; (iv) if rated by one or more nationally recognized bond rating agencies, the senior debt of such assignee shall be rated no lower than the same whole rating category as such JV5 Participant by at least one nationally-recognized bond rating agency; (v) such assignment will not materially adversely affect the security afforded by the provisions of the Joint Venture Agreement for Bond Payments or the taxable status of the interest payments thereon; (vi) such assignment (x) does not require any modification to the License or approval by the FERC or (y) is duly approved by the FERC; and (vii) OMEGA JV5 shall have received an opinion or opinions of counsel of recognized standing selected by OMEGA JV5 stating that such assignment: (a) will not adversely affect the pledge and assignment of the Joint Venture Agreement or the revenues hereunder as security for payment of Bond Payments; (b) is lawful; (c) will not adversely affect the exclusion from gross income for federal income tax purposes of interest on, or the interest component of, any outstanding 2001 Certificates; (d) will not adversely affect OMEGA JV5's tax or regulatory status; (e) will not adversely affect the remaining JV5 Participants' ownership rights; (f) will not adversely affect the legality of this Joint Venture Agreement or the activities contemplated hereunder; and (g) either will not require approval by the FERC or all such approval has been duly obtained. OMEGA JV5 shall not consent to the assignment of the Joint Venture Agreement pursuant to the immediately preceding sentence unless OMEGA JV5 reasonably determines that such assignment is not expected to result in any increase in the charges to any of the remaining JV5 Participants under the Joint Venture Agreement.

Liability and Allocation of Risk *(Section 31)*

(A) Neither OMEGA JV5 nor any JV5 Participant shall be responsible for the receiving, transmission, control, use, application, or distribution of electric power and energy associated with any JV5 Participant's ownership share of the Project beyond any Point of Delivery.

(B) The JV5 Participants acknowledge the existence of risk of uninsured loss or damage to third parties arising out of, connected with, occasioned by, or resulting from the Joint Venture Agreement or any activities hereunder. The expense of such claims, including the cost of defense and any and all uninsured loss or damage, are to be paid as a part of the Revenue Requirements and each JV5 Participant's liability therefor shall be limited to a pro rata share based upon its ownership interest.

Related Agreements; Enforcement and Amendment *(Section 32)*

(A) OMEGA JV5 shall enforce the provisions of each Related Agreement, and duly perform its covenants and agreements thereunder. OMEGA JV5 will not consent or agree to or permit any rescission of or amendment to any Related Agreement which will in any manner materially adversely affect (i) the rights or interests of OMEGA JV5 thereunder, (ii) the rights or interests of the JV5 Participants under the Joint Venture Agreement, or (iii) the security afforded to the holders of any 2001 Certificates, or the tax status thereof, issued pursuant to the Joint Venture Agreement.

(B) It is recognized by the JV5 Participants that it is contemplated that OMEGA JV5 may rely on third parties, such as AMP-Ohio, under, for example, the Construction and Operation Management Agreements, to fulfill all or a portion of its obligations under the Joint Venture Agreement.

Term of Joint Venture Agreement *(Section 33)*

The Joint Venture Agreement shall remain in effect until sixty (60) days subsequent to the termination or disposition of the Project, and thereafter until the date the principal of, premium, if any, and interest on all Certificates have been paid or deemed paid in accordance with the Trust Agreement or other applicable trust indenture; provided, however, that each JV5 Participant shall remain obligated to pay to OMEGA JV5 its respective share of the costs of terminating, discontinuing, retiring, disposing of, and decommissioning the Project.

Ownership Interests *(Section 34)*

(A) All property, whether real, personal, tangible or intangible which constitutes the Project shall be owned by the JV5 Participants as tenants in common in undivided shares, each such share being equal to that JV5 Participant's percentage ownership interest. In recognition of the indivisible nature of the Project, each JV5 Participant irrevocably waives any and all rights to partition, or sale in lieu of partition, of the property constituting all or any part of the Project.

(B) OMEGA JV5 shall make appropriate filings in all jurisdictions in which it owns property or does business that it is doing business as OMEGA JV5 and shall hold title to all personalty in the name of OMEGA JV5 on behalf of the JV5 Participants.

[This page intentionally left blank]

**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS
OF THE TRUST AGREEMENT AND FIRST SUPPLEMENTAL TRUST AGREEMENT**

[This page intentionally left blank]

**SUMMARY OF CERTAIN PROVISIONS
OF THE TRUST AGREEMENT
AND FIRST SUPPLEMENTAL TRUST AGREEMENT**

The following summarizes certain provisions of the Original Trust Agreement and First Supplemental Trust Agreement between the JV5 Participants acting through OMEGA JV5 and the Trustee, to which reference is made for the detailed provisions thereof. Certain of the provisions of the Original Trust Agreement and First Supplemental Trust Agreement are also described under "Description of the 2001 Certificates " herein.

The Original Trust Agreement

Security (Granting Clause)

By the Trust Agreement, there will be pledged and assigned to the Trustee as security for payment of interest, Principal and premium, if any, with respect to the Certificates: (a) all payments of the Bond Debt Service Payment and Other Bond Payment portions of Revenue Requirements and all moneys and investments in the Construction Fund (including the Costs of Issuance Sub-Fund), the Certificate Payment Fund (including the Capitalized Interest Sub-Fund) and the Debt Service Reserve Fund and including, without limitation, all moneys to be received by or on behalf of the Trustee from the Project and under and pursuant to and subject to the provisions of the Joint Venture Agreement, pursuant to the terms of which payments of the Bond Debt Service Payment and Other Bond Payment portions of Revenue Requirements are to be paid to the Trustee by assignment and deposited in the Certificate Payment Fund and the Debt Service Reserve Fund and otherwise, all subject to and in accordance with the Trust Agreement; (b) all rights, interest and property pledged and assigned to the Trustee pursuant to the Assignment Agreement; and (c) all other moneys deposited in the Construction Fund (including the Costs of Issuance Sub-Fund), the Certificate Payment Fund (including the Capitalized Interest Sub-Fund) and the Debt Service Reserve Fund and including insurance and condemnation payments, and investment earnings thereon. Upon any event of default under the Trust Agreement the Trustee may enforce any and all rights under the Trust Agreement for or on behalf of the Certificate Owners (see "Remedies" herein).

Funds (Article III)

The Trust Agreement will establish the following special funds (the "Funds"). The Proceeds Fund, the Construction Fund including the Costs of Issuance Sub-Fund, the Debt Service Reserve Fund and the Certificate Payment Fund including the Capitalized Interest Sub-Fund will be held by the Trustee. The Revenue Fund, the Operating Fund, the Reserve and Contingency Fund and the General Reserve Fund will be held by OMEGA JV5.

