PRELIMINARY OFFICIAL STATEMENT DATED [●], 2026

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful.

NEW ISSUE
BOOK ENTRY - ONLY

RATINGS
Moody's [●]
Fitch [●]
See "CREDIT RATINGS" herein

In the opinion of Ice Miller LLP, Bond Counsel, under existing federal statutes, decisions, regulations and rulings, interest on the 2026 A Bonds (as defined herein) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Such exclusion of interest on the 2026 A Bonds is conditioned on the continuing compliance with the Tax Covenants (as defined herein). Interest on the 2026 A Bonds is not exempt from income taxation in the State of Illinois. See "TAX MATTERS RELATING TO THE 2026 A BONDS" and Appendix E, "Form of Opinion of Bond Counsel" herein.

$[●]*
NORTHERN ILLINOIS MUNICIPAL POWER AGENCY
Power Project Revenue Refunding Bonds, Series 2026 A (Prairie State Project)

Dated: Date of Delivery **Due: December 1, as shown on inside cover page**

The Power Project Revenue Refunding Bonds, Series 2026 A (Prairie State Project) (the "**2026 A Bonds**") to be issued by the Northern Illinois Municipal Power Agency ("**NIMPA**") will be issued only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). DTC will act as securities depository for the 2026 A Bonds under a book-entry-only system as described herein. Principal and interest payments on the 2026 A Bonds will be made directly to DTC. Individual purchases of beneficial interests will be made in book-entry-only form, in the principal amount of $5,000 or any integral multiple thereof. Beneficial owners of the 2026 A Bonds will not receive physical delivery of bond certificates. Interest on the 2026 A Bonds will be payable semiannually on December 1 and June 1 of each year, commencing December 1, 2026. Computershare Trust Company, N.A. is the Trustee for the 2026 A Bonds.

The 2026 A Bonds are subject to redemption prior to maturity as described herein. The 2026 A Bonds are being issued to provide funds to: (i) refund the Refunded Bonds (as herein defined) and (ii) pay the cost of issuance of the 2026 A Bonds. The 2026 A Bonds and the interest thereon will be special, limited obligations of NIMPA, payable by NIMPA solely out of the Net Revenues (as defined herein) relating to the ownership and operation of the Prairie State Project (as defined herein) and certain other funds held under the Indenture (as defined herein) referred to herein, and will be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined herein) to the Trustee (as defined herein) under the Indenture in favor of the owners of the 2026 A Bonds. As more fully described herein, Net Revenues under the Indenture will include amounts received by NIMPA under the Power Sales Agreements between NIMPA and each of the Illinois cities of Batavia, Geneva and Rochelle.

The 2026 A Bonds are not obligations of the State of Illinois or any political subdivision thereof (other than NIMPA) or any Member (as defined herein) of NIMPA, and neither the faith and credit nor the taxing power of the State of Illinois, any political subdivision thereof or any Member of NIMPA is pledged to the payment of the 2026 A Bonds. NIMPA has no taxing power.

The 2026 A Bonds are offered when, as and if issued and received by the Underwriters, and subject to the approval of legality by Ice Miller LLP, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their Counsel, Orrick, Herrington & Sutcliffe LLP, and for NIMPA by its General Counsel, Boardman & Clark LLP. It is expected that the 2026 A Bonds in definitive form will be available for delivery on or about October 1, 2026.

BofA Securities, Inc.
RBC Capital Markets

*Preliminary, subject to change.

Dated: [●], 2026

$[●]*
NORTHERN ILLINOIS MUNICIPAL POWER AGENCY
Power Project Revenue Refunding Bonds,
Series 2026 A (Prairie State Project)

Dated: Date of Delivery **Due: December 1, as shown below**

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					

*Preliminary, subject to change.

C Yield to the first optional call date of [●] at par.

†CUSIP® is a registered trademark of the American Bankers Association (the "**ABA**"). CUSIP data is provided by CUSIP Global Services ("**CGS**"), which is managed on behalf of the ABA by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers are included in this Official Statement for the convenience of the holders and potential holders of the 2026 A Bonds. None of NIMPA or the Underwriters is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the applicable 2026 A Bond or as included in this Official Statement. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2026 A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2026 A Bonds. Subsequent CUSIP numbers will be available from the Trustee.

NORTHERN ILLINOIS MUNICIPAL POWER AGENCY
333 Lincoln Highway
Rochelle, Illinois 61068

MEMBERS AND OFFICERS

Batavia	**Geneva**	**Rochelle**
Steve Allen	Aaron Holton	Blake Toliver
Secretary	President	Vice President

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Boardman & Clark LLP
Madison, Wisconsin

Bond Counsel
Ice Miller LLP
Chicago, Illinois

Municipal Advisor
Avant Energy, Inc.
Minneapolis, Minnesota

Trustee
Computershare Trust Company, N.A.
St. Paul, Minnesota

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No dealer, salesperson or any other person has been authorized by NIMPA or the Underwriters to give any information or to make any representations, other than the information and representations contained in this Official Statement, in connection with the offering of the 2026 A Bonds and, if given or made, such information or representations must not be relied upon as having been authorized by NIMPA or the Underwriters. The information in this Official Statement has been furnished by NIMPA, the Members and other sources which are considered to be reliable, but is not guaranteed as to accuracy or completeness. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors 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 information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale of the 2026 A Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of NIMPA or the Members since the date of this Official Statement.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE 2026 A BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE 2026 A BONDS, NOR SHALL THERE BE ANY SALE OF ANY OF THE 2026 A BONDS, BY ANY PERSON IN ANY JURISDICTION IN WHICH OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting NIMPA's business and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

OFFICIAL STATEMENT RELATING TO
NORTHERN ILLINOIS MUNICIPAL POWER AGENCY

$[●]*
NORTHERN ILLINOIS MUNICIPAL POWER AGENCY
Power Project Revenue Refunding Bonds,
Series 2026 A (Prairie State Project)

INTRODUCTION

Purpose

The purpose of this Official Statement, which includes the cover page hereof and the Appendices hereto, is to set forth information concerning (i) Northern Illinois Municipal Power Agency ("**NIMPA**"), a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State of Illinois (the "**State**") and (ii) NIMPA's Power Project Revenue Refunding Bonds, Series 2026 A (Prairie State Project) issued in the aggregate principal amount of $[●] (the "**2026 A Bonds**"). The 2026 A Bonds are being issued to provide funds to (i) refund the Refunded Bonds (as defined herein) and (ii) pay the cost of issuance of the 2026 A Bonds.

Authorization for Bonds

The 2026 A Bonds are being issued pursuant to the Joint Municipal Electric Power Act, as amended (the "**Act**"), and a Trust Indenture dated as of August 1, 2007 (the "**Original Indenture**") between NIMPA and Computershare Trust Company, N.A. (as successor to Wells Fargo Bank, National Association) as Trustee (the "**Trustee**"), as amended and supplemented from time to time, including, as supplemented by Supplemental Trust Indenture No. 12, dated as of October 1, 2026 (the "**Supplemental Indenture**"). The Original Indenture as supplemented and amended from time to time is herein referred to as the "**Indenture**". As described in "SECURITY AND SOURCE OF PAYMENT FOR THE 2026 A BONDS – Pledge and Assignment Under the Indenture," NIMPA has issued the Prior Bonds (as defined herein), and may issue additional bonds under the Indenture on a parity with the Prior Bonds and the 2026 A Bonds as to security and source of payment. NIMPA may also issue additional bonds in the future pursuant to one or more other trust indentures that NIMPA may enter into in the future in connection with the acquisition of additional generating facilities (or undivided interests therein). No such bonds will be payable from the Net Revenues (as defined herein). *See* Appendix D, "Summary of Certain Provisions of the Indenture."

NIMPA

NIMPA is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State. NIMPA was created by contract as of May 24, 2004, for the purpose of effecting the joint development of electric energy resources for the production, transmission and distribution of electric power and energy. NIMPA's members currently consist solely of three Illinois municipalities, Batavia, Geneva and Rochelle (the "**Members**"). Prairie State (as defined herein) is the only power generation asset in which NIMPA currently has an ownership share. NIMPA has sold all its rights to capacity and energy from Prairie State pursuant to take-or-pay power sales agreements

*Preliminary, subject to change.

(the "**Power Sales Agreements**") with each of the Members. Because NIMPA's Members are also the agency's only participants in Prairie State, the term "Members" and "Project Participants" are used interchangeably throughout this document to refer to the cities of Batavia, Geneva and Rochelle. *See* "SECURITY AND SOURCE OF PAYMENT FOR THE 2026 A BONDS" and "THE PROJECT PARTICIPANTS."

The Refunding

NIMPA will use a portion of the proceeds of the 2026 A Bonds to refund all or a portion of NIMPA's outstanding Power Project Revenue Bonds, Series 2016 A (Prairie State Project) [and its outstanding 2009 C Bonds and 2010 A Bonds (as defined herein)] in an aggregate principal amount of $[●] (the "**Refunded Bonds").** The proceeds of the Refunded Bonds were used to finance and refinance a portion of the acquisition and construction of NIMPA's 7.6% undivided interest in Prairie State (the "Project"). The Project entitles NIMPA to approximately 120 megawatts ("**MW**") of the capacity and output from Prairie State.

See "PRAIRIE STATE."

Additional Information

This Official Statement discusses the terms of the Indenture, the 2026 A Bonds, the Project, Prairie State, the Power Sales Agreements, the Project Participants, and certain contracts and documents relating to the Project. Such descriptions do not purport to be comprehensive or definitive. All references to any statute, agreement or document are qualified in their entirety by reference to such statute, agreement or document, and all references to the 2026 A Bonds are qualified in their entirety by reference to their definitive folio and the information with respect to the 2026 A Bonds contained in the Indenture. Copies of the Act, the Indenture and the Power Sales Agreements are available from the Trustee.

Information regarding the Project Participants is set forth in Appendix B. A summary of the Power Sales Agreements is set forth in Appendix C. A summary of the Indenture is set forth in Appendix D. The form of Bond Counsel opinion with respect to the 2026 A Bonds is set forth in Appendix E. Appendix F provides a description of the book-entry system that will be applicable to the 2026 A Bonds, and Appendix G provides the form of Continuing Disclosure Undertaking that NIMPA will enter into in connection with the issuance of the 2026 A Bonds.

All the information described in this section should be read in its entirety by prospective buyers of the 2026 A Bonds.

SECURITY AND SOURCE OF PAYMENT FOR THE 2026 A BONDS

Bonds Outstanding

Immediately prior to the issuance of the 2026 A Bonds, NIMPA will have the following bonds outstanding (the "**Prior Bonds**"):

Prior Bonds	Outstanding Par
Power Project Taxable Revenue Bonds, Series 2009 C (Prairie State Project Build America Bonds – Direct Payment) (the "**2009 C Bonds**")	$82,385,000
Power Project Taxable Revenue Bonds, Series 2010 A (Prairie State Project Build America Bonds – Direct Payment) (the "**2010 A Bonds**")	57,065,000
Power Project Revenue Bonds, Series 2016 A (Prairie State Project)*	202,565,000
Total Prior Bonds	$342,015,000

* The 2016 A Bonds are the Refunded Bonds; see "INTRODUCTION – The Refunding." [If the refunding is expanded to include the 2009 C Bonds and the 2010 A Bonds].

The Prior Bonds were issued as parity bonds pursuant to the Indenture. The Prior Bonds, the 2026 A Bonds and any additional bonds issued in the future under the Indenture which are on parity as to security and source of payment therewith, are herein referred to collectively as the "Bonds."

Other NIMPA Debt

In addition to the Prior Bonds, NIMPA has issued a $15,000,000 Committed Line of Credit Note (2026 Taxable Subordinated Bond Revenue Note) (the "**2026 Note**") in favor of PNC Bank, National Association ("**PNC**") pursuant to the Indenture. The 2026 Note constitutes a Subordinated Bond, payable out of and secured by a pledge of amounts held in the Subordinated Bond Fund; provided, however, that any such payment or pledge is expressly subordinate and junior in all respects to the pledge and lien in the Trust Estate created under the Indenture as security for the Bonds. The 2026 Note is the third amended and restated version of a committed line of credit facility originally established in 2012, when NIMPA issued a $30,000,000 Committed Line of Credit Note (2012 Taxable Subordinated Bond Revenue Note) (the "**2012 Note**") in favor of PNC pursuant to the Indenture. NIMPA subsequently executed an Amended and Restated Committed Line of Credit Note with PNC in March 2017 and a Second Amended and Restated Committed Line of Credit Note on November 10, 2021, which reduced the maximum amount available under the facility to $15 million and had a stated expiration date of November 10, 2026. Under the 2026 Note, NIMPA may draw funds and/or post standby letters of credit up to a maximum amount of $15 million. The 2026 Note has a current expiration date of July 29, 2031, and may be extended for one additional year upon the request of NIMPA and the approval of PNC. As of the date of this Official Statement, a total of $4.5 million is outstanding under the 2026 Note in support of NIMPA's activities in several independent transmission operator markets.

Special Limited Obligations

The 2026 A Bonds and the interest thereon will be special, limited obligations of NIMPA payable solely out of the Net Revenues (as defined herein) and certain funds held under the Indenture (the "Trust Estate") and will be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the Bonds, as provided in the Indenture.

The 2026 A Bonds and the interest thereon will not be deemed to constitute a debt or liability of the State or of any political subdivision thereof (other than NIMPA) or any Member of NIMPA

within the meaning of any state constitution provision or statutory limitation and will not constitute a pledge of the faith and credit of the State, any political subdivision thereof or any Member of NIMPA, but will be payable solely from the funds provided for in the Indenture. The issuance of the 2026 A Bonds will not, directly, indirectly or contingently, obligate the State or any political subdivision thereof or any Member of NIMPA to levy any form of taxation therefor.