Proceeds Fund (Section 3.01)

Proceeds received by the Trustee from the sale of the 1993 Certificates to the Underwriters will be deposited in the Proceeds Fund.

Construction Fund (Section 3.02)

The moneys in the Construction Fund and any earnings thereon shall be deemed available for and shall be used for payment of the Project Costs.

Upon receipt by the Trustee of a certificate approved by an Authorized Officer of OMEGA JV5 stating that the Project has been accepted by OMEGA JV5 as of a specified date, that all Project Costs

have been paid or otherwise provided for (the "Acceptance Certificate") and a written opinion of nationally recognized bond counsel selected by OMEGA JV5 that such action would not result in the inclusion of interest on the Series 1993 Certificates in gross income for federal income tax purposes, such Authorized Officer shall request that the Trustee transfer any amounts then remaining in the Construction Fund to the credit of the Reserve and Contingency Fund, or (at the option of OMEGA JV5) to the credit of the Certificate Payment Fund to be used to pay debt service on the Certificates or to redeem Series 1993 Certificates, and the Construction Fund shall be closed.

Costs of Issuance Sub-Fund (Section 3.02)

The Costs of Issuance Sub-Fund of the Construction Fund is intended as a temporary clearing fund from which costs of issuance of the Series 1993 Certificates are to be paid. Payment from the Costs of Issuance Sub-Fund shall be made by the Trustee on the written requisitions of OMEGA JV5 to the payee named therein, which may be OMEGA JV5. On June 1, 1994 any balance in the Costs of Issuance Sub-Fund shall be transferred by the Trustee to the Certificate Payment Fund without further direction and the Costs of Issuance Sub-Fund shall be closed.

Debt Service Reserve Fund (Section 3.06)

An amount of the proceeds from the sale of the Series 1993 Certificates representing the Reserve Requirement will be deposited in the Debt Service Reserve Fund maintained by the Trustee. Moneys in the Debt Service Reserve Fund will be used to make up any deficiency in the amount of principal and interest (and redemption premium, if any) due and payable on the Series 1993 Certificates on any Payment Date; and to the extent available, to make any portion of the final debt service payment amount due on February 15, 2030.

Upon receipt of any delinquent payment of the Bond Debt Service Payment portion of Revenue Requirements with respect to which moneys have been advanced on the Debt Service Reserve Fund, such payment will be deposited in the Debt Service Reserve Fund.

In the event of a withdrawal or decrease in the value of the Permitted Investments below the Reserve Requirement, OMEGA JV5 will promptly deposit the amount of such withdrawal or decrease into the Debt Service Reserve Fund.

If the balance in the Debt Service Reserve Fund is less than the Reserve Requirement, OMEGA JV5 will commence monthly billing of the JV5 Participants in an amount equal to 1/12 of the difference between the Reserve Requirement and such balance, until the balance in the Debt Service Reserve Fund again equals the Reserve Requirement.

Certificate Payment Fund (Section 3.03)

The Certificate Payment Fund shall be held and maintained by the Trustee until the payments of the Bond Debt Service Payment portion of Revenue Requirements are paid in full pursuant to the terms of the Joint Venture Agreement.

Payments of the Bond Debt Service Payment portion of Revenue Requirements (including Step Up Power Costs), when received by the Trustee, shall be deposited by it into the Certificate Payment Fund and used for the payment of interest on, premium, if any, and principal of the Series 1993 Certificates.

If the Trustee has not received full payment of the Bond Debt Service Payment portion of Revenue Requirements by the Certificate Payment Date for the Series 1993 Certificates, then the Trustee will debit the Reserve and Contingency Fund, to the extent that moneys are available and unencumbered therein, in the amount of such deficiency; otherwise, the Trustee will debit the Debt Service Reserve Fund in the amount of such deficiency.

Capitalized Interest Sub-Fund (Section 3.03)

The Capitalized Interest Sub-Fund is intended as a temporary fund from which a portion of the interest due and payable on the Series 1993 Certificates prior to the in-service date of the Project's hydroelectric facility may be paid.

On each Payment Date, the Trustee shall apply to the payment of interest then due and owing on the Series 1993 Certificates, from moneys deposited in the Capitalized Interest Sub-Fund from the proceeds of the sale of the Series 1993 Certificates, an amount equal to the difference between the total interest installment then due and owing and the Bond Debt Service Payment portion of Revenue Requirements.

Revenue Fund (Section 3.01)

Pursuant to the Joint Venture Agreement, OMEGA JV5 shall bill the JV5 Participants for, and the JV5 Participants shall remit to OMEGA JV5, the Revenue Requirements. Upon its receipt of Revenue Requirements (inclusive of Step Up Power Costs, if any), OMEGA JV5 shall deposit the same into the Revenue Fund, and by the end of the tenth day of the month following such deposit shall make the following disposition of the same:

first, transfer to the Operating Fund an amount equal to the Operating Expense portion of Revenue Requirements;

second, transfer to the Trustee, for deposit into the Certificate Payment Fund, an amount equal to the Bond Debt Service Payment portion of Revenue Requirements received from Financing JV5 Participants;

third, transfer to the Reserve and Contingency Fund an amount equal to the Other Required Payments portion of Revenue Requirements; and

fourth, transfer to the proper fund (or to the Trustee for deposit into the proper fund) an amount equal to the Other Bond Payments portion of Revenue Requirements received from the JV5 Participants.

Operating Fund (Section 3.04)

The Trust Agreement will establish, within the Operating Fund, Sub-Fund A (consisting of the Operating Requirement) and Sub-Fund B (consisting of the Operating Expense portion of Revenue Requirements not required to be deposited in Sub-Fund A). The Operating Fund, including Sub-Fund A and Sub-Fund B, shall be held by OMEGA JV5 in trust for the benefit of the JV5 Participants.

On or within five Business Days after the date of issuance of the Series 1993 Certificates there shall be deposited to the credit of Sub-Fund A of the Operating Fund, from moneys other than the proceeds of the sale of the Series 1993 Certificates, the amount required by the Joint Venture Agreement to be paid by the JV5 Participants (the Operating Requirements). Thereafter, there shall be deposited to the credit of the Operating Fund, monthly, an amount equal to the Operating Expense portion of Revenue

Requirements; such amount shall be credited first to Sub-Fund A, to the extent necessary to maintain the Operating Requirement therein, and then to Sub-Fund B.

Amounts credited to the Operating Fund shall be withdrawn and applied by OMEGA JV5, first from Sub-Fund B and then (to the extent amounts in Sub-Fund B are insufficient) from Sub-Fund A, to the payment of Operating Expenses (as defined in the Joint Venture Agreement). To the extent that as of any year Funds on deposit in the operating Fund exceed the Operating Requirement, such excess shall be transferred from Sub-Fund B to the Reserve and Contingency Fund unless OMEGA JV5 determines to the contrary.

Reserve and Contingency Fund (Section 3.07)

As of the in-service date of the Project hydroelectric facility, the Reserve and Contingency Fund shall be funded to the extent of the Reserve and Contingency Fund Requirement, and the Reserve and Contingency Fund Requirement shall be maintained in such Fund thereafter. If the amount contained in the Reserve and Contingency Fund falls below the Reserve and Contingency Fund Requirement, OMEGA JV5 shall increase the Other Required Payments portion of Revenue Requirements by an amount equal to one-third of such deficit for the succeeding three months, or until such deficit is made up.

There shall be credited to the Reserve and Contingency Fund: (i) the Other Required Payments portion of Revenue Requirements received from the JV5 Participants; (ii) proceeds of property and casualty insurance payments and eminent domain awards; (iii) proceeds from the sale or disposition of surplus or obsolete property or contract rights; (iv) excess Operating Fund moneys; and (v) excess Construction Fund moneys.

Amounts in the Reserve and Contingency Fund shall be applied in the following priority for the following purposes: (i) subject to certain conditions, to remedy deficiencies in Bond Debt Service Payments; (ii) prior to the in-service date of the Project's hydroelectric facility, to pay Project Costs, including during a Shortfall; (iii) to pay Operating Expenses; (iv) to make major repairs, replacements, renovations, rehabilitation and improvements to the Project; and (v) to provide for the decommissioning of the Project.

Any excess in the Reserve and Contingency Fund over the Reserve and Contingency Fund Requirement may be transferred by OMEGA JV5 to the General Reserve Fund or the Revenue Fund.

General Reserve Fund (Section 3.08)

There shall be deposited to the credit of the General Reserve Fund all amounts received by the Trustee which are not required pursuant to the Trust Agreement to be deposited in another Fund. Amounts credited to the General Reserve Fund shall be withdrawn as applied by OMEGA JV5 to the payment of any necessary or appropriate cost or expense of OMEGA JV5.

Any funds remaining in the General Reserve Fund after all payments of principal, premium (if any), and interest owing under the Trust Agreement have been made shall be retained by OMEGA JV5 free and clear of the lien of the Trust Agreement.

Investment of Funds (Section 3.09)

All moneys held by the Trustee in the Funds or Sub-Funds must be invested in Permitted Investments.

Investment income received by the Trustee on investment of moneys in any of the Funds or Sub-Funds is required to be credited as follows:

(a) Investment income from investment of the Construction Fund shall be retained in that fund and applied and transferred in the same manner as Construction Fund moneys.

(b) Investment income from investment of the Certificate Payment Fund shall be retained in that fund and applied to the payment of any delinquent payments due on the Series 1993 Certificates and otherwise applied as a credit against the payment of the Bond Debt Service Payment portion of Revenue Requirements due by OMEGA JV5 on the next Payment Date.

(c) Investment income from investment of the Debt Service Reserve Fund shall be retained in that fund to the extent that amounts on deposit in that fund are not more than the Reserve Requirement and any excess shall be transferred to the Construction Fund at least annually until the in-service date of the Project's hydroelectric facility, and thereafter to the Certificate Payment Fund at least annually. Investment income from investment of the Revenue Fund shall be transferred to the Construction Fund until the in-service date of the Project's hydroelectric facility, and thereafter shall be credited pro rata against payments of Revenue Requirements by JV5 Participants.

(e) Investment income from investment of the Operating Fund shall be retained in that fund and applied to the purposes specified therein.

(f) If there are no delinquent payments of the Bond Debt Service Payment portion of Revenue Requirements, and the amount transferred to the Certificate Payment Fund equals or exceeds the payment due on the next Payment Date, the amounts retained or deposited in the Certificate Payment Fund shall be applied as a credit against the payment due by OMEGA JV5 on the next Payment Date. The Trustee will not be liable for any loss resulting from the making or disposition of any investment, and any such loss will be charged to the Fund or Sub-Fund with respect to which such

Additional Certificates (Section 3.10)

So long as no default has occurred under the Joint Venture Agreement and no Event of Default has occurred or shall be continuing under the Trust Agreement, OMEGA JV5 may authorize and the Trustee may authenticate and deliver one or more series of Additional Certificates under the Trust Agreement (1) to pay the costs of completing the Project or of making at any time or from time to time such repairs, modifications or substitutions to the Project as OMEGA JV5 may deem necessary or desirable and will not impair the value or the productive capacity of the Project; (2) to refund all or a part of a series of Certificates; (3) to pay costs incurred in connection with the authentication, delivery and sale of such Additional Certificates; or (4) for any combination of such purposes. The Trustee shall authenticate and deliver such Additional Certificates, but only upon receipt by the Trustee of the following:

(1) An executed counterpart of such supplemental instrument or instruments as are necessary to cause payments to be made by OMEGA JV5 under the Joint Venture Agreement to be sufficient for the payment of principal of and prepayment premium, if any, and interest on such Additional Certificates and pledging and assigning to the Trustee all the right, title and interest of OMEGA JV5 and the JV5 Participants in and to and under such supplemental instruments.

(2) In the case of Additional Certificates delivered for the purpose of making repairs, modifications or substitutions to the Project, an opinion of an independent engineering consultant to the effect that such repairs, modifications or substitutions are required and will not impair the value of the

Project and that the sources of revenue made available for the payments of Revenue Requirements are sufficient for such purpose.

(3) Except in the case of Additional Certificates issued to refund all or a part of a series of Certificates, an Authorized Officer's Certificate of OMEGA JV5 stating that the principal amount of all Certificates which have been theretofore delivered on the basis of the supplemental instruments referred to in paragraph (1) above, together with such Additional Certificates, does not exceed an amount equal to fifteen percent (15%) of the estimated Project Costs on the date that debt obligations were first issued or incurred for such Project.