Net Revenues

The Indenture defines Net Revenues for any period of calculation as the total Revenues (as defined herein) during such period less the total Operation and Maintenance Expenses (as defined herein) during such period.

"**Revenues**" generally will include (a) all revenues, income, rents and receipts derived or to be derived by NIMPA from or attributable to or relating to the Project or to the payment of the costs thereof, including all revenues received or to be received by NIMPA or the Trustee under the Power Sales Agreements or under any other arrangement by NIMPA with respect to the sale or use of the Project or any portion thereof or the capacity or energy thereof and the Subsidy Payments (as defined herein), if any are received; (b) the proceeds of certain insurance required to be deposited with the Trustee, including the proceeds of any self-insurance fund, and insurance covering business interruption loss relating to the Project; and (c) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund. *See* Appendix D, "Summary of Certain Provisions of the Indenture."

"**Operation and Maintenance Expenses**" generally will include all of NIMPA's costs and expenses related to the operation and maintenance of the Project or the satisfaction of NIMPA's delivery obligations under the Power Sales Agreements. *See* Appendix D, "Summary of Certain Provisions of the Indenture."

The Power Sales Agreements

The Power Sales Agreements require the Project Participants to make monthly payments to NIMPA for deposit into the Revenue Fund established under the Indenture (the "Revenue Fund") in amounts sufficient to pay that Project Participant's proportionate share of (a) the fixed and variable costs NIMPA incurs in connection with the Project, (b) the fixed and variable costs NIMPA incurs in connection with its obligation to deliver energy from the Project or replacement energy, and (c) NIMPA's administrative and other reasonable costs associated with its role as power supplier to the Project Participants. Each Project Participant's obligation to make such payments is a special limited obligation payable solely out of the revenues of its municipal electric system. Such payments are payable whether or not Prairie State is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise and are not conditioned upon the performance or nonperformance of NIMPA or any other person under the Power Sales Agreements or any other agreement for any cause whatsoever. All payments due to NIMPA under the Power Sales Agreements are designated as operating and maintenance expenses of the Project Participants' electric systems and are to be made prior to the payment of principal of and interest on any outstanding debt secured by the net revenues of the Project Participants' electric systems. *See* Appendix C, "Summary of Certain Provisions of the Power Sales Agreements."

Pledge and Assignment Under the Indenture

Under the Indenture, NIMPA will pledge and assign to the Trustee, for the benefit of the owners of the 2026 A Bonds, on a parity with the Prior Bonds and all other series of Bonds issued or that may be

issued under the Indenture, all right, title and interest of NIMPA in and to the Trust Estate, which includes (a) the proceeds of sale of the 2026 A Bonds; (b) all Net Revenues; (c) all money and securities in the Funds held by the Trustee under the Indenture (except for the Rebate Fund), including the investments thereof subject to the limitations on Accounts of the Debt Service Reserve Fund (as defined herein); and (d) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture. *See* Appendix D, "Summary of Certain Provisions of the Indenture." Pursuant to the Indenture, the 2026 A Bonds are additionally secured by amounts on deposit in the Common Debt Service Reserve Account (as defined herein) in the Debt Service Reserve Fund, including the investments thereof.

Debt Service Reserve Fund – General

A Debt Service Reserve Fund has been created under the Indenture. Although a series of Bonds issued under the Indenture is not required to be secured by the Debt Service Reserve Fund or any Account thereof, NIMPA has established a Common Debt Service Reserve Account to secure the Covered Bonds (as defined below) in an amount equal to the Common Debt Service Reserve Requirement (as defined below). NIMPA may, at its option, specify in a Supplemental Indenture whether or not any series of Bonds will be secured by the Common Debt Service Reserve Account. If NIMPA determines that a series of Bonds shall not have a claim for payment on the Common Debt Service Reserve Account, NIMPA may, at its option, create a Series Debt Service Reserve Account ("**Series Debt Service Reserve Account**") for such Bonds and establish a related series debt service reserve requirement ("**Series Debt Service Reserve Requirement**") in a Supplemental Indenture. Such Bonds shall have a claim for payment on the related Series Debt Service Reserve Account and such Series Debt Service Reserve Account may be established for the benefit of one or more series of Bonds as set forth in the Supplemental Indenture. Amounts held in an Account of the Debt Service Reserve Fund shall be applied only to prevent deficiencies in the payments of principal of and interest on the related Series of Bonds which have a claim on such Account. Pursuant to the Indenture, NIMPA is authorized to fund the Debt Service Reserve Fund either with moneys or through the deposit of one or more "Qualified Reserve Facilities." *See* Appendix D, "Summary of Certain Provisions of the Indenture."

Debt Service Reserve Fund – Common Debt Service Reserve Account

The Common Debt Service Reserve Account is held by the Trustee as additional security for any series of Bonds that NIMPA elects to be additionally secured by the Common Debt Service Reserve Account (such Bonds, together with the 2026 A Bonds will be Covered Bonds (as defined herein)). The Indenture defines "Common Debt Service Reserve Requirement" to mean as of any date of calculation, with respect to the Covered Bonds, an amount equal to the least of (a) 10% of the aggregate original principal amount (or "issue price", as computed for federal income tax purposes, if original issuance premium or discount is greater than 2%) of the Covered Bonds; (b) Maximum Annual Debt Service (as defined herein) on the Covered Bonds; and (c) 125% of the average annual Debt Service (as defined herein) on the Covered Bonds.

Debt Service Reserve Fund – Alternate Series Debt Service Reserve Account

The Alternate Series Debt Service Reserve Account constitutes a Series Debt Service Reserve Account and is held by the Trustee as additional security for the 2009 C Bonds and the 2010 A Bonds. NIMPA may elect to secure any future series of Bonds by the Alternate Series Debt Service Reserve Account in the Debt Service Reserve Fund (such Bonds, together with the 2009 C Bonds and the 2010 A Bonds are referred to as the "**Alternate Covered Bonds**").

The Indenture requires NIMPA to deposit and maintain in the Alternate Series Debt Service Reserve Account an amount equal to the Alternate Series Debt Service Reserve Requirement (the "**Alternate Series Debt Service Reserve Requirement**"), which is defined in the Indenture, as of any date of calculation, as an amount equal to 67% of the maximum Adjusted Aggregate Debt Service coming due on the Alternate Covered Bonds then outstanding in the then current or any future Fiscal Year.

Amounts in the Alternate Series Debt Service Reserve Account are to be applied to make payment of the principal or sinking fund redemption price of, or interest on, the Alternate Covered Bonds secured thereby, when due in the event that amounts on deposit in the Debt Service Account are not sufficient therefor. Upon issuance of any future series of Alternate Covered Bonds, any resulting increase in the Alternate Series Debt Service Reserve Requirement will be required to be funded in whole at the time of the issuance of such future series of Alternate Covered Bonds. The 2026 A Bonds will not be Alternate Covered Bonds.

Operation and Maintenance Fund – Operating Reserve Account

An Operation and Maintenance Fund (the "**Operation and Maintenance Fund**") has been created under the Indenture. The Operation and Maintenance Fund will consist of (a) an Operating Account (the "**Operating Account**"), from which NIMPA will pay Operation and Maintenance Expenses as such costs become due and payable and (b) an Operating Reserve Account (the "**Operating Reserve Account**"). Moneys in the Operating Reserve Account may be used as working capital and to provide for the payment of Operation and Maintenance Expenses which accrue over time and are payable less frequently than monthly and other non-recurring expenses.

The Indenture provides that the amount required to be on deposit in the Operating Reserve Account (the "**Operating Reserve Requirement**") will equal $3,500,000, or such greater amount as may be provided in NIMPA's Annual Project Budget (as defined herein); provided, however, if NIMPA is required to fund operating reserves pursuant to the Prairie State Participation Agreement (as defined herein), the amount of such funds deposited by NIMPA will be credited against the amount of the Operating Reserve Requirement ("**Credited Amount**"). As of June 30, 2026, the balance of the Credited Amount is approximately $1.9 million. As of the same date, the operating reserve account balance is approximately $1.7 million, which (together with the Credited Amount) is on deposit in satisfaction of the Operating Reserve Requirement. *See* Appendix D, "Summary of Certain Provisions of the Indenture."

Reserve and Contingency Fund

A Reserve and Contingency Fund (the "**Reserve and Contingency Fund**") has been created under the Indenture to provide for the payment of extraordinary Operation and Maintenance Expenses and contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with Prairie State, and the payment of renewals, repairs, additions, betterments and improvements in connection with Prairie State necessary to keep the same in good operating condition, or required by any governmental agency having jurisdiction over Prairie State or any part thereof or required by the Prairie State Participation Agreement, all to the extent not provided for in the then current Annual Budget or by reserves credited to the Operation and Maintenance Fund or from the proceeds of Bonds, notes or other evidences of indebtedness issued by NIMPA to finance or refinance the costs of acquisition and construction of the Project.

The Indenture provides that the amount required to be on deposit in the Reserve and Contingency Fund (the "**Reserve and Contingency Requirement**") will equal $1,500,000, or such greater amount as may be provided in NIMPA's Annual Project Budget; provided, however, if NIMPA is required to fund

capital reserves pursuant to the Prairie State Participation Agreement, the amount of such funds deposited by NIMPA will be credited against the amount of the Reserve and Contingency Requirement.

The Reserve and Contingency Fund is funded at the rate of $25,000 per month until it reaches the Reserve and Contingency Requirement, and thereafter, in the event of any deficiency therein, the amount necessary to restore the balance therein to the Reserve and Contingency Requirement over 24 months in equal monthly installments. As of June 30, 2026, the balance in the Reserve and Contingency Fund is approximately $1.6 million. *See* Appendix D, "Summary of Certain Provisions of the Indenture."

Flow of Funds

Under the Indenture, as soon as practicable in each month after the deposit of Revenues into the Revenue Fund, but in any case no later than the last business day of such month, NIMPA shall withdraw from the Revenue Fund and credit to, or shall transfer to the Trustee for deposit in, the following Funds and Accounts in the following order the amounts set forth below:

(a) To the Operation and Maintenance Fund (1) for credit to the Operating Account such amount as shall be necessary for the payment of all Operation and Maintenance Expenses which are unpaid and which are estimated to become due prior to the end of the following calendar month in the Annual Budget, and (2) if the amount on deposit in the Operating Reserve Account in the Operation and Maintenance Fund is less than the Operating Reserve Requirement, for credit to the Operating Reserve Account, the amount required to restore the balance in the Operating Reserve Account to the Operating Reserve Requirement, over a period of 24 months in equal monthly installments.

(b) To the Debt Service Fund created pursuant to the Indenture (the "**Debt Service Fund**"), which shall be held by the Trustee, for credit to each Series Debt Service Account (each a "**Series Debt Service Account**"), established with respect to each Series of Bonds pursuant to a Supplemental Indenture entered into pursuant to the Indenture (each, a "**Supplemental Indenture**"), on a parity with the transfer to each other Series Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Debt Service (as defined herein) with respect to such Series of Bonds as of the last day of the then current month.

(c) To the Debt Service Reserve Fund, which shall be held by the Trustee, for credit to the Common Debt Service Reserve Account, the Alternate Series Debt Service Reserve Account, and to any other Series Debt Service Reserve Account established with respect to any Series of Bonds pursuant to a Supplemental Indenture, the amount, if any, required (1) to restore any deficiency in said Account as described under the Indenture, and (2) to fund the applicable Debt Service Reserve Requirement as described in the Indenture.

(d) To the Subordinated Bond Fund created pursuant to the Indenture (the "**Subordinated Bond Fund**"), which shall be held by the Trustee, for credit to the Series 2012 Subordinated Bond Account and to any other Series Subordinated Bond Account established with respect to Subordinated Bonds pursuant to a Supplemental Indenture (the "**Subordinated Bonds**"), such amounts as shall be required by the Supplemental Indenture authorizing such Subordinated Bonds.

(e) To the Reserve and Contingency Fund (1) commencing with the month during which the Prairie State Project achieves commercial operation, the amount of $25,000 each until such time as the amount on deposit in the Reserve and Contingency Fund has reached the

Reserve and Contingency Requirement, and (2) thereafter, if the amount on deposit in the Reserve and Contingency Fund is less than the Reserve and Contingency Requirement, the amount required to restore the balance in the Reserve and Contingency Fund to the Reserve and Contingency Requirement, over a period of 24 months in equal monthly installments.

(f) To the General Reserve Fund created pursuant to the Indenture, the remaining balance, if any, of moneys in the Revenue Fund after making the above credits, transfers and deposits.

See Appendix D, "Summary of Certain Provisions of the Indenture."

Rate Covenant

Under the Indenture, NIMPA is required to fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services from Prairie State and the provision of associated firm energy, as necessary to provide Revenues at least sufficient in each Fiscal Year (as defined in the Indenture), together with other available funds, for the payment of the amounts required to be paid into the Operating Account and Operating Reserve Account of the Operation and Maintenance Fund during such Fiscal Year, the amounts equal to the Aggregate Debt Service (as defined in the Indenture) for such Fiscal Year required to be paid into the Debt Service Fund for the payment of principal of, premium, if any, and interest on all Bonds, and all other amounts, if any, required to be paid into any other Fund or Account during such Fiscal Year under the Indenture, and all other charges or amounts payable out of Revenues during such Fiscal Year. NIMPA will promptly collect all amounts payable under the Power Sales Agreements as the same become due, and will at all times maintain and promptly and vigorously enforce its rights against any Project Participant who does not pay such charges when due as provided in the Indenture. *See* Appendix D, "Summary of Certain Provisions of the Indenture."