(4) A certification of OMEGA JV5 stating that OMEGA JV5 and the JV5 Participants approved the delivery of the Certificates of the new series and that on the date of the authentication and delivery of such Additional Certificates neither OMEGA JV5 nor the JV5 Participants are in default in the performance of and observance of any of the covenants, conditions, agreements, or provisions of the financing instruments.

(5) In the case of Additional Certificates delivered for the purpose of refunding obligations of any series such additional documents as shall be required by the Trustee to show that provision has been duly made in accordance with the terms of this Trust Agreement for redemption or payment of all of the Certificates to be refunded.

Events of Default (Section 4.03)

The following will constitute "Events of Default" under the Trust Agreement:

- (a) The failure to pay the principal of or interest on the 2001 Certificates when due; or
- (b) OMEGA JV5 fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it under the Joint Venture Agreement and such failure is not cured or steps satisfactory to Trustee are taken to cure such failure within 15 days after written notice thereof from the Trustee, provided that if such actions to cure are not able to be undertaken or completed within 15 days OMEGA JV5 shall have a reasonable period so long as OMEGA JV5 is proceeding with due diligence to cure such default.

Remedies (Article IV)

Upon the occurrence of an Event of Default as described in paragraph (a) of the immediately preceding paragraph, the Trustee may and at the direction of the Owners of 51% of the Certificates then outstanding shall, by notice in writing delivered to OMEGA JV5, declare the principal with respect to all Certificates then outstanding and the interest accrued with respect thereto immediately due and payable.

Notwithstanding the foregoing, if at any time after the principal and interest with respect to the Certificates have been so declared due and payable, all sums then payable pursuant to the Trust Agreement (except principal with respect to Certificates which have not reached their maturity dates) have been paid and all existing defaults have been made good, such payment will constitute a waiver of such default and its consequences and an automatic rescission and annulment of such declaration. No such waiver will extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee may exercise, as an alternative or in addition to any other remedy under the Trust Agreement, any remedy available under the Joint Venture Agreement.

Anything in the Trust Agreement to the contrary notwithstanding, the owners of at least 51 % in aggregate principal amount of the Certificates then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Agreement as to the Certificates. Any such direction shall not be otherwise than in accordance with the provisions of law and of the Trust Agreement.

All moneys received under the Trust Agreement by the Trustee upon or after the occurrence of an Event of Default will be applied first to the payment of the costs and expenses of the proceedings resulting in the collection of those moneys and of the related fees, expenses, liabilities and advances incurred or made by the Trustee. The balance of those moneys will be deposited in the Certificate Payment Fund and all moneys so deposited in such accounts will then be applied to pay the principal of and interest on the Certificates in the manner and in the order of priorities set forth in the Trust Agreement.

The Trustee may in its discretion waive any Event of Default under the Trust Agreement and its consequences and rescind any declaration of maturity of principal, and will do so upon the written request of the Owners of 51 % in aggregate principal amount of all the Certificates then outstanding. However, no Event of Default in the payment of the principal or interest with respect to any Certificates is to be waived and no declaration of maturity of principal shall be rescinded unless, prior to such waiver or rescission, all arrears of interest, or all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default, have been paid or provided for. In case of any waiver or rescission, or in case any proceeding taken by the Trustee on account of any default is discontinued or abandoned or determined adversely, then OMEGA JV5, the Trustee and the Certificate Owners will be restored to their former respective positions and rights under the Trust Agreement and under the Joint Venture Agreement. No waiver or rescission will extend to any subsequent or other default, or impair any right consequent thereon.

Before taking any action with respect to a default or event of default pursuant to the Trust Agreement, the Trustee may require indemnification in a manner satisfactory to it for any liability and expense it might incur in exercising its remedial powers under the Trust Agreement, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action taken. *Rights of Certificate Owners (Section 4.09)*

No Owner of any Certificate will have any right to institute any suit, action or proceeding for the enforcement of the Trust Agreement, for the execution of any trust under the Trust Agreement, or for any other remedy under the Trust Agreement, unless (i) an Event of Default has occurred; (ii) the Owners of 25% in aggregate principal amount of Certificates then outstanding have made written request to the Trustee; (iii) the Owners have offered the Trustee indemnity as provided in the Trust Agreement; and (iv) the Trustee has thereafter failed or refused to exercise its powers under the Trust Agreement or to institute such action, suit or proceeding in its own name.

Nothing in the Trust Agreement shall affect or impair the right of any Certificate Owner to enforce the payment of the principal and interest with respect to any Certificate owned by such Owner at and after the due date thereof, or the obligation of the Trustee to pay the principal, interest and any premium with respect to the Certificates to the respective Owners whereof at the time and place, from the sources and in the manner provided in the Certificates.

Amendments to the Trust Agreement (Section 6.01)

OMEGA JV5 and the Trustee may, without the consent of or notice to any of the Certificate Owners, amend the Trust Agreement and other instruments evidencing the existence of alien, as are not inconsistent with the terms and provisions of the Trust Agreement for any of the following purposes: (a) to cure any ambiguity, inconsistency or formal defect or omission in the Trust Agreement; (b) to grant to or confer upon the Trustee for the benefit of the Certificate Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Certificate Owners or the Trustee; (c) to subject additional revenues to the lien and pledge of the Trust Agreement; (d) to add to the covenants and agreements of the Trustee in the Trust Agreement other covenants and agreements thereafter to be observed for the protection of the Certificate Owners; or (e) to evidence any succession to the Trustee and the assumption by any successors of the requirements, covenants and agreements of the Trustee in the Trust Agreement and the Certificates.

Exclusive of those types of amendment, the Owners of not less than a majority in aggregate principal amount of the Certificates then outstanding will have the right, from time to time, to consent to and approve the execution by OMEGA JV5 and the Trustee of such other amendments as are deemed necessary and desirable by OMEGA JV5 or the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Trust Agreement or in any amendment thereto; provided, however, that any amendment that permits or could be construed as permitting (i) an extension of the maturity of the principal or interest with respect to any Certificate or a reduction in the principal amount of any Certificate or the rate of interest or redemption premium with respect thereto will require the consent of each Certificate Owner so affected, of (ii) a privilege of priority of any Certificate over any other Certificate, or a reduction in the aggregate principal amount of the Certificates required for consent to such Amendment, will require the consent of the Owners of all of the Certificates then outstanding.

Amendments to the Joint Venture Agreement (Section 6.02)

The Trustee may, without the consent of or notice to the Certificate Owners, consent to any amendment to that Joint Venture Agreement which, in the judgment of the Trustee, is not to the prejudice of the Certificate Owners or the Trustee. The Owners of not less than a majority in aggregate amount of the Certificates then outstanding must approve the Trustee's consent to any amendment, change or modification of the Joint Venture Agreement which would change the amount of the payment of Revenue Requirements required to be paid or the Payment Dates thereunder; provided that the Trustee's consent to an amendment resulting (i) in an extension of the maturity of the principal or the interest with respect to any Certificate or a reduction in the principal amount of any Certificate of the rate of interest or prepayment premium with respect thereto, must be approved by each Certificate Owner so affected, or (ii) in a privilege or priority of any Certificate over any other Certificate, or a reduction in the aggregate principal amount of the Certificates required for consent to such amendment, must be approved by the Owners of all Certificates then outstanding.

Defeasance (Section 6.03)

The right, title and interest of the Trustee under the Trust Agreement will terminate and become void if and when the Certificates become due and payable and the whole amount of the principal and interest due and payable with respect to all the Certificates is paid or provision has been made for the payment of the same; provided that if the 2001 Certificates shall be paid from proceeds of the Municipal Bond Insurance Policy, the Trust Agreement will remain in effect for the benefit of AMBAC Indemnity Corporation.

Within the meaning of the preceding paragraph, provision will be deemed to have been made for the payment of the Certificates if there has been deposited with the Trustee Defeasance Obligations in an amount sufficient (together with investment earnings thereon) to provide for the payment of the whole amount of the principal and interest so due and payable and all administrative expenses of the Trustee. Upon defeasance of the Trust Agreement, the Trustee will assign and transfer to OMEGA JV5 all property in excess of the cash or securities required for defeasance then held by the Trustee and all payments thereunder and all balances in any fund or account created under the Trust Agreement.

Non-Presentation of Certificates; Return of Moneys (Section 2.18)

If a Certificate is not presented for payment at maturity or upon call for prior redemption or an interest payment check or draft is uncashed, and if moneys for the payment of the principal, interest and any premium with respect to such Certificate are held by the Trustee and available for payment thereof on the date such amounts become due and payable, interest will cease to accrue or be payable with respect to such Certificate.

Any funds held by the Trustee and remaining unclaimed by the Owner of a Certificate for five years after the due date will be paid to OMEGA JV5.

Other Provisions (Article 19)

The Trust Agreement will set forth the duties and responsibilities of the Trustee and the succession on merger or resignation of the Trustee. The Trust Agreement will provide that the Trustee may execute any of its trusts or powers and perform its duties by or through attorneys, agents or receivers, and that the Trustee may consult with counsel with regard to legal questions and the opinion of such counsel will be full and complete authorization and protection for any action taken or suffered by the Trustee in good faith in accordance with such opinion. The Trust Agreement provides for the replacement of the Trustee under certain circumstances with a successor trustee located in Ohio and having a combined capital and surplus of at least \$100,000,000. The prior written consent of OMEGA JV5 will be required for the appointment of a successor trustee. Under the Trust Agreement, the Trustee will not be answerable for the default or misconduct of any attorney, agent or receiver selected by it with reasonable care, and the Trustee will be required to exercise its discretion or power under the Trust Agreement and administer the funds and accounts established thereunder with the same degree of care and skill a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

Provisions Required by AMBAC Indemnity

In consideration for its issuance of the Municipal Bond Insurance Policy, AMBAC Indemnity is given the following rights under the Trust Agreement:

(a) Consents. AMBAC Indemnity's consent is required for (i) amendments to the Trust Agreement and Assignment Agreement, (ii) removal of the Trustee and appointment of a successor, (iii) approval of any action requiring Certificate owner consent, (iv) control and direction of default remedies, and (v) right to direct the acceleration of principal upon an event of default.

(b) Notices. AMBAC Indemnity is to receive copies of reports and notices required of OMEGA JV5 and the Trustee by the Trust Agreement and may require an accounting at OMEGA JV5's expense (failure to comply with this requirement constituting an event of default under the Trust Agreement).

(c) Trustee Provisions. AMBAC Indemnity may require the removal of the Trustee for cause and must approve any successor Trustee.

In addition, so long as the Municipal Bond Insurance Policy is in effect and AMBAC Indemnity is not in default thereunder, the Trust Agreement grants to AMBAC Indemnity certain rights including the right to act thereunder as if it were Owner of all 1993 Certificates, without consent of any actual Owner of 1993 Certificates, for all purposes under the Trust Agreement other than the right to receive payment of debt service.

The First Supplemental Trust Agreement

Applicability of Original Trust Agreement (Section 1.1)

All terms, covenants, conditions and agreements of the Original Trust Agreement apply with full force and effect to the Series 2001 Certificates, except as otherwise provided in this First Supplemental Trust Agreement.

Funds and Sub-Funds (Article IV)

The First Supplemental Trust Agreement will establish the following special funds and sub-funds (the "Funds"): The 2001 Proceeds Fund, the 2001 Costs of Issuance Sub-Fund in the Construction Fund, and the 2001 Debt Service Reserve Sub-Fund in the Debt Service Reserve Fund. All of such funds and sub-funds will be held by the Trustee.

2001 Proceeds Fund (Section 4.1)

Proceeds received by the Trustee from the sale of the 2001 Certificates to the Underwriters will be deposited in the 2001 Proceeds Fund.

2001 Costs of Issuance Sub-Fund in the Construction Fund (Section 4.2)

The 2001 Costs of Issuance Sub-Fund of the Construction Fund is intended as a temporary clearing fund from which costs of issuance of the Series 2001 Certificates are to be paid. Payment from the 2001 Costs of Issuance Sub-Fund shall be made by the Trustee on the written requisitions of OMEGA JV5 to the payee named therein, which may be OMEGA JV5. On June 1, 2002 any balance in the 2001 Costs of Issuance Sub-Fund shall be transferred by the Trustee to the Certificate Payment Fund without further direction and the 2001 Costs of Issuance Sub-Fund shall be closed.

2001 Debt Service Reserve Sub-Fund in the Debt Service Reserve Fund (Section 4.3)

Prior to the defeasance or payment of all of the Series 1993 Certificates, the Debt Service Reserve Fund shall exist entirely for the benefit of the Owners of the Series 1993 Certificates and the 2001 Debt Service Reserve Sub-Fund shall remain unfunded.

Simultaneously with the defeasance or payment of all the Series 1993 Certificates, the balance to the credit of the Debt Service Reserve Fund shall be transferred to the credit of the 2001 Debt Service Reserve Sub-Fund in the Debt Service Reserve Fund and shall become subject to a security interest in favor of the Owners of the Series 2001 Certificates.