Additional Bonds and Subordinated Bonds

Additional Bonds

NIMPA is authorized under the Indenture to issue additional Bonds for purposes of (a) paying all or a portion of the costs of acquisition and construction of the Project, or (b) refunding any outstanding Bonds issued under the Indenture. The number of series of Bonds and the aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may be provided in the Indenture or as may be limited by law. All such Bonds will be equally and ratably secured by the Indenture on a parity with the Prior Bonds and the 2026 A Bonds. *See* Appendix D, "Summary of Certain Provisions of the Indenture, Authorization of Bonds."

Subordinated Bonds

The Indenture also authorizes the issuance of Subordinated Bonds for purposes of financing the Project. Such Subordinated Bonds will be payable out of and may be secured by a pledge of such amounts in the Subordinated Bond Fund as may from time to time be available therefor; provided, however, that any such payment or pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge and lien in the Trust Estate created under the Indenture as security for the Bonds. The 2026 Note constitutes Subordinated Bonds. *See* Appendix D, "Summary of Certain Provisions of the Indenture, Subordinated Bonds."

FINANCE PLAN

The proceeds of the 2026 A Bonds will be applied to refund the Refunded Bonds, the proceeds of which were used to finance and refinance a portion of the costs associated with the Acquisition and Construction of the Project. These costs include, among others, (a) the Costs of Acquisition and Construction of the Project (*See* "PRAIRIE STATE"); (b) reimbursement of previous expenditures for engineering, project management, legal and consulting fees; (c) administrative costs during construction, and (d) working capital.

A portion of the proceeds of the 2026 A Bonds, together with other available moneys, will be used to acquire Defeasance Obligations (as defined in the Indenture), the principal of and interest on which, when due, together with any initial cash deposit, will provide moneys sufficient to pay the principal and redemption price of the Refunded Bonds and the interest on such Refunded Bonds to the date fixed for redemption. Such Defeasance Obligations will be held in an escrow fund established for such purpose (the "**Escrow Fund**") established under the Escrow Deposit Agreement between NIMPA and Computershare Trust Company, N.A., as escrow agent for the Refunded Bonds (the "**Escrow Agreement**"), and used to pay principal and interest on the Refunded Bonds to and including [●], and to redeem the Refunded Bonds on such date. The sufficiency of the Defeasance Obligations and the amounts deposited in the Escrow Fund to pay in full the principal and redemption price of and interest on the Refunded Bonds, as and when due, will be verified by [●], a firm of independent certified public accountants. *See* "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

ESTIMATED SOURCES AND USES OF FUNDS

NIMPA's estimates of the sources and uses of funds with respect to the 2026 A Bonds are as follows:

Sources of Funds:	
Principal Amount of the 2026 A Bonds	**$[●]**
2026 A Bond Net Original Issue Premium	**[●]**
[Release from Alternate Series Debt Service Reserve Account]	**[●]**
Release from Common Debt Service Reserve Account	**[●]**
Debt Service Fund	**[●]**
Total Sources of Funds	**$[●]**
Uses of Funds:	
Escrow Fund	**$[●]**
Costs of Issuance (including Underwriters' Discount)	**[●]**
Total Uses of Funds	**$[●]**

PRAIRIE STATE

General

The Project consists of NIMPA's undivided interest in the Prairie State Energy Campus, a mine-mouth, pulverized coal-fired generating station and associated mine, rail, water, coal combustion residual storage and ancillary support systems located in Washington and Randolph Counties in southwest Illinois ("**Prairie State**"). The Prairie State generating station consists of two supercritical boiler units ("**Prairie State Unit 1**" and "**Prairie State Unit 2**") with a nominal net output capacity of approximately 800 MW each (approximately 816 MW nameplate capacity each). Prairie State Unit 1 commenced commercial operation on June 6, 2012. Prairie State Unit 2 commenced commercial operation on November 2, 2012. NIMPA's 7.6% undivided ownership interest in Prairie State is approximately 120 MW of the aggregate nominal net output capacity of approximately 1,600 MW of Prairie State.

NIMPA and other municipal and cooperative organizations, including American Municipal Power, Inc. ("**AMP**"); Illinois Municipal Electric Agency ("**IMEA**"); Indiana Municipal Power Agency ("**IMPA**"); Kentucky Municipal Power Agency ("**KMPA**"); Missouri Joint Municipal Electric Utility Commission ("**MJMEUC**"); Prairie Power Inc. ("**PPI**"); Southern Illinois Power Cooperative ("**SIPC**"); and Wabash Valley Power Association ("**WVPA**") (collectively with NIMPA, the "**Prairie State Participants**"), have entered into a participation agreement that governs the construction and operation of Prairie State (the "**Prairie State Participation Agreement**," and, as used in Appendices C and D hereto, the "**Participation Agreement**"). The Prairie State Participation Agreement provides for Prairie State to be constructed and operated through Prairie State Generating Company, LLC ("**PSGC**"), which is wholly owned by Prairie State Energy Campus Management, Inc., an Indiana nonprofit corporation ("**PSECM**"), which in turn is wholly owned by the Prairie State Participants on a basis that is proportionate to their respective percentage interests in Prairie State. The ownership interests are as follows:

Owner	Ownership Interest
American Municipal Power	23.26%
Illinois Municipal Electric Agency	15.17%
Indiana Municipal Power Agency	12.64%
Missouri Joint Municipal Electric Utility Commission	12.33%
Prairie Power Inc.	8.22%
Southern Illinois Power Cooperative	7.90%
Kentucky Municipal Power Agency	7.82%
NIMPA	7.60%
Wabash Valley Power Association	5.06%
Total:	100.00%

Under the Illinois Climate and Equitable Jobs Act (Public Act 102-0662, "**CEJA**"), signed into law on September 15, 2021, municipally and cooperatively owned coal-fired electric generating units in Illinois, including Prairie State, are required to reduce carbon dioxide emissions by 45% from existing levels by no later than January 1, 2035, and to permanently reduce all carbon dioxide emissions to zero (i.e., become carbon-free) by no later than December 31, 2045. If the 45% emissions reduction is not achieved by December 31, 2035, the affected units must either retire one or more generating units or reduce carbon dioxide emissions by 45% from existing levels by June 30, 2038. CEJA also established a Nonprofit Electric Generation Task Force to investigate carbon capture and sequestration and debt financing options for Prairie State. CEJA provides that if the reduction of output from or the closing of a generating unit creates a power

grid supply or reliability shortfall in the State of Illinois, the unit may continue to operate until reliability can otherwise be addressed. These requirements may limit the operating life of Prairie State and affect its operations, capital requirements and the period over which the Project Participants collect revenues. See "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY."

NIMPA and the other Prairie State Participants are considering various options to manage the potential impacts of CEJA on Prairie State's operations, including evaluation of carbon capture and sequestration technology. In 2022, the Prairie Research Institute at the University of Illinois published a Front End Engineering Design (FEED) study evaluating carbon capture technology for Prairie State Unit 2. The FEED study estimated capital costs of approximately $2 billion and annual operating and maintenance costs of approximately $176 million for a post-combustion carbon capture retrofit of Unit 2, exclusive of carbon dioxide ("**CO_2**") transportation and sequestration costs. In 2023, PSGC issued a solicitation seeking a developer/operator to design, construct and operate a carbon capture facility at Prairie State; however, as of the date of this Official Statement, no carbon capture project has advanced to construction. As the first deadline for required compliance with the emissions reduction standards set forth in CEJA is December 31, 2035, NIMPA cannot, at this time, state with certainty the options that will be available to NIMPA and the other Prairie State Participants to meet the emissions standards set forth in CEJA or the costs associated with any such compliance measures.

Permits

PSGC holds the major permits required to operate Prairie State. Such major permits include: the Illinois Environmental Protection Agency (the "**IEPA**") Prevention of Significant Deterioration ("**PSD**") Permit; an air permit applicable to the plant and mine; IEPA National Pollutant Discharge Elimination System ("**NPDES**")permits, water permits applicable to the plant and mine; the Illinois Department of Natural Resources ("**IDNR**") dam permit, applicable to the raw water impoundment at the plant; the IDNR intake permit and the IDNR mining permit. PSGC has, and continues to, lawfully operate Prairie State lawfully under its PSD permit after timely submitting an application to IEPA for a Clean Air Act Permit Program ("**CAAPP**") operating permit in February 2010. PSGC has submitted periodic updates to its CAAPP applications, the most recent being in January 2025. IEPA issued a draft CAAPP operating permit for Prairie State on December 18, 2025. The draft permit has gone through public comment and IEPA is working on responding to public comments. The final CAAPP operating permit is anticipated to be issued by January 2027.

Air-Quality Controls

Prairie State was designed to utilize best available air pollution control technology consistent with applicable state and federal regulations as required by the Clean Air Act. The air pollution control technology consists of (i) low burner controls; (ii) a selective catalytic reduction system; (iii) a dry electrostatic precipitator; (iv) a wet electrostatic precipitator; (v) a wet flue gas desulfurization system; (vi) a calcium bromide fuel treatment system for mercury removal; and (vii) a lime injection system. The plant was designed to comply with applicable emissions regulations and permit conditions. See "Permits" above and "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY" for a discussion of current air-quality regulatory requirements and certain compliance matters. Cooling for the generating station is provided by mechanical draft cooling towers. Prairie State's generating units were designed and constructed to incorporate highly efficient, state-of-the-art, combustion and steam cycle technology to minimize CO_2 emissions.

Water

Water for Prairie State is supplied from the Kaskaskia River, which is approximately 14 miles west of the facility. The permit includes a withdrawal restriction that protects the Kaskaskia River during low flow conditions. If the river flow drops below 92 cubic feet per second, PSGC will either rely on water stored in an on-site raw water pond with a 30-day storage capacity, or purchase additional water pursuant to a 40-year water purchase agreement with the state of Illinois, which allows PSGC to purchase water stored at the Carlyle and Shelbyville lakes in Illinois. If purchased by PSGC, water from these lakes will be discharged into the Kaskaskia River where it can be withdrawn by PSGC at a rate of up to approximately 15 million gallons per day. According to PSGC, the water supply arrangements detailed above are sufficient to sustain Prairie State operations under substantially all weather conditions.

Fuel

The Prairie State generating station is situated adjacent to an underground coal mine (the "**Lively Grove Mine**") and related coal reserves, which were purchased by the Prairie State Participants from Peabody Energy Corporation. In 2025, the Lively Grove Mine produced approximately 6,271,000 tons of coal, which is mined from the Herrin No. 6 seam and had an average heat content of approximately 8,915 Btu per pound. The estimated quantity of coal has been determined by extensive drilling and sampling by PSGC and was confirmed by an independent mine consultant in a study dated February 3, 2005. Such findings were reaffirmed in an August 2007 study (the "**2007 Mine Study**"). The Prairie State Participants each own an undivided interest in the coal reserves. The generating station was constructed to burn the coal sourced from the coal reserves. Based on the 2007 Mine Study, the recoverable coal reserves were estimated to be sufficient to supply Prairie State's fuel requirements over the generating station's design operating life; however, under CEJA, Prairie State is required to permanently reduce its carbon dioxide emissions to zero no later than December 31, 2045, which is expected to limit the period over which the coal reserves are utilized. See "PRAIRIE STATE – General" and "FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY."

The current mine plan, which was developed and submitted in 2007 (the "**PSGC Mine Plan**"), incorporates a single portal for equipment and worker access to the coal seam, as opposed to the two portals originally planned. The 2007 Mine Study indicated that the use of a single portal design was consistent with Illinois basin mines and should be adequate to supply Prairie State. PSGC holds all the key permits required to operate the mine portal.

The mining operations consist of multiple continuous miner sections for mining development and coal extraction using room and pillar recovery. Shuttle cars carry the mined coal from the continuous miner section to conveyors, which carry the coal to the raw coal storage on the surface adjacent to the plant.

Space has been allocated for on-site coal storage near the Prairie State generating station for approximately 60 days of operations with additional storage for approximately 15 days of operation located at the mine. As of June 30, 2026, PSGC maintained sufficient coal storage to support approximately 32 days of operation. PSGC is taking steps to more closely align coal supply held in storage with operations to reduce the negative effects of exposure of the mined coal to the weather. The Prairie State design includes rail access to accommodate coal purchased from third parties in the event of an extended mine disruption, facilitate delivery of limestone and major equipment, and dispose of coal combustion residuals.

PSGC operates the mine with PSGC personnel, supplemented, as necessary, with personnel from a third-party provider in order to economically flex production to meet variable generation requirements. In 2025, the Lively Grove Mine achieved a productivity rate of approximately 8.4 tons per underground labor hour, and PSGC reported that it had achieved full mine headcount during the year. In March 2024,

PSGC opened the Lively Grove North facility, extending mining operations into the northern portion of the existing coal reserves. During its time in operation, the mine has maintained a strong safety record; the mine team participates in the National Mining Association's CORESafety program, and the power plant has maintained Occupational Safety and Health Administration Voluntary Protection Programs (VPP) Star status, which was most recently recertified in December 2025.

Coal Combustion Residual Disposal

The coal combustion residuals ("**CCR**") generated at Prairie State, which consist of fly ash, bottom ash, and desulfurization residuals, are transported via conveyor system to a CCR disposal facility located adjacent to and west of the plant facility (the "Near Field Site"). The Near Field Site consists of approximately 500 acres and is a permit-exempt monofill facility dedicated to the CCR disposal needs of the plant. The Near Field Site has a disposal life of approximately 100+ years of the expected CCR to be generated by the Prairie State generating station. Disposal cells are built incrementally as necessary to meet CCR disposal needs. All necessary permits for current operations at the Near Field Site have been secured. PSGC has completed the relocation of a small intermittent stream to the perimeter of the 500-acre site to increase operational efficiency and capacity of the Near Field Site.

Coal mine breaker byproducts are also transported via truck to the Near Field Site, after the permit was modified and a new road constructed. The change results in transportation cost savings.

PSGC has undertaken significant efforts to beneficially reuse coal combustion residuals. During 2025, PSGC beneficially reused approximately 99.1% of the gypsum generated by Prairie State (a campus record) and approximately 88.9% of the fly ash generated by Prairie State, primarily through sale for use in wallboard manufacturing and as a replacement for Portland cement in the concrete industry. In 2024, PSGC commenced construction of a permanent gypsum belt system designed to for processing up to 1.5 million tons of gypsum to be beneficially used offsite annually.

Commercial Operations

Prairie State Unit 1 commenced commercial operation in June 2012 and Prairie State Unit 2 commenced commercial operation in November 2012. During early operations, Prairie State experienced unscheduled outages and derates for equipment adjustments and other operational issues. In response, PSGC implemented improved operational procedures, equipment upgrades and repairs in order to increase reliability, as well as significant management, structural and personnel changes. Since the difficulties experienced during early operations, Prairie State's operating performance has improved substantially. For the year ended December 31, 2025, the Prairie State generating station achieved net generation of approximately 12,161,852 MWh and an equivalent availability factor of approximately 87.6%, with an equivalent forced outage rate of approximately 7.5%. For the year ended December 31, 2024, the Prairie State generating station achieved net generation of approximately 11,447,748 MWh and a combined net capacity factor of approximately 79.7%, which was lower than in recent prior years as a result of a generator issue experienced late in the year. For the year ended December 31, 2023, PSGC reported combined net generation of approximately 12,484,212 MWh, an equivalent availability factor of approximately 89.3% and a net capacity factor of approximately 87.3%.

The Prairie State Participants continue to place emphasis on projects intended to improve the reliability of Prairie State and the productivity of mining operations. See "Prairie State Capital Improvement Plan" below. The following table summarizes Prairie State's performance for the last three years.

	2023	2024	2025
Net Capacity Factor	87.3%	79.7%	85.1%
Equivalent Availability Factor	89.3%	82.5%	87.6%
Coal Production (000 Tons)	6,712	6,818	6,271

Prairie State Capital Improvement Plan

The current Prairie State capital expenditure plan includes approximately $140.3 million in capital improvements from 2026 to 2030, of which NIMPA's share will be approximately $10.7 million. The capital expenditure plan is approved by the Prairie State Participants annually and is, therefore, subject to change. NIMPA anticipates funding its share of the projected capital improvements with internally generated funds, consisting of funds on hand and revenues collected from its Members under the Power Sales Agreements.

Electrical Interconnection

Prairie State is located within the geographical footprint of the Midcontinent Independent System Operator, Inc. ("**MISO**"), which is a regional transmission operator ("**RTO**"). Prairie State's two turbine generators are connected through two 27-kV to 345-kV generator step-up transformers contained within a Prairie State substation which are owned by the Prairie State Participants. An additional substation was connected to a new Ameren Services Company ("**Ameren**") switchyard (the "**Ameren Switchyard**") via two 345-kV overhead lines owned by PSGC. The Ameren Switchyard is owned and operated by Ameren pursuant to the terms of a Large Generator Interconnection Agreement entered and made effective by Federal Energy Regulatory Commission ("**FERC**") Order in Docket ER05-215. Ameren Corporation is among the nation's largest investor-owned electric and gas utilities, providing energy services to approximately 2.5 million electric and more than 900,000 natural gas customers across a 64,000-square-mile area in Illinois and Missouri.

Prairie State Participation Agreement

The Prairie State Participants entered into the Prairie State Participation Agreement to govern the construction and operation of Prairie State. Pursuant to the Prairie State Participation Agreement, Prairie State is operated by PSGC, which is owned indirectly by the Prairie State Participants on a basis that is proportionate to their ownership interests in the Prairie State. The term of the Prairie State Participation Agreement continues until the retirement from service of the plant and the mine. No provision of the Prairie State Participation Agreement requires any Prairie State Participant to perform the obligations, financial or otherwise, of any other Prairie State Participant. A decision by the Management Committee (as hereinafter described) to retire the plant and mine from service can only be made by a supermajority vote of at least 75% of the ownership interests of the Prairie State Participants. The mine will not be retired from service unless the plant is retired from service or the continued operation of the mine will not economically generate recoverable coal for use by the plant.

By the terms of the Prairie State Participation Agreement, each Prairie State Participant agreed to delegate to a "Management Committee" all decisions respecting constructing, designing, operating, maintaining and administering Prairie State. Each of the Prairie State Participants has one representative on the Management Committee with voting power equal to its percentage ownership in Prairie State

("**weighted voting**"). The Prairie State Participation Agreement provides that the Management Committee must meet at a minimum once a month prior to the beginning of the third calendar year following the substantial completion of Prairie State, and quarterly thereafter. The Management Committee is authorized by the Prairie State Participation Agreement to delegate certain of its powers to an "Administrative Committee" or other committees created by the Management Committee, but not, among other things, budget approvals, amendments to the project agreements, decisions respecting permits or other governmental approvals, major personnel decisions, agreement to site changes or rights in the site, or changes that would have a material adverse effect or a disproportionate impact on one or more of the Prairie State Participants. Actions by the Management Committee on non-delegable items require a super-majority weighted vote of the Prairie State Participant representatives (75% - which would be adjusted downward were any one Prairie State Participant to have an increased percentage ownership in Prairie State that would give its Management Committee representative a veto where a super-majority vote is required).

Project Management Agreement

The Prairie State Participants entered into the Project Management Agreement with PSGC and PSECM for the operation of Prairie State. Pursuant to the Project Management Agreement, PSGC serves as the entity through which PSECM directly (and the Prairie State Participants indirectly) can implement its decisions with respect to Prairie State.

PSGC Personnel

PSGC operates the Prairie State generating plant with personnel hired by PSGC, utilizing various third parties with appropriate expertise for technical assistance as needed. The key operational staff are set forth below:

Randy Short is President and Chief Executive Officer of PSGC. Mr. Short has more than two decades of experience in the utility industry and previously served as Chief Operating Officer of PSGC and as plant manager of the coal-fueled Baldwin Energy Complex, an Illinois plant then operated by Dynegy with a total net generating capacity of approximately 1,800 MW. Previously, Mr. Short served as plant manager at the Wood River power plant, another Illinois coal-fired power plant, and as senior director for Generation Programs at Dynegy. As President and Chief Executive Officer, Mr. Short oversees the operations of the Prairie State Energy Campus, including the power plant and the coal mine. Mr. Short holds a Bachelor of Science in Mechanical Engineering from Iowa State University and a Master of Business Administration from the University of Illinois Urbana-Champaign.

Jonathan Sander is Senior Vice President, Campus Operations of PSGC, a position to which he was promoted in 2024. In that role, Mr. Sander is responsible for the overall direction, management and operations of the Prairie State generating plant and the Lively Grove Mine. Mr. Sander has approximately 15 years of experience in the power generation industry. He joined PSGC in 2014 as Senior Electrical Engineer and advanced through positions of increasing responsibility, most recently serving as Vice President of the generating plant, and was engaged in the electrical sector outside of PSGC between 2015 and 2017. Prior to joining PSGC, Mr. Sander served as a Turbine-Generator Engineer at Ameren. Mr. Sander holds a Bachelor of Science and a Master of Science, each in electrical engineering, from the University of Illinois Urbana-Champaign, and is a licensed professional engineer.

PSGC's other senior leadership includes a Vice President, Finance; a Vice President, External Affairs and Organizational Strategy; a General Counsel; and a Senior Director, Campus Services.

DESCRIPTION OF THE 2026 A BONDS

General

The 2026 A Bonds will be issued in the aggregate principal amount of $[●]. The 2026 A Bonds will be dated the date of delivery and will bear interest from that date payable semiannually on December 1 and June 1 of each year, commencing December 1, 2026, at the respective rates set forth on the inside front cover of this Official Statement. The 2026 A Bonds will be payable in the amounts and on the dates set forth on the inside front cover. The 2026 A Bonds are being issued in fully registered form, and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. So long as Cede & Co. is the Registered Owner (as defined in the Indenture) of the 2026 A Bonds, references herein to the Registered Owner shall mean Cede & Co. and not the beneficial owners of the 2026 A Bonds. Beneficial ownership interests in the 2026 A Bonds will be in denominations of $5,000 or any integral multiple thereof. *See* Appendix F, "DTC Book-Entry System."

Redemption of the 2026 A Bonds

Optional Redemption

The 2026 A Bonds maturing on or after _____ 1, ____ are subject to optional redemption prior to maturity, on or after _____ 1, ____ in whole or in part on any date at a redemption price of 100% of the principal amount of the 2026 A Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

Notice of redemption of any 2026 A Bonds is to be given by the Trustee by telecopy or other electronic means, first class mail, or prepaid overnight delivery service, at least 30 days but not more than 60 days prior to the redemption date, to the Registered Owner of the 2026 A Bonds which are to be redeemed. The failure of a Registered Owner to receive such notice or a defect in the mailing of such notice with respect to any 2026 A Bond shall not affect the validity of the redemption of any other 2026 A Bond.

For so long as a book-entry-only system is in effect with respect to the 2026 A Bonds, the Trustee will mail such notice of redemption of the 2026 A Bonds only to DTC or its nominee, or its successor, as the Registered Owner thereof. Any failure of DTC or its successor or a Direct Participant or Indirect Participant to notify a Beneficial Owner (each, as defined in Appendix F) of a 2026 A Bond of such redemption will not affect the sufficiency or the validity of the redemption of such 2026 A Bond. Neither NIMPA nor the Trustee, as applicable, nor the Underwriters (as defined herein) (other than in their capacity, if any, as a Direct Participant) can make any assurance that DTC, the Direct Participants or the Indirect Participants will distribute such redemption notice to the beneficial owners of the 2026 A Bonds, or that they will do so on a timely basis. *See* Appendix F, "DTC Book-Entry System."

Selection of 2026 A Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of the 2026 A Bonds and less than all outstanding 2026 A Bonds are to be redeemed, the Trustee, upon written instruction from NIMPA given at least 45 days prior to the date designated for such redemption (or such shorter notice period that is acceptable to the Trustee), shall select Bonds for redemption in the principal amount per maturity as directed by NIMPA.

If the 2026 A Bonds are in book-entry only form, within a maturity, the particular 2026 A Bonds or portions thereof to be redeemed shall be selected on the basis of a *pro rata* pass-through distribution of principal in accordance with DTC procedures and provided that, so long as the 2026 A Bonds are held in book-entry form the selection for redemption of such 2026 A Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on the basis of a *pro rata* pass-through distribution of principal, the 2026 A Bonds will be selected for redemption, in accordance with DTC procedures, by lot. *It is NIMPA's intent that redemption allocations for 2026 A Bonds made by DTC be made on the basis of a pro rata pass-through distribution of principal as described above. However, neither NIMPA nor the Underwriters can provide any assurance that DTC, DTC's Direct and Indirect Participants or any other intermediary will allocate the redemption of the 2026 A Bonds on such basis.*

If the 2026 A Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the 2026 A Bonds shall be allocated by the Trustee among the Registered Owners of such 2026 A Bonds on a pro-rata basis and the portion of any 2026 A Bond to be redeemed in part shall be rounded to the nearest $5,000 or any integral multiple thereof.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements, including principal and interest (in thousands of dollars) for the Bonds on an accrual basis, after giving effect to the issuance of the 2026 A Bonds and the refunding of the Refunded Bonds.

Year Ending	Prior Bonds			
December 31	2009 C Bonds	2010 A Bonds	2026 A Bonds	Total
Total				

NORTHERN ILLINOIS MUNICIPAL POWER AGENCY

General

NIMPA is a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State. NIMPA was created by contract in accordance with Illinois law as of May 24, 2004, for the purpose of effecting joint development of electric energy resources for the production, transmission and distribution of electric power and energy. NIMPA's Members, which are the only Project Participants, currently consist of three Illinois municipalities, the cities of Batavia, Geneva and Rochelle. NIMPA has entered into separate Power Sales Agreements with each of the Project Participants.

Organization and Management

NIMPA's Board of Directors (the "**Board**") consists of one director and an alternate director appointed by each of the three Members. The Board directs the business and affairs of NIMPA. NIMPA's by-laws provide that each Member, through its director, shall have one vote. Matters specifically related to the Project are decided by the Members through their directors.

Through a master services agreement, NIMPA has hired Avant Energy, Inc., ("**Avant**") to provide certain management and administrative services including scheduling the delivery of energy from the Project or replacement energy to the Project Participants. Avant was founded in 1984 and specializes in energy-related issues and provides a wide range of energy supply management services to its clients, including consulting services, power supply planning services, power supply management services, and power plant development services. Avant serves clients nationwide including municipal and consumer-owned utilities, colleges and universities, and large commercial and industrial energy users. Avant has more than thirty employees trained in management, finance, accounting, engineering, economics and law.

The following are key members of Avant's management staff and their backgrounds.

Derick O. Dahlen is the founder and president of Avant. Mr. Dahlen has provided leadership, strategic guidance and long-term power planning services to Avant and its clients. Mr. Dahlen has over forty years of experience in the electric industry and has provided energy supply management services to many public power utilities and universities. Mr. Dahlen holds an M.B.A. from the University of Virginia. He did his undergraduate work at the Massachusetts Institute of Technology.

Oncu Er is Chief Operating Officer of Avant. Mr. Er oversees market operations and planning activities, including clients' energy supply portfolios. He has extensive experience providing complex hedging and risk management analyses. Mr. Er has over twenty-five years of experience in the energy industry. Mr. Er has an M.B.A. from the Carlson School of Management at the University of Minnesota. He also completed the Harvard Business School Program for Leadership Development and received his B.A. in Economics from Macalester College.