Subsequent to the defeasance or payment of all of the Series 1993 Certificates, the provisions of Section 3.06 of the Original Trust Agreement shall apply to the Series 2001 Certificates as though the Series 2001 Certificates were the Series 1993 Certificates referred to in such section.

With the written consent of MBIA as to both the provider and the structure, OMEGA JV5 may provide for the Reserve Requirement by delivering to the Trustee an unconditional and irrevocable a surety bond issued by an insurance company in an amount equal to the Reserve Requirement. The issuer of such surety bond shall be an insurance company whose claims paying ability at such time is rated in the highest rating category by Moody's or S&P.

Covenants (Article V)

OMEGA JV5 and the Trustee covenant that they will take no action that would adversely affect, and will take all actions within their power necessary to maintain, the exclusion of interest on all Series 2001 Certificates from gross income for purposes of federal income taxation and in preventing the Series 2001 Certificates from being "arbitrage bonds" within the meaning of the Code.

Provisions Required by MBIA Insurance Corporation

In consideration for its issuance of its policy, MBIA Insurance Corporation (the "Insurer") is given the following rights under the First Supplemental Trust Agreement:

(a) Consents. The Insurer's consent is required for (i) approval of amendments to the Trust Agreement and Assignment Agreement that require 2001 Certificate Owner consent, and (ii) replacement of the Debt Service Reserve Fund with a surety bond or a letter of credit.

(b) Notices. The Insurer shall receive notice of (i) the resignation or removal of the Trustee and the appointment of a successor thereto, (ii) any amendments which do not require the consent of the 2001 Certificate Owners, and (iii) copies of notices required to be delivered to the Owners of the 2001 Certificates and, on an annual basis, copies of OMEGA JV5's audited financial statements and annual budget. Copies of any amendments shall be sent to Standard & Poor's Ratings Services.

(c) Default Provisions. The Insurer, acting alone, has the right to direct, as to the 2001 Certificates, all remedies in the Event of Default. The Insurer shall be recognized as the registered owner of each certificate which it insures for the purposes of exercising all rights and privileges available to the actual Owners. For 2001 Certificates which it insures, the Insurer shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a Owner in accordance with applicable provisions of the Trust Agreement and First Supplemental Trust Agreement. Any acceleration of principal payments must be subject to the Insurer's prior written consent.

In addition, so long as the Insurer's Policy is in effect and the Insurer is not in default thereunder, the First Supplemental Trust Agreement grants to the Insurer certain rights including the right to act thereunder as if it were Owner of all 2001 Certificates, without consent of any actual Owner of 2001 Certificates, for all purposes under the Trust Agreement other than the right to receive payment of debt service.

Payments with respect to claims for the maturity amount of the 2001 Certificates disbursed by the Trustee from the proceeds of the Policy shall not be considered to discharge the obligation of OMEGA JV5 with respect to the 2001 Certificates, and the Insurer shall become the owner of such unpaid 2001 Certificates and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

Irrespective of whether any such assignment is executed and delivered, OMEGA JV5 and the Trustee hereby agree for the benefit of the Insurer that:

(a) They recognize that to the extent the Insurer makes payments, directly or indirectly (as by paying through the Trustee), on account of the maturity amount of the 2001 Certificates, the Insurer will be subrogated to the rights of such Owners to receive the maturity amount from OMEGA JV5, and solely from the sources stated in the Trust Agreement and First Supplemental Trust Agreement; and

(b) They will accordingly pay the Insurer the maturity amount, as provided in the First Supplemental Trust Agreement, but only from sources and in the manner provided in the Trust Agreement and First Supplemental Trust Agreement for the payment of the maturity amount of the 2001 Certificates to the Owners, and will otherwise treat the Insurer as the owner of such rights to the amount of maturity amount.

**APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT
AGREEMENT**

[This page intentionally left blank]

SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT AGREEMENT

The following summarizes certain provisions of the Assignment Agreement between the JVS Participants acting through OMEGA JVS and the Trustee, to which reference is made for the detailed provisions thereof.

Under the Assignment Agreement, the JV5 Participants acting through OMEGA JV5 will irrevocably assign to the Trustee (i) their right under the Joint Venture Agreement to receive or have the benefit of the Bond Debt Service Payment and Other Bond Payment portions of Revenue Requirements payable by the other JV5 Participants under the Joint Venture Agreement; and (ii) the right under the Joint Venture Agreement to exercise such rights and remedies conferred on the JV5 Participants acting through OMEGA JV5 as may be necessary to enforce payment of such portions of the Revenue Requirements when due or otherwise to protect its interest in the event of a default by any JV5 Participant under the Joint Venture Agreement.

[This page intentionally left blank]

APPENDIX G – FORM OF SPECIAL COUNSEL OPINION

[This page intentionally left blank]

[closing date]

BANC ONE CAPITAL MARKETS, INC.
FIFTH THIRD SECURITIES, INC.
NATCITY INVESTMENTS, INC.

Ladies and Gentlemen:

We have examined the transcript of proceedings (the "Transcript") relative to the issue of \$13,899,981.30 2001 Beneficial Interest Certificates (Belleville Hydroelectric Project) (the "2001 Certificates") evidencing and representing proportionate interests of the owners thereof in certain payments (the "Bond Debt Service Payments") to be made solely out of electric utility revenues of certain Ohio municipal corporations constituting the participants (the "JV5 Participants") in Ohio Municipal Electric Generation Agency Joint Venture 5, an Ohio joint venture ("OMEGA JV5"), pursuant to a Joint Venture Agreement among the Participants dated as of January 1, 1993 (the "Joint Venture Agreement"), and assigned to Star Bank, National Association (now known as Firststar Bank, National Association), Cincinnati, Ohio, as trustee (the "Trustee") pursuant to an Assignment Agreement dated as of June 1, 1993 (the "Assignment Agreement"). The Transcript includes confirmed or executed counterparts of the Trust Agreement dated as of June 1, 1993 (the "Original Indenture") between OMEGA JV5 and the Trustee, as supplemented by the First Supplemental Trust Agreement dated as of July 1, 2001 (the "First Supplemental Indenture") (together, the Original Indenture and the First Supplemental Indenture are referred to as the "Indenture"), and other documents executed and delivered in connection with the issuance of the 2001 Certificates. We have also examined the form of the 2001 Certificates.