Kevin Carpenter is the Managing Director – Project Finance at Avant. Mr. Carpenter joined Avant in January 2026 and is responsible for project financing activities for clients. Prior to this position, Mr. Carpenter was the CFO of a renewable energy development company and previously served as the CFO at the Minnesota Housing Finance Agency and the City of Minneapolis, Minnesota. Earlier in his career, Mr. Carpenter had significant tenure in senior financial and operating positions, including as a public finance investment banker, at both RBC Capital Markets and Lehman Brothers. Mr. Carpenter holds an MBA from Harvard Business School and an A.B. in Government from Dartmouth College.

David Niles is Senior Vice President of Avant, overseeing management services provided to NIMPA. Mr. Niles has more than twenty-four years of experience in the electric industry, providing services to municipal power agencies, municipal utilities, and colleges and universities. Mr. Niles has an M.B.A. from the Carlson School of Management at the University of Minnesota. He holds a B.A. in Economics from Carleton College.

Annual Budgets

NIMPA approves an annual budget (the "**Annual Budget**") prior to the commencement of each fiscal year. The Annual Budget includes all projected expenses of NIMPA and incorporates a separate budget for the Project (the "**Annual Project Budget**"). Other future generating projects in which NIMPA has an ownership interest or long term capacity entitlement also would be provided for under separate budgets.

Financial Statements and Management's Discussion and Analysis

NIMPA's audited financial statements and management's discussion and analysis as of and for the fiscal years ended December 31, 2025 and December 31, 2024 are included as Appendix A hereto. NIMPA filed annual consolidated financial statements and other information with the Municipal Securities Rulemaking Board (the "**MSRB**") through its Electronic Municipal Market Access ("**EMMA**") system. Such financial statements and information filed by NIMPA should be available from EMMA.

THE PROJECT PARTICIPANTS

Description of the Project Participants

The Project Participants are Illinois municipalities that own and operate electric distribution systems for the sale of electric power and energy to customers located within their corporate boundaries. A city council governs each Project Participant's electric system. Rates and charges for electric service are set by the authority vested in each city council and are not subject to regulation by any other federal or state authority (*See* "REGULATION OF NIMPA AND THE MEMBERS"). Distribution of electricity is provided through distribution systems that have been owned and operated by the respective Project Participant for more than 100 years. Supply of electric power and energy is provided by means of city-owned generating units and/or by power purchase contracts with various suppliers.

The Project Participants have diverse economic bases, comprised of various sectors including research, service, commercial, manufacturing and industrial. During the Project Participants' most recent fiscal year, the electric systems provided retail service to approximately 29,000 customers, of whom approximately 24,800 (86%) were residential customers, 4,000 (14%) were commercial customers and 170 (<1%) were industrial or other customers. In the aggregate, approximately 24% of the Project Participants' total electric revenues during the most recent fiscal year were derived from sales to residential customers. The non-coincident peak demand for the Project Participants totaled approximately 251 MW during the most recent fiscal year, with total energy requirements reaching approximately 1,220,000 MWh during the same period.

See Appendix B, "The Project Participants."

Purchase Percentages

The Power Sales Agreements allocate to each Project Participant a percentage entitlement to NIMPA's capacity and output of the Project (referred to therein as the Project Participant's "**Entitlement**

Share") and obligate each Project Participant to pay such percentage of all NIMPA's costs associated with the acquisition, construction, and operation of the Project. *See* Appendix C, "Summary of Certain Provisions of the Power Sales Agreements." The following table sets forth the Project Participant's respective Entitlement Share:

City	Entitlement Share Percentage	Approximate Capacity (MW) (net)
Batavia	45.83%	55
Geneva	29.17%	35
Rochelle	25.00%	30
Total.....	100.00%	120

The Power Sales Agreements

The term of each Power Sales Agreement commenced upon execution of the agreement by the parties and will end for each Project Participant when it has paid in full all obligations to NIMPA thereunder, including its allocable share of any amounts owed with respect to the Bonds.

The Power Sales Agreements require the Project Participants to pay their respective share of all Project costs, including debt service, whether Prairie State is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise, and are not conditioned upon the performance or nonperformance of NIMPA or any other person under the Power Sales Agreement or any other agreement for any cause whatsoever.

The Power Sales Agreements contain "step-up" provisions that require each Project Participant to increase its Entitlement Share, up to a cap of 200% of its original Entitlement Share percentage, if an event of default has occurred with respect to the other Project Participants and such defaulting Project Participant's entitlement rights to the output of Prairie State are terminated in accordance with the provisions of its Power Sales Agreement.

The Power Sales Agreements require NIMPA to provide ancillary services such as firming and transmission arrangements. NIMPA contracts with Avant to manage the provision of such services. In addition to all costs associated with the Project, the Project Participants are obligated to pay all costs associated with the arrangement or delivery of replacement energy and transmission services.

The Project Committee Agreement

The Amended and Restated Prairie State Project Committee Agreement (the "**Project Committee Agreement**") was executed by each Project Participant and ratified by NIMPA, effective December 20, 2006, when the Project was in the developmental stages. The Project Committee Agreement set forth the terms under which NIMPA made Project-related decisions and established a committee to make such decisions composed of one representative from each Project Participant, who was the same individual that served on the Board (the "**Project Committee**"). Although the Project Committee

Agreement has not been terminated, the function of the Project Committee has been superseded by the NIMPA Board. All Project decisions are made by Project Participants through their directors on the Board.

REGULATION OF NIMPA AND THE MEMBERS

As a joint municipal electric power agency and a body politic and corporate, municipal corporation and unit of local government of the State, NIMPA is governed by the Board. The Board consists of three directors, each of whom is appointed by each Member and may exercise one vote on behalf of each Member. There are also three alternate directors appointed by each Member who may cast a vote on behalf of the Member in the absence of the director. The Power Sales Agreements and the rates and charges NIMPA assesses to the Project Participants are not subject to regulation by the Illinois Commerce Commission or any other regulatory agency of the State. The rates charged by the Members to their customers are also not subject to such regulation.

FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

General

The electric utility industry has been, and in the future may be, affected by a number of actions which could impact the financial condition of any public electric power utility such as NIMPA or its Members. Such factors include, among others: (i) effects of inflation on the operation and maintenance costs of an electric utility and its facilities, (ii) changes from projected future load requirements and relative costs and availability of different fuels, (iii) effects of compliance with rapidly changing environmental, safety, licensing, regulatory and legislative requirements, (iv) changes resulting from conservation and demand side management programs on the timing and use of electric energy, (v) changes that might result from a national energy policy and a renewable energy portfolio or other federal or state legislative changes, (vi) effects of competition from other suppliers of electricity, and (vii) changes in revenues due to unseasonable changes in the weather. Public power utilities also are affected by factors related to their ability to issue tax-exempt obligations and restrictions on the ability to sell to non-governmental entities, power and energy from generation projects that are financed with outstanding, tax-exempt debt. NIMPA and its Members also could be adversely affected by technological or market developments that change the relative costs of the electric power and energy that NIMPA provides to its Members in comparison with the costs of electric power and energy available in the region. NIMPA cannot predict what effects these factors will have on the business, operations and financial condition of NIMPA or its Members. Information on the electric utility industry is available from legislative and regulatory bodies and other sources in the public domain.

Federal Regulation of Transmission

Fundamental changes in the federal regulation of the electric utility industry were made by the Energy Policy Act of 1992 (the "**Energy Policy Act**") particularly in the area of transmission access. The purpose of these changes, in part, was to bring about increased competition in the electric utility industry. The Energy Policy Act authorized FERC — 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 on a cost-of-service basis. Municipally-owned electric utilities are "transmitting utilities" for this purpose.

In 1996, FERC issued two rules on transmission access. Order No. 888 required all FERC jurisdictional utilities to provide transmission service on a non-discriminatory basis. As part of Order No. 888, FERC established a pro forma Open Access Transmission Tariff. Order No. 889 established rules of conduct for open-access providers, including a requirement to separate operationally power sales from

transmission. Order No. 1000, issued by FERC in 2011, requires public utility transmission providers to improve transmission planning processes and allocate costs for new transmission facilities to beneficiaries of those facilities, and requires public utility transmission providers to align transmission planning and cost allocation in order to remove barriers to development of transmission facilities. Municipally-owned electric utilities are not subject to FERC jurisdiction under these orders but may be denied transmission service by a FERC jurisdictional utility if they do not offer comparable transmission services.

On May 13, 2024, FERC issued Order No. 1920, building on Order No. 1000, which requires public utility transmission providers in each transmission planning region, including MISO and PJM Interconnection, L.L.C. ("**PJM**"), to conduct long-term regional transmission planning over a horizon of at least 20 years and to adopt methods for allocating the costs of long-term regional transmission facilities. On rehearing, FERC issued Order No. 1920-A in November 2024 and Order No. 1920-B in April 2025, which largely affirmed the rule while expanding the role of state regulators in the planning and cost allocation processes. Order No. 1920 and the rehearing orders are the subject of petitions for review pending before the United States Court of Appeals for the Fourth Circuit, and transmission providers, including MISO and PJM, are preparing compliance filings under FERC-established (and, in certain regions, extended) deadlines.

NIMPA does not own any transmission facilities, however, certain of its Members own facilities which are currently classified as transmission facilities. Such transmission-owning Members are not transmission providers, but are subject to certain of the FERC rules described above. NIMPA cannot predict the outcome of the pending litigation or the regional compliance proceedings, or the ultimate effect, if any, of Order No. 1920 on the transmission rates, costs or service applicable to NIMPA or its Members.

RTO-Operated Markets

In addition to coordinating wholesale transmission operations and services, RTOs operate centralized markets for wholesale electricity products such as capacity, energy and ancillary services. Prairie State is located within MISO, while NIMPA's Members are located within PJM. In 2016, NIMPA pseudo-tied its share of Prairie State into PJM in accordance with applicable rules and business practices. By virtue of having members and generating resources located in MISO and PJM, NIMPA is subject to the tariff provisions and business practices governing the operation of wholesale electricity markets in these RTOs. As a result, NIMPA's costs of securing power to meet its Members' needs are affected by the market and administrative mechanisms approved by FERC for use in setting prices for energy, capacity and ancillary services (as well as transmission service) in the two RTOs. The nature and operations of RTOs and RTO markets continue to evolve, and NIMPA cannot predict whether their existence will meet FERC's goal of reducing transmission congestion and costs and creating a competitive power market.

Resource Adequacy and Capacity Markets

NIMPA's Members are located within PJM and NIMPA's share of Prairie State is pseudo-tied into PJM, while Prairie State is physically located within MISO. Both PJM and MISO administer capacity (resource adequacy) constructs under which load-serving entities must demonstrate sufficient capacity to meet their forecasted peak demand plus a reserve margin. Capacity prices in these markets have been volatile, and recent PJM capacity auctions have cleared at substantially higher prices than in prior years, while MISO has transitioned to a seasonal capacity auction construct. Changes in RTO capacity market rules, auction outcomes, the accreditation of generating resources (including coal-fired and intermittent resources) and reserve margin requirements, as well as broader resource adequacy and reliability concerns arising from generation retirements and load growth, could increase the cost of capacity that NIMPA and its Members must procure or otherwise affect the value of Prairie State's capacity and output. NIMPA

cannot predict the outcome of these market developments or their ultimate effect on NIMPA or its Members.

Greenhouse Gas Regulation

The regulation of GHG emissions, including CO_2 emissions, from fossil fuel-fired electric generating units under Section 111 of the Clean Air Act has been the subject of significant regulatory change and litigation. On April 25, 2024, the EPA finalized the "Carbon Pollution Standards" (the "**CPS**"), which, among other things, established CO_2 emission guidelines for existing coal-fired steam generating units based on carbon capture and sequestration ("**CCS**") as the best system of emission reduction, generally requiring coal-fired units intended to operate after 2039 to achieve a 90% capture of CO_2 emissions, and repealed the prior Affordable Clean Energy Rule. The CPS superseded the 2015 Clean Power Plan, which had been stayed by the United States Supreme Court in February 2016 and never took effect.

On June 11, 2025, EPA proposed to repeal the GHG emissions standards for fossil fuel-fired power plants, including the CPS, on the basis, among other things, that GHG emissions from such plants do not contribute significantly to dangerous air pollution within the meaning of Section 111. In February 2026, EPA finalized a separate rule rescinding the 2009 GHG "endangerment finding." As of the date of this Official Statement, EPA's final action on the proposed repeal of the CPS (now styled the "Carbon Pollution Standards Repeal") is pending review and has not been finalized, and the litigation challenging the CPS has been held in abeyance. Both the CPS and any final repeal are expected to be the subject of continued litigation. NIMPA cannot predict the outcome of these rulemakings or related litigation, or their ultimate impact on the operations of Prairie State or the costs to NIMPA or its Members. Regardless of the status of federal GHG regulation, Prairie State remains subject to the decarbonization requirements of CEJA, which are described under "PRAIRIE STATE – General."

Cross-State Air Pollution Rule

Prairie State is subject to the Cross-State Air Pollution Rule ("**CSAPR**"), an EPA program that addresses the interstate transport of emissions of sulfur dioxide ("**SO_2**") and nitrogen oxides ("**NOX**") that contribute to downwind air-quality problems in other states. In 2023, EPA finalized an update to CSAPR known as the "Good Neighbor Plan," which established more stringent ozone-season NOX requirements for power plants and certain industrial sources in numerous states, including Illinois. In June 2024, the United States Supreme Court stayed the Good Neighbor Plan pending the resolution of litigation challenging the rule, and the rule has remained the subject of proceedings in the United States Court of Appeals for the District of Columbia Circuit. The State of Illinois continues to be subject to CSAPR for the regulated pollutants. NIMPA cannot predict the ultimate outcome of the pending litigation or the content of any further EPA action, or the resulting impact, if any, on the operations of Prairie State or the costs to NIMPA or its Members.

Mercury and Air Toxics Standards Rule

The Mercury and Air Toxics Standards ("**MATS**") established under Section 112 of the Clean Air Act set National Emissions Standards for Hazardous Air Pollutants for coal- and oil-fired electric utility steam generating units, including limits on emissions of mercury, non-mercury metals (for which filterable particulate matter serves as a surrogate) and acid gases. The original MATS standards were promulgated in 2012 (the "**2012 MATS Rule**"). On May 7, 2024, EPA finalized amendments to MATS (the "**2024 MATS Amendments**") that, among other things, tightened the filterable particulate matter standard for existing coal-fired units, required the use of particulate matter continuous emissions monitoring systems to demonstrate compliance, and imposed a more stringent mercury standard on lignite-fired units. On February

24, 2026, EPA published a final rule repealing the 2024 MATS Amendments and reinstating the 2012 MATS Rule standards, effective April 27, 2026. The 2026 repeal is the subject of pending litigation in the United States Court of Appeals for the District of Columbia Circuit. As a result, Prairie State currently remains subject to the 2012 MATS Rule standards.

Prairie State was designed and constructed with approximately $1 billion in emissions control technology, including a wet flue gas desulfurization system, selective catalytic reduction, dry and wet electrostatic precipitators and activated carbon injection, and has historically operated in compliance with the 2012 MATS Rule standards. Accordingly, Prairie State is not anticipated to require installation of any new emission control systems in order to comply with the MATS requirements currently in effect.

Coal Combustion Residuals, Water Discharge and Other Environmental Regulation

In addition to the air-quality requirements described above, Prairie State is subject to other federal environmental laws and regulations, compliance with which may require capital expenditures or affect operations. The CCR regulations under Subtitle D of the Resource Conservation and Recovery Act govern the disposal of fly ash, bottom ash and other CCR in landfills and surface impoundments, including groundwater monitoring, corrective action, closure and post-closure care requirements. In May 2024, EPA finalized the "Legacy CCR Surface Impoundments and CCR Management Units" rule, which extended the CCR regulations to certain previously unregulated inactive surface impoundments and to "CCR management units," and which requires affected facilities to prepare facility evaluation reports and, where applicable, to undertake groundwater monitoring, corrective action and closure. In February 2026, EPA extended certain of the related compliance deadlines, and in April 2026 EPA proposed further amendments to the CCR regulations, including a proposal to rescind the CCR management unit requirements.

Prairie State's wastewater discharges are regulated under the Clean Water Act, principally through a National Pollutant Discharge Elimination System ("**NPDES**") permit. In April 2024, EPA finalized a supplemental rule revising the steam electric Effluent Limitations Guidelines ("**ELG**"), establishing more stringent (generally zero-discharge) limitations for flue gas desulfurization wastewater, bottom ash transport water and combustion residual leachate at coal-fired generating units. In December 2025, EPA extended certain ELG compliance deadlines and indicated that it intends to evaluate whether to revise the 2024 limitations, and the 2024 rule and the deadline-extension rule are the subject of pending litigation. Separately, regulations under Section 316(b) of the Clean Water Act govern cooling water intake structures, such as Prairie State's intake on the Kaskaskia River, in order to reduce impacts on aquatic organisms.

Prairie State is also subject to the National Ambient Air Quality Standards ("**NAAQS**") and the regional haze program under the Clean Air Act. EPA periodically reviews and may tighten the NAAQS, including the annual fine particulate matter (PM2.5) standard that EPA strengthened in 2024, and states must develop implementation plans to attain the NAAQS and to address regional haze, which could result in additional emission control requirements applicable to fossil fuel-fired generating units. NIMPA cannot predict the ultimate requirements of these CCR, water and air regulations, the outcome of related litigation, or the effect, if any, on the operations of Prairie State or the costs to NIMPA or its Members.

Federal Subsidies

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain federal expenditures are subject to automatic reductions, including the interest subsidies payable on bonds issued as "Build America Bonds" under the Recovery Act. The exact amount of such reduction is determined on or about the beginning of the federal government's fiscal year, or October 1, and is subject to adjustment thereafter. The sequestration reduction rate for federal fiscal years 2021 through 2030 is 5.7%. It is impossible to predict the precise amount of the reduction in any given year, but if the automatic

reductions become substantially larger than the current rate, the effect could be material to the Project Participants. To date, NIMPA has timely paid debt service on all its bonds issued as Build America Bonds, including the 2009 C and 2010 A Bonds, notwithstanding the automatic reductions.

Fuel Supply

Prairie State is a mine-mouth generating facility that obtains substantially all of its fuel from the adjacent Lively Grove Mine, which is owned by the Prairie State Participants and operated by PSGC. This integrated, single-source fuel arrangement reduces exposure to coal transportation costs and disruptions, but also means that an interruption in mine operations – whether due to geologic conditions, equipment failure, labor matters, permitting or regulatory requirements, or other causes – could adversely affect Prairie State's generation and increase costs. Although the Prairie State design includes rail access to accommodate coal purchased from third parties in the event of an extended mine disruption, there can be no assurance that replacement fuel or replacement power would be available on a timely basis or at a reasonable cost. NIMPA cannot predict the effect of any such disruption on the operations of Prairie State or the costs to NIMPA or its Members.

Cybersecurity

NIMPA, the Members, PSGC and the RTOs rely on computerized information systems and operational technology to conduct their operations, including the generation, transmission and distribution of electricity and the billing and collection of revenues. The electric utility industry has been subject to increasing and evolving cybersecurity threats, including ransomware, malware and other attacks that could disrupt operations, damage facilities, compromise data, or result in financial loss or liability. Owners and operators of bulk electric system facilities are subject to mandatory critical infrastructure protection reliability standards established by the North American Electric Reliability Corporation and approved by FERC. Despite the security measures that may be implemented, no assurance can be given that the information systems and operational technology of NIMPA, the Members or PSGC will not be subject to a cybersecurity incident, the consequences of which could be material. NIMPA cannot predict the likelihood or effect of any such incident on its operations or financial condition.

Climate Change and Extreme Weather

Apart from the legislative and regulatory matters described above, changes in climate and the increased frequency or severity of extreme weather events – such as severe storms, extreme heat or cold, flooding and drought – could affect the operation of Prairie State and the electric systems of the Members, including by damaging facilities, disrupting generation or fuel supply, affecting the availability of water for cooling, and causing volatility in the demand for electricity. These conditions could increase operating and capital costs and affect revenues. NIMPA cannot predict the extent to which climate-related conditions will affect the operations of Prairie State or the Members or the costs to NIMPA or its Members.

Other Industry and Technological Developments

The electric utility industry is subject to ongoing change arising from, among other things, advances in energy efficiency, distributed generation, battery storage and other technologies; the increasing penetration of renewable and other zero-emission resources; the electrification of transportation and other end uses; changing patterns of customer demand, including demand associated with data centers; and evolving federal and state energy policies. These developments could affect wholesale and retail power prices, the demand for and value of Prairie State's output, and the costs of serving the Members' customers. NIMPA cannot predict the effect of these developments on the operations of Prairie State or the costs to NIMPA or its Members.

LITIGATION

No litigation is pending or, to the knowledge of NIMPA, threatened in any court (i) to restrain or enjoin the issuance or delivery of the 2026 A Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the 2026 A Bonds; or (ii) in any way contesting or affecting the validity of the 2026 A Bonds or the Indenture, or the power to collect and pledge the revenues to pay the 2026 A Bonds; or (iii) contesting the power or authority of NIMPA to issue the 2026 A Bonds, or to adopt the ordinance authorizing the issuance of the 2026 A Bonds.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the 2026 A Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The legal opinions to be delivered will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America, and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law. These qualifications to the opinions would encompass any exercise of the State's or each Member's police powers over the sale or purchase of power and energy, or the operation of electric utility facilities, in a manner consistent with the public health and welfare. Enforceability of the Indenture, the Power Sales Agreements, the Prairie State Participation Agreement, and other agreements to which NIMPA is a party (collectively, the "NIMPA Documents") in a situation where such enforcement may adversely impact public health and welfare may be subject to the police powers of the State or the Members.

The remedies available upon an Event of Default under the Indenture or to NIMPA under the NIMPA Documents are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies provided in the Indenture or in other NIMPA Documents may not be readily available or may be limited.

TAX MATTERS RELATING TO THE 2026 A BONDS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing federal statutes, decisions, regulations and rulings, interest on the 2026 A Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Code, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion relates only to the exclusion from gross income of interest on the 2026 A Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by NIMPA and the Members with the Tax Covenants (as herein defined). Failure to comply with the Tax Covenants could cause interest on the 2026 A Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. Interest on the 2026 A Bonds is not exempt from taxation in the State. See Appendix E, "Form of Opinion of Bond Counsel."

Certain Tax Requirements

The Code imposes certain requirements that must be met subsequent to the issuance of the 2026 A Bonds as a condition to the exclusion from gross income of interest on the 2026 A Bonds for federal income tax purposes. NIMPA and the Members will covenant not to take any action within its power and control, nor fail to take any action within their respective power and control, with respect to the 2026 A Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2026 A Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the 2026 A Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Indenture if interest on the 2026 A Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the 2026 A Bonds.

Although Bond Counsel has rendered the opinion on federal tax matters above, the accrual or receipt of interest on the 2026 A Bonds may otherwise affect a bondholder's federal income tax liability with respect to the 2026 A Bonds. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the 2026 A Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2026 A Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2026 A Bonds.

Interest on the 2026 A Bonds is not exempt from present Illinois taxes. Ownership of the 2026 A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2026 A Bonds. Prospective purchasers of the 2026 A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Original Issue Premium Bonds

The initial offering prices of the 2026 A Bonds maturing _____ through and including _____ (collectively, the "**Premium Bonds**"), are greater than the principal amount payable at maturity or call date. As a result, the Premium Bonds will be considered to be issued with an amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering of the 2026 A Bonds will be required to adjust the owner's basis in the Premium Bond downward as a result of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Premium Bonds, including sale, redemption or payment at maturity. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) yield, (ii) the amount of amortizable Bond Premium and (iii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code and the related regulations. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their tax advisors concerning treatment of Bond Premium.

Original Issue Discount Bonds

The initial offering price of the 2026 A Bonds maturing _____ through and including _____ (the "**Discount Bonds**") are less than the principal amount payable at maturity or call date. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity for the Discount Bonds will be treated as "original issue discount." A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period ending on December 1 and June 1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later date.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

CREDIT RATINGS

Fitch Ratings ("**Fitch**") has assigned its municipal rating of [●] with a [●] outlook and Moody's Investors Service, Inc. ("**Moody's**") has assigned its municipal rating of [●] with a [●] outlook to the 2026 A Bonds. The ratings of the 2026 A Bonds reflect only the view of such organizations and any desired explanation of the significance of such ratings and any outlooks or other statements given by the ratings agencies with respect thereto should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating and outlook (if any) 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 any of the rating agencies if, in the judgment 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 NIMPA's outstanding indebtedness, including the 2026 A Bonds.

INDEPENDENT ACCOUNTANTS

The financial statements of NIMPA as of and for the fiscal years ended December 31, 2025 and December 31, 2024, included in Appendix A, "NIMPA Audited Financial Statements," have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report herein. Forvis Mazars, LLP did not audit or review the financial statements of any of the Project Participants from which the summary financial information in Appendix B, "The Project Participants" was derived.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[●], a firm of independent certified public accountants, will deliver to NIMPA its report verifying the mathematical accuracy of the arithmetical computations which establish the adequacy of the cash, the maturing principal amounts and the interest on the Defeasance Obligations held pursuant to the Escrow Agreement to pay, when due, the maturing principal of, interest on and redemption price of the Refunded Bonds. See, "FINANCE PLAN."

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale of the 2026 A Bonds are subject to the approval of Ice Miller LLP, Bond Counsel. The form of opinion Bond Counsel proposes to render on the date of delivery of the 2026 A Bonds is attached hereto as Appendix E. Certain legal matters are subject to the approval of Orrick, Herrington & Sutcliffe LLP, Counsel to the Underwriters, and Boardman & Clark LLP, General Counsel to NIMPA.

CONTINUING DISCLOSURE

Continuing Disclosure Undertaking

Pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), NIMPA will execute and deliver a Continuing Disclosure Certificate, dated as of the date of issuance of the 2026 A Bonds (the "**Continuing Disclosure Agreement**"), to provide certain financial information, other operating data and notices of certain events for the benefit of the Owners of the 2026 A Bonds. A form of the Continuing Disclosure Agreement is attached hereto as Appendix G.

A failure by NIMPA to comply with the requirements of the Continuing Disclosure Agreement does not in and of itself constitute an Event of Default under the Indenture; however, any bondholder or

beneficial owner of the 2026 A Bonds may, after the notice and cure period provided therein, seek to enforce NIMPA's continuing disclosure covenant by an action for specific performance. A failure to provide the required information by the applicable deadline is required to be reported to the Municipal Securities Rulemaking Board, or any successor thereto, in accordance with the Continuing Disclosure Agreement. Consequently, such a failure may adversely affect the transferability and liquidity of the 2026 A Bonds and their market price.

Prior Continuing Disclosure Compliance

NIMPA is not aware of any instances in the previous five years in which it failed to comply, in all material respects, with any previous undertakings in a written contract or agreement pursuant Rule 15c2-12.