The 2001 Certificates are issued on a parity with \$153,415,000 1993 Beneficial Interest Certificates dated as of June 1, 1993 (the "1993 Certificates"). The 1993 Certificates were issued under and pursuant to the Original Indenture in order to provide funds for the costs of acquisition, construction and installation of a 42 megawatt hydroelectric generating facility to be located at the Belleville locks and Dam on the Ohio River, including related transmission facilities and fossil fuel fired back-up electric generation facilities (the "Project"). The 2001 Certificates are issued, under and pursuant to the Indenture, in order to provide funds for financing the unfunded remaining costs of acquiring, constructing and installing the Project, including costs incidental thereto and of the financing thereof.

Based upon this examination, we are of the opinion, based upon laws, regulations, rulings and decisions in effect on the date hereof, that:

1. The 2001 Certificates have been duly executed by the Trustee and evidence and represent the valid and binding obligations of the JV5 Participants to make Bond Debt Service Payments

pursuant to the Joint Venture Agreement. The 2001 Certificates are payable solely out of the Bond Debt Service Payments and any moneys on deposit in the Construction Fund, the Certificate Payment Fund, and (upon the defeasance or payment of the 1993 Certificates) the Debt Service Reserve Fund as defined in the Indenture, on a parity with any Additional Certificates (as defined in the Indenture) and subject to the terms of the Indenture. The 2001 Certificates and the payment of the interests on the Bond Debt Service Payments represented thereby are not secured by an obligation or pledge of any moneys raised by taxation, and neither the 2001 Certificates, the Joint Venture Agreement nor the Indenture represents or constitutes a debt or pledge of the faith and credit, or taxing power, of OMEGA JV5, any of the JV5 participants, the State of Ohio, or any political subdivision thereof.

2. The Joint Venture Agreement, the Assignment Agreement and Indenture constitute valid and binding special obligations of the JV5 Participants enforceable in accordance with the respective terms and provisions thereof, assuming with respect to the Assignment Agreement and the Indenture, their due authorization, execution and delivery by the Trustee.

3. Under the laws, regulations, rulings and judicial decisions in effect on the date hereof, the excess of the amount payable at maturity of the 2001 Certificates over the initial public offering prices to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) (original issue discount, or "OID") is treated as interest on the 2001 Certificates and is excludible from gross income for federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, OID on the 2001 Certificates will not be a specific item of tax preference under Section 57 of the Code for purposes of the Federal individual or corporate alternative minimum taxes. In rendering the opinions in this paragraph, we have assumed continuing compliance by the JV5 Participants and OMEGA JV5 with certain covenants designed to meet the requirements of Section 103 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the 1993 Certificates, the Joint Venture Agreement or the Indenture.

4. OID on the 2001 Certificates is exempt from taxes levied by the State of Ohio and its subdivisions, including the Ohio personal income tax. OID on the 2001 Certificates is also excludible from net income base used in calculating the Ohio corporate franchise tax.

In our capacity as special counsel, we are not passing upon the Municipal Bond Insurance Policy (as defined in the Indenture). In giving this opinion, we have relied upon covenants and certificates of facts, estimates and expectations (which we have not independently verified) made by officials of the JV5 Participants, OMEGA JV5, the Trustee and others contained in the Transcript, including the opinions of Chester, Willcox & Saxbe LLP as counsel to OMEGA JV5 and the chief legal officers of each of the JV5 participants. It is to be understood that the enforceability of the 2001 Certificates, the Joint Venture Agreement and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and to the exercise of judicial discretion.

Very truly yours,

Peck, Shaffer & Williams LLP

[This page intentionally left blank]

APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[This page intentionally left blank]



FINANCIAL GUARANTY INSURANCE POLICY

**MBIA Insurance Corporation
Armonk, New York 10504**

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation

President

Attest:

Assistant Secretary

SPECIMEN

[This page intentionally left blank]

APPENDIX I –TABLE OF ACCRETED AMOUNTS

[This page intentionally left blank]

Table of Accreted Amounts*
(Expressed per \$5,000 Accreted Amount at Maturity)