UNDERWRITING

The 2026 A Bonds are being sold at an aggregate purchase price of $_____ (representing the $_____ aggregate original principal amount of the 2026 A Bonds less an underwriting discount of $_____ [plus][less] a net original issue [premium][discount] of $_____) to BofA Securities, Inc. and RBC Capital Markets (together, the "**Underwriters**") pursuant to a bond purchase agreement entered into between the Underwriters and NIMPA and accepted and agreed to by NIMPA. The expenses associated with the issuance of the 2026 A Bonds, including the fees of the Underwriters' counsel, are being paid by NIMPA from proceeds of the 2026 A Bonds and other available funds. The right of the Underwriters to receive compensation in connection with the 2026 A Bonds is contingent upon the actual sale and delivery of the 2026 A Bonds. The Underwriters will initially offer the 2026 A Bonds for sale at the prices or yields provided on the inside cover of this Official Statement. Such prices or yields may subsequently change in connection with the marketing of the 2026 A Bonds. The Underwriters may offer and sell the 2026 A Bonds to certain dealers (including dealers depositing the 2026 A Bonds into investment trusts) and others at prices lower than the initial public offering price or prices provided in this Official Statement. The Underwriters reserve the right to join with dealers and other investment banking firms in offering the 2026 A Bonds for sale.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriters and their affiliates have provided, and may in the future provide, a variety of these services to NIMPA and to persons and entities with relationships with NIMPA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of NIMPA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with NIMPA. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

Registration of Bonds

Registration or qualification of the offer and sale of the 2026 A Bonds (as distinguished from registration of the ownership of the 2026 A Bonds) is not required under the federal Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. NIMPA assumes no responsibility for the qualification or registration

of the 2026 A Bonds for sale under the securities laws of any jurisdiction in which the 2026 A Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred.

Information

The information contained in this Official Statement has been compiled or prepared from information obtained from NIMPA and the Members and other sources considered reliable and, while NIMPA cannot guarantee its completeness or accuracy, NIMPA has no reason to believe it is incorrect as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution and delivery of this Official Statement has been duly authorized by NIMPA.

NORTHERN ILLINOIS MUNICIPAL POWER AGENCY

By: _____
Name: Aaron Holton
Title: President

NIMPA Audited Financial Statements

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The Project Participants

The following information in this Appendix B has been provided by the cities of Batavia, Geneva and Rochelle, respectively.

City of Batavia, Illinois
City of Batavia Electric Department

General

Settled in the 1830s, the City of Batavia ("**Batavia**") is located 35 miles due west of Chicago, Illinois along the banks of the Fox River. Batavia was incorporated as a village in 1856 and as a city in 1891. The U.S. Census Bureau estimated Batavia's 2025 population to be approximately 26,586. The current land area of Batavia is 11.28 square miles.

Batavia became recognized as a home rule unit of local government under the Illinois Constitution in October 2009. The City operates under an aldermanic form of government with 14 aldermen, two from each ward, elected for overlapping four-year terms. The Mayor is elected on an at-large basis. A full-time City Administrator is appointed by the Mayor with the advice and consent of the City Council. Batavia is the home to a multitude of manufacturing, research and warehousing firms. Fermi National Accelerator Laboratory, the world-renowned center for high energy physics research is located just outside the municipal limits.

Electric System

Batavia has operated its own electric system (the "Batavia Electric Department") since 1889 when Batavia developed its own street lighting system. The Batavia Electric Department is operated under the supervision and direction of the Director of Public Works. The City Council has the power to determine, fix and alter rates charged by the Batavia Electric Department and to authorize expenditures thereof. Batavia's Public Works Department's Electric Managers have day-to-day responsibility for the operation of the electric system.

Batavia's electric system serves about 11,500 retail customers within the city limits of Batavia. Batavia's electric system consists of 115 miles of overhead and underground line and seven substations. Batavia purchases approximately 55 MW of power through NIMPA from Prairie State. Batavia purchases the remaining portion of its energy and capacity requirements not provided by NIMPA from other power providers. Batavia contracts with Avant Energy, Inc. to schedule Batavia's electric resources in the PJM Interconnection.

Projected Capital Additions

Current estimates indicate that Batavia's electric department will invest approximately $24.2 million in capital improvements for its transmission and distribution system over the next 5 years. Batavia expects to pay for the capital improvements from Batavia's operating reserves.

Electric Rates

Rates and charges for electric service are under the exclusive jurisdiction of the City Council. Electric rates are not subject to the control of any governmental regulatory agencies. The 2025 monthly cost for a residential customer using 1,000 kWh is approximately $137 before taxes. The 2026 monthly cost will rise to $143.01.

For the year ending December 31, 2025, Batavia last increased its rates May 1, 2015. An increase effective January 1, 2026 was implemented to meet increases in operating and capital expenses. Incorporated in each schedule of electric rates is a Purchased Power Adjustment Factor ("**PPAF**"). The PPAF tracks purchased power and transmission expenses and any changes in costs associated with line losses. Any increases in expenses related to purchased power, transmission or line losses will be recovered from customers through a monthly charge added to all customers' bills. Conversely, any decrease in purchased power, transmission and line loss expenses will be returned to customers as a credit on their bills.

Electric System Requirements

Historical Peak Load and Energy Requirements
Fiscal Year Ending December 31

Year	Peak Load (MW)	Total Energy Requirements (MWh)
2021	88.7	440,270
2022	88.1	420,155
2023	85.7	414,890
2024	85.5	414,515
2025	88.8	418,104

Batavia's actual system peak load and energy requirements are significantly influenced by the variation in the number of summer season cooling degree days incurred in each annual period.

Top Ten Employers

As of December 31, 2025

Company	Product/Service	Employed
Fermi/US Dept Energy	Government	2,100
Suncast Corporation	Industrial	1,000
Unit School District #101	Government	700
Aldi, Inc	Commercial	500
Agco Corporation	Industrial	365
Walmart	Commercial	350
Fox Valley Contractors LLC	Commercial	300
MSI Express Inc (Power Packaging)	Industrial	300
DS Containers Inc	Industrial	225
HOBI International	Industrial	225

Customer Information

Customers by Class
Fiscal Year Ending December 31

	2022	2023	2024	2025
Residential	9,893	9,944	10,020	10,072
Commercial	1,291	1,363	1,368	1,379
Industrial	10	10	10	11
Total Customers	11,194	11,317	11,398	11,462

Top Ten Customers
As of December 31, 2025

Company	Product/Service	Percentage of Revenues (Fiscal Year Ended December 31, 2025)
Suncast Corporation	Industrial	17.47%
DS Containers	Industrial	6.88
Proex, Inc	Industrial	1.97
Aldi, Inc	Commercial	1.94
Amcor Flexibles	Industrial	1.90
Lineage Logistics	Warehouse	1.76
MSI Express	Industrial	1.30
Team Technology	Industrial	1.09
AGS Technology	Industrial	0.99
Cast Aluminum Solutions, LLC	Industrial	0.98
Total		36.28%

Energy Sales (MWh) by Class
Fiscal Year Ending December 31

	2022	2023	2024	2025
Residential	88,588	86,944	87,561	90,321
Commercial	141,492	132,337	130,597	130,325
Industrial	173,136	183,048	184,363	180,663
Total Retail Sales	403,216	402,339	402,521	401,309

Energy Revenues ($'s in 1,000s) by Class
Fiscal Year Ending December 31

	2022	2023	2024	2025
Residential	12,467	12,260	12,330	12,681
Commercial	16,606	15,751	15,642	15,600
Industrial	16,978	16,690	17,254	17,673
Total Retail Sales	46,051	44,701	45,226	45,954

Financial Condition

The following Condensed Statement of Net Assets and Condensed Statement of Operations for the last four fiscal years have been prepared based upon audited financial statements. Copies of Batavia's last audited financial statements may be obtained from Batavia's website at www.cityofbatavia.net or by submitting a written request to the City of Batavia, Finance Director, 100 North Island Avenue, Batavia, Illinois, 60510.

Condensed Balance Sheet (in 1,000s)
Fiscal Year Ending December 31

	2022	2023	2024	2025
Utility Plant, Net	$63,733	63,462	65,726	70,756
Cash and Investments	21,218	21,710	24,665	19,601
Other Assets	11,587	15,812	16,942	17,336
Total Assets	96,538	100,984	107,333	107,693
Deferred Outflows of Resources	1,487	2,458	1,998	1,476
Total Assets and Deferred Outflows	$98,025	$103,442	$109,331	$109,169
Equity	$74,798	$80,630	$85,842	$89,128
Revenue Bonds Payable, non-current	16,752	15,775	14,767	13,730
Other Liabilities	4,504	6,890	8,563	6,023
Total Liabilities and Equity	96,054	103,295	109,172	108,881
Deferred Inflows of Resources	1,971	147	159	288
Total Liabilities, Equity, & Deferred Inflows	$98,025	$103,442	$109,331	$109,169

Condensed Statement of Operations (in 1,000s)
Fiscal Year Ending December 31

	2022	2023	2024	2025
Sales of Electricity	$47,767	$45,965	$45,226	$45,954
Other Operating Revenues	1,610	2,802	3,361	4,618
Total Operating Revenues	49,377	48,767	48,587	50,572
Net Purchased Power and Distribution Expenses	$36,071	$34,474	$37,053	$40,983
Transfer to City	750	750	750	750
Other Operating Expenses	3,284	8,018	2,313	2,550
Subtotal-Operating Expenses	40,105	39,839	40,116	44,283
Net Operating Income	9,272	8,928	8,471	6,290
Depreciation	(3,199)	(3,403)	(3,495)	(3,818)
Other Revenues (Expenses)	(1,131)	307	360	814
Net Income	**$4,942**	**5,832**	**$5,336**	**3,286**
Beginning Equity, Jan. 1	$69,856	$74,798	$80,630	85,842
Net Income	4,942	5,832	5,336	3,286
Change in Accounting Principle	0	0	(124)	0
Ending Equity	**74,798**	**80,630**	**85,842**	**89,128**
Net Cash from Operations	**$7,559**	**$5,706**	**$9,237**	**$4,312**
Debt Service Coverage	**6.27x**	**6.03x**	**5.73x**	**4.3x**

Litigation

There is no material pending litigation, in which Batavia or the Batavia Electric Department is a party and which would adversely affect the operations of the Batavia Electric Department.

City of Geneva, Illinois
Geneva Electric Department

General

The City of Geneva ("**Geneva**") was founded in 1835 and incorporated in 1887. Geneva is approximately 35 miles west of Chicago, Illinois in the Fox River Valley. Geneva is primarily residential with a balanced mix of commercial and industrial activity. The U.S. Census Bureau estimated Geneva's 2025 population to be approximately 21,138. Geneva is a non-home rule unit of local government under the Illinois Constitution. The government of Geneva follows the mayor-council system that is made up of a Mayor elected at large and ten aldermen elected from five wards for four year staggered terms. The City Clerk and Treasurer are also elected at large for four-year terms. The Mayor appoints the City Administrator with the advice and consent of the City Council. Geneva is responsible for providing police and fire protection, maintaining streets, providing sewer and water services and supplying electricity to Geneva's residences, businesses and industries.

Electric System

Geneva has owned and operated its own electric system since 1896. Geneva's electric system serves approximately 10,265 retail customers within the city limits of Geneva, which encompasses an area of approximately 8.5 square miles.

Under the supervision and direction of the Mayor and City Council, Geneva's electric system is administered by the Geneva Electric Division, a Division within Geneva's Public Works Department. The Geneva Electric Division is administered by a Superintendent who serves under the direction and supervision of the Director of Public Works who is appointed by the Mayor.

Geneva's electric system is connected to the Commonwealth Edison Company system in seven locations which include the South Street, Peyton Street, Keslinger Road, Delnor, Western Avenue, East Side Drive, and the Geneva Business Park substations. These substations are supplied by 34.5 kV lines. All substations supply 12.47 kV feeders.

Geneva owns and operates a power plant consisting of five natural gas fired reciprocating engine-generator sets. The power plant is located within the corporate limits of Geneva and is interconnected with Geneva's distribution system. Each generating set can produce approximately 6 MW. Geneva's power plant is economically dispatched to cap market prices and to reduce PJM Interconnection LLC ("**PJM**") transmission costs. This procedure reduces Geneva's purchased power requirements as well as its transmission payments to PJM and provides 30 MW of peaking energy. Geneva has a contract with NextEra to provide intermediate energy through December 31, 2031.

Geneva purchases power and energy from various suppliers to meet the portion of its requirements not supplied by NIMPA. Geneva purchases approximately 35 MW of power from NIMPA from Prairie State. Geneva enters into additional contracts with other power providers for the remaining portion of its energy and capacity requirements. Geneva contracts with the Indiana Municipal Power Agency to schedule Geneva's electric resources in the PJM energy market.

Geneva has obtained all necessary permits and approvals for the operation of its electric system. There is currently no environmental litigation pending or threatened in connection with Geneva's electric system.

Projected Capital Additions

Current estimates indicate that Geneva's electric department plans to invest approximately $17.1 million in additional capital improvements over the next 5 years.

Electric Rates

The authority for the establishment of rates and charges for the various services provided by the Geneva Electric Division is vested exclusively in the City Council. Duly established electric rates are not subject to review or approval by any administrative agency of the State of Illinois or any other government agency.

The last time Geneva adjusted its rates was in 2023. The 2023 rate adjustment was put in place due to the bonds issued for construction activities. Incorporated in each schedule of electric rates is a "Power Cost Adjustment," which automatically adjusts the charge for each kWh of power used to reflect the Geneva Electric Department's cost of fuel or purchased power as it varies from the amount designed in the rates. The current monthly cost for a residential customer using 1,000 kWh in the summer months is approximately $124.