| Date | 2001 Certificates Maturing 2/15/2025 | 2001 Certificates Maturing 2/15/2026 | 2001 Certificates Maturing 2/15/2027 | 2001 Certificates Maturing 2/15/2028 | 2001 Certificates Maturing 2/15/2029 | 2001 Certificates Maturing 2/15/2030 |
|--------------|---|---|---|---|---|---|
| 07/26/2001** | \$1,389.90 | \$1,313.20 | \$1,240.50 | \$1,171.65 | \$1,106.35 | \$1,044.50 |
| 08/15/2001 | 1,393.85 | 1,317.00 | 1,244.10 | 1,175.00 | 1,109.55 | 1,047.55 |
| 02/15/2002 | 1,432.25 | 1,353.35 | 1,278.50 | 1,207.55 | 1,140.35 | 1,076.65 |
| 08/15/2002 | 1,471.75 | 1,390.70 | 1,313.85 | 1,241.00 | 1,172.00 | 1,106.60 |
| 02/15/2003 | 1,512.30 | 1,429.05 | 1,350.20 | 1,275.40 | 1,204.50 | 1,137.35 |
| 08/15/2003 | 1,553.95 | 1,468.50 | 1,387.50 | 1,310.70 | 1,237.95 | 1,168.95 |
| 02/15/2004 | 1,596.75 | 1,509.05 | 1,425.90 | 1,347.05 | 1,272.30 | 1,201.45 |
| 08/15/2004 | 1,640.75 | 1,550.70 | 1,465.30 | 1,384.35 | 1,307.60 | 1,234.85 |
| 02/15/2005 | 1,685.95 | 1,593.50 | 1,505.80 | 1,422.70 | 1,343.90 | 1,269.20 |
| 08/15/2005 | 1,732.40 | 1,637.50 | 1,547.45 | 1,462.10 | 1,381.20 | 1,304.50 |
| 02/15/2006 | 1,780.15 | 1,682.65 | 1,590.25 | 1,502.60 | 1,419.50 | 1,340.75 |
| 08/15/2006 | 1,829.15 | 1,729.10 | 1,634.20 | 1,544.20 | 1,458.90 | 1,378.05 |
| 02/15/2007 | 1,879.55 | 1,776.85 | 1,679.40 | 1,587.00 | 1,499.40 | 1,416.35 |
| 08/15/2007 | 1,931.35 | 1,825.90 | 1,725.85 | 1,630.95 | 1,541.00 | 1,455.70 |
| 02/15/2008 | 1,984.55 | 1,876.30 | 1,773.55 | 1,676.15 | 1,583.75 | 1,496.20 |
| 08/15/2008 | 2,039.25 | 1,928.05 | 1,822.60 | 1,722.55 | 1,627.70 | 1,537.75 |
| 02/15/2009 | 2,095.40 | 1,981.30 | 1,873.00 | 1,770.30 | 1,672.90 | 1,580.55 |
| 08/15/2009 | 2,153.15 | 2,035.95 | 1,924.80 | 1,819.30 | 1,719.30 | 1,624.45 |
| 02/15/2010 | 2,212.45 | 2,092.15 | 1,978.00 | 1,869.70 | 1,767.00 | 1,669.65 |
| 08/15/2010 | 2,273.40 | 2,149.90 | 2,032.70 | 1,921.50 | 1,816.05 | 1,716.05 |
| 02/15/2011 | 2,336.05 | 2,209.25 | 2,088.90 | 1,974.75 | 1,866.45 | 1,763.75 |
| 08/15/2011 | 2,400.40 | 2,270.20 | 2,146.65 | 2,029.45 | 1,918.25 | 1,812.80 |
| 02/15/2012 | 2,466.55 | 2,332.85 | 2,206.00 | 2,085.65 | 1,971.45 | 1,863.20 |
| 08/15/2012 | 2,534.50 | 2,397.25 | 2,267.00 | 2,143.40 | 2,026.20 | 1,914.95 |
| 02/15/2013 | 2,604.30 | 2,463.40 | 2,329.70 | 2,202.80 | 2,082.40 | 1,968.20 |
| 08/15/2013 | 2,676.05 | 2,531.40 | 2,394.10 | 2,263.80 | 2,140.20 | 2,022.95 |
| 02/15/2014 | 2,749.80 | 2,601.30 | 2,460.30 | 2,326.50 | 2,199.60 | 2,079.15 |
| 08/15/2014 | 2,825.55 | 2,673.10 | 2,528.35 | 2,390.95 | 2,260.60 | 2,136.95 |
| 02/15/2015 | 2,903.40 | 2,746.85 | 2,598.25 | 2,457.20 | 2,323.35 | 2,196.40 |
| 08/15/2015 | 2,983.40 | 2,822.65 | 2,670.10 | 2,525.25 | 2,387.85 | 2,257.45 |
| 02/15/2016 | 3,065.60 | 2,900.60 | 2,743.90 | 2,595.20 | 2,454.10 | 2,320.20 |
| 08/15/2016 | 3,150.05 | 2,980.65 | 2,819.80 | 2,667.10 | 2,522.20 | 2,384.70 |
| 02/15/2017 | 3,236.85 | 3,062.90 | 2,897.75 | 2,741.00 | 2,592.20 | 2,451.00 |
| 08/15/2017 | 3,326.00 | 3,147.45 | 2,977.90 | 2,816.90 | 2,664.10 | 2,519.15 |
| 02/15/2018 | 3,417.65 | 3,234.30 | 3,060.20 | 2,894.95 | 2,738.05 | 2,589.15 |
| 08/15/2018 | 3,511.80 | 3,323.55 | 3,144.85 | 2,975.15 | 2,814.05 | 2,661.15 |
| 02/15/2019 | 3,608.55 | 3,415.30 | 3,231.80 | 3,057.55 | 2,892.10 | 2,735.10 |
| 08/15/2019 | 3,707.95 | 3,509.55 | 3,321.15 | 3,142.24 | 2,972.40 | 2,811.15 |
| 02/15/2020 | 3,810.10 | 3,606.45 | 3,413.00 | 3,229.25 | 3,054.85 | 2,889.30 |
| 08/15/2020 | 3,915.10 | 3,705.95 | 3,507.35 | 3,318.75 | 3,139.65 | 2,969.65 |

* This chart in no way implies that the 2001 Certificates are redeemable prior to maturity.

** Issue date.

| Date | 2001 Certificates Maturing 2/15/2025 | 2001 Certificates Maturing 2/15/2026 | 2001 Certificates Maturing 2/15/2027 | 2001 Certificates Maturing 2/15/2028 | 2001 Certificates Maturing 2/15/2029 | 2001 Certificates Maturing 2/15/2030 |
|-------------|---|---|---|---|---|---|
| 02/15/2021 | \$4,022.95 | \$3,808.25 | \$3,604.35 | \$3,410.65 | \$3,226.75 | \$3,052.20 |
| 08/15/2021 | 4,133.75 | 3,913.35 | 3,704.00 | 3,505.15 | 3,316.30 | 3,137.05 |
| 02/15/2022 | 4,247.65 | 4,021.35 | 3,806.40 | 3,602.20 | 3,408.35 | 3,224.25 |
| 08/15/2022 | 4,364.70 | 4,132.35 | 3,911.65 | 3,702.00 | 3,502.90 | 3,313.90 |
| 02/15/2023 | 4,484.95 | 4,246.40 | 4,019.80 | 3,804.55 | 3,600.10 | 3,406.00 |
| 08/15/2023 | 4,608.50 | 4,363.60 | 4,130.95 | 3,909.95 | 3,700.05 | 3,500.70 |
| 02/15/2024 | 4,735.45 | 4,484.05 | 4,245.20 | 4,018.25 | 3,802.70 | 3,598.00 |
| 08/15/2024 | 4,865.90 | 4,607.80 | 4,362.55 | 4,129.55 | 3,908.25 | 3,698.05 |
| 02/15/2025 | 5,000.00 | 4,735.00 | 4,483.20 | 4,243.95 | 4,016.70 | 3,800.85 |
| 08/15/2025 | | 4,865.70 | 4,607.15 | 4,361.50 | 4,128.15 | 3,906.50 |
| 02/15/2026 | | 5,000.00 | 4,734.55 | 4,482.30 | 4,242.70 | 4,015.10 |
| 08/15/2026 | | | 4,865.45 | 4,606.45 | 4,360.45 | 4,126.75 |
| 02/15/2027 | | | 5,000.00 | 4,734.05 | 4,481.45 | 4,241.45 |
| 08/15/2027 | | | | 4,865.20 | 4,605.80 | 4,359.40 |
| 02/15/2028 | | | | 5,000.00 | 4,733.60 | 4,480.55 |
| 08/15/2028 | | | | | 4,864.95 | 4,605.15 |
| 02/15/2029 | | | | | 5,000.00 | 4,733.15 |
| 08/15/2029 | | | | | | 4,864.75 |
| 02/15/2030 | | | | | | 5,000.00 |



Recycled Paper Printed by
MVA/MAS/TE/US/0487-5352