Electric System Requirements

Historical Peak Load and Energy Requirements
Fiscal Year Ending April 30

Year	Peak Load (MW)	Total Energy Requirements (MWh)
2022	91	367,070
2023	81	364,948
2024	83	359,949
2025	84	362,644
2026	93	370,792

The actual system peak load and energy requirements are significantly influenced by the variation in the number of summer season cooling degree days incurred in each annual period.

Top Ten Employers

As of April 30, 2026

Company	Product/Service	Employed
Northwestern Medicine Delnor Health System	General Hospital	1,599
Geneva School District	School District	1,016
General Mills	Food Packaging	432
Kane County Government Building	County Government	354

Company	Product/Service	Employed
Maker's Pride	Food Packaging	323
Clarios, LLC	Automobile Batteries	292
Burgess Norton	Metal Manufacturing	260
McCormick FONA	Flavoring for Food	250
Northern Illinois Food Bank	Non-Profit	167
City of Geneva	Municipal Government	159

Customer Information

Customers by Class
Fiscal Year Ending April 30

	2023	2024	2025	2026
Residential	8,636	8,644	8,644	8,644
Commercial	1,507	1,545	1,576	1,548
Industrial	26	26	20	21
Other	47	39	47	52
Total Customers	10,216	10,254	10,287	10,265

Top Ten Customers As of April 30, 2026

Company	Product/Service	Percentage of Revenues (Fiscal Year Ended April 30, 2026)
Johnson Controls	Automobile Batteries	7.8%
General Mills	Food Processing	7.2
Burgess Norton Plant #2	Screw Machine Products	4.5
Northwestern Medicine/ Delnor	Health System General Hospital	3.8
Industrial Hard Chrome	Machining of Carbon and Alloy Materials	3.2
Millard Refrigeration	Transportation & Logistics	3.0
On-Cor Frozen Food LLC	Food Packaging	2.3
Burgess Norton Plant #1	Screw Machine Products	2.0
Continental Envelope	Envelopes	1.7
Geneva High School	Primary Education	1.4
Total		36.8%

Energy Sales (MWh) by Class
Fiscal Year Ended April 30

	2023	2024	2025	2026
Residential	79,413	75,692	81,515	80,138
Commercial	101,949	99,616	100,151	100,817
Industrial	155,604	152,134	158,357	165,142
Other	27,822	26,418	25,727	24,631
Total Retail Sales	363,788	353,860	365,750	370,728

Energy Revenues ($'s in 1,000s) by Class
Fiscal Year Ending April 30

	2023	2024	2025	2026
Residential	$8,881	9,093	8,976	9,585
Commercial	9,391	9,635	8,990	9,654
Industrial	12,516	13,012	12,731	13,774
Other	2,623	2,987	2,606	2,592
Total Retail Sales	$33,411	34,727	33,303	35,605

Financial Condition

The following Condensed Balance Sheet and Condensed Statement of Operations for the last four fiscal years have been prepared based upon audited financial statements for fiscal years 2023 through 2025. The fiscal year 2026 financial summary has been prepared based on draft unaudited financial statements provided by the City of Geneva. Some totals do not match because of rounding. Copies of Geneva Electric Department's last audited financial statements may be obtained by submitting a written request to the City of Geneva, Finance Director, 22 South First Street, Geneva, IL 60134.

Condensed Balance Sheet ($s in 1,000s)
Fiscal Year Ending April 30

	2023	2024	2025	2026 (unaudited)
Utility Plant	$37,321	$42,717	$52,688	$66,012
Cash and Investments	10,870	40,214	34,393	24,816
Other Assets	6,147	5,424	5,992	8,509
Total Assets	54,338	88,355	93,073	99,336
Deferred Outflows of Resources	1,774	1,470	981	(345)
Total Assets and Deferred Outflows	$56,122	$89,825	$94,054	$98,992
Equity	$49,193	$52,620	$56,528	$60,876
Revenue Bonds Payable, non-current	0	30,377	30,378	29,378
Other Liabilities	6,284	6,312	6,756	8,424
Total Liabilities and Equity	55,477	89,309	93,662	98,678
Deferred Inflows of Resources	645	516	393	314
Total Liabilities, Equity, & Deferred Inflows	$56,122	$89,825	$94,054	$98,992

Condensed Statement of Operations ($s in 1,000s)
Fiscal Year Ending April 30

	2023	2024	2025	2026 (unaudited)
Sales of Electricity	$33,753	$34,491	$33,008	$35,456
Other Operating Revenues	623	426	298	324
Total Operating Revenues	34,376	34,917	33,305	35,780
Net Purchased Power Expense	25,523	26,857	24,936	26,732
Other Operating Expenses	5,580	5,533	7,826	6,836
Subtotal-Operating Expenses	31,103	32,390	32,762	33,567
Net Operating Income	3,273	2,527	544	2,213
Depreciation	(1,958)	(2,003)	(2,077)	(2,191)
Other Revenues (Expenses)	176	(147)	2,045	2,569
Non Cash Revenue (Expense)	2,043	3,050	3,396	1,757
Net Income	**$3,534**	**$3,427**	**$3,908**	**$4,348**
Beginning Equity, May 1	$45,671	$49,193	$52,620	$56,528
Net Income	3,534	3,427	3,908	4,348
Change in Accounting Principle	(12)	0	0	0
Ending Equity	**$49,193**	**$52,620**	**$56,528**	**$60,875**
Net Cash from Operations	**$2,977**	**$3,243**	**$1,602**	**$2,600**
Debt Service Coverage	**n/a**	**n/a**	**1.3x**	**1.97x**

Litigation

There is no material pending litigation, in which Geneva or the Geneva Electric Department is a party and which would adversely affect the operations of the Geneva Electric Department.

City of Rochelle, Illinois
Rochelle Municipal Utilities ("RMU")

General

The City of Rochelle ("**Rochelle**") is located in north central Illinois, approximately 76 miles west of Chicago, Illinois and 25 miles south of Rockford, Illinois. Rochelle is a growing industrial center serving the Midwest and is the local commercial center for a predominantly rural surrounding area. The U.S. Census Bureau estimated Rochelle's 2025 population to be approximately 9,498.

Rochelle is a non-home rule unit of local government under the Illinois Constitution. The government of Rochelle follows the Council-Manager form. The City Council is comprised of an elected Mayor and Council. The City Manager is appointed by majority vote of the City Council for an indefinite term. The City Manager is the chief administrative officer of Rochelle and is responsible to the City Council for the proper administration of all affairs of the city.

Electric System

Rochelle has operated its own electric system since 1893. RMU serves Rochelle, the neighboring communities of Creston and Hillcrest and the surrounding rural areas within a 6- to 8-mile radius of

Rochelle. RMU's service area encompasses an area of approximately 100 square miles. The population of this service area is estimated to be in excess of 16,000.

Under the supervision and direction of the Mayor and City Council, Rochelle's electric system is administered by RMU, a department within the City of Rochelle. RMU is administered by the City Manager. A Utility Advisory Board was created by Rochelle for the purpose of advising the City Council on all matters relating to the electric system along with Rochelle's water, wastewater and communications systems. The Utility Advisory Board is appointed by the Mayor and consists of six members, three serving a two-year concurrent term and three serving a three-year concurrent term.

RMU serves approximately 7,231 total customers. RMU is connected to the Commonwealth Edison (ComEd) Company ("**ComEd**") system at two interconnection points. The Caron Road substation is fed through a 138 kV transmission line to ComEd running south to the Village of Steward, Illinois. RMU's second substation, known as the Twombly Road substation, is fed through a 12-mile 138 kV transmission line that also connects in Steward, Illinois. Due to increased demand on electric power resulting from industrial development in the south east corridor, a third substation was constructed to service Progressive Industrial Park. The new substation, the Ritchie Road substation, will also feed a substation on the west side of the territory to be called the Centerpoint Substation.

RMU owns eight diesel generation units with an aggregate nameplate rating of 17,700 kW, two peaking generators with a combined nameplate rating of 5,000 kW, a gas turbine with a nameplate rating of 4,200 kW, and 6 Cat Gen Sets with a nameplate rating of 11,100 kW. These units are located at two sites within the corporate limits of Rochelle, and the units are interconnected with Rochelle's distribution system. RMU uses its units primarily for seasonal peaking and standby service.

RMU operates in the PJM Interconnection LLC ("**PJM**") control area. RMU contracts with a consulting subsidiary of the Indiana Municipal Power Agency ("IMPA") to schedule RMU's electric resources in the PJM energy market. Rochelle is a PJM transmission owner and recovers an annual revenue requirement for its transmission assets through a FERC-approved formula rate under the PJM open access transmission tariff. Rochelle purchases capacity and energy to supplement the capacity and energy delivered by NIMPA from the Prairie State Project. In December 2019, Rochelle entered a long-term contract to purchase the energy generated by Rochelle Energy Center, a landfill gas generator located within Rochelle's corporate limits. The landfill gas contract currently provides approximately 2-3 MW of the City's energy requirements. Rochelle purchases the remaining portion of its energy and capacity requirements not provided by NIMPA and the Rochelle Energy Center from other power providers. RMU has obtained all necessary permits and approvals for the operation of its electric system. There is currently no environmental litigation pending or threatened in connection with the RMU's electric system.

Projected Capital Additions

Current estimates indicate that Rochelle's electric department will invest approximately $30 million in capital improvements for its current electric system over the next 4-5 years. These improvements include the construction of the fourth substation located near Center Point Road. RMU expects to pay for the capital improvements from RMU's operating reserves and alternate revenue bonds.

Electric Rates

The authority for the establishment of rates and charges for the various services provided by RMU's electric system is vested exclusively in the City Council. Such rates are fixed by ordinance of the City Council, upon recommendation of the Utility Advisory Board. Duly established electric rates are not subject to review or approval by any administrative agency of the State of Illinois or any other government

agency. RMU last increased its residential rates in July 2015. Incorporated in each schedule of electric rates is a "power cost adjustment," which automatically adjusts the charge for each kWh of power used to reflect RMU's cost of fuel or purchased power in excess of the amount designed in the rates. The current monthly cost for a residential customer using 750 kWh in the summer months is approximately $105.64.

Electric System Requirements

Historical Peak Load and Energy Requirements Fiscal Year Ending December 31

Year	Peak Load (MW)	Total Energy Requirements (MWh)
2021	67	388,720
2022	71	387,952
2023	73	392,713
2024	74	422,350
2025	69	429,281

Top Ten Employers

As of December 31, 2025

Company	Product/Service	Employed
Rochelle Foods	Industrial	850
Lineage	Commercial	400
Rochelle Community Hospital	Industrial	342
Elementary School District #231	Education	326
Americold	Industrial	300
Wheatland Tube	Industrial	292
Silgan Containers	Industrial	200
Rochelle Township High School District 212	Education	184
Bay Valley Foods	Commercial	150
City of Rochelle	Municipality	146

Customer Information

Customers by Class Fiscal Year Ending December 31

	2022	2023	2024	2025
Residential	5,923	5,906	5,984	6,062
Commercial	964	982	984	1,080
Industrial	80	78	81	89
Other	12	0	0	0
Total Customers	6,979	6,966	7,049	7,231

Top Ten Customers
As of December 31, 2025

Company	Product/Service	Percentage of Revenues
CHS	Industrial	13.68%
1600 Ritchie Ct	Industrial	12.35
Rochelle Foods	Industrial	8.69
CG Greenhouse	Industrial	6.34
Americold	Industrial	3.72
Allstate Insurance Co.	Industrial	3.36
Northern Trust Co.	Industrial	3.27
Silgan	Industrial	3.21
Lineage Logistics	Industrial	1.42
Erie Foods	Industrial	1.37
Total		57.41%

Energy Sales (MWh) by Class Fiscal Year Ending December 31

	2022	2023	2024	2025
Residential	45,508	48,067	46,606	48,585
Commercial	44,017	44,570	43,556	45,033
Industrial	292,638	286,481	312,535	319,631
Other	0	0	0	0
Total Retail Sales	382,163	379,118	402,697	413,249

Energy Revenues ($'s in 1,000s) by Class Fiscal Year Ending December 31

	2022	2023	2024	2025
Residential	6,122	6,473	6,170	6,352
Commercial	5,149	5,442	5,505	5,391
Industrial	27,726	32,378	32,196	28,445
Other	0	0	0	0
Total Retail Sales	38,997	44,293	43,871	40,188

Financial Condition

The following Condensed Balance Sheet and Condensed Statement of Operations for the last four fiscal years have been prepared based upon audited financial statements for fiscal years 2022 through 2024. The fiscal year 2025 financial summary has been prepared based on unaudited financial statements provided by the City of Rochelle. Copies of RMU's last audited financial statements may be obtained by submitting a written request to the City of Rochelle, Finance Director, 420 N. 6th St., Rochelle, Illinois, 61068.

Condensed Balance Sheet ($s in 1,000s) Fiscal Year Ending December 31

	2022	2023	2024	2025 (Unaudited)
Utility Plant	$51,053	$49,031	$49,152	$49,761
Cash and Investments	21,348	34,316	41,467	34,394
Other Assets	11,092	7,992	6,607	11,241
Total Assets	83,493	91,339	97,226	95,396
Deferred Outflows	531	1,723	1,617	1,291
Total Assets and Deferred Outflows	$84,024	$93,062	$98,843	$96,687
Equity	$59,403	$66,456	$72,504	$73,217
Revenue Bonds Payable, non-current	16,316	20,163	18,742	18,220
Other Liabilities	8,305	6,443	7,597	5,250
Total Liabilities and Equity	$84,024	$93,062	$98,843	$96,687

Condensed Statement of Operations ($s in 1,000s)
Fiscal Year Ending December 31

	2022	2023	2024	2025 (Unaudited)
Sales of Electricity	$39,894	$44,907	$44,082	$41,017
Other Operating Revenues	90	67	585	56
Total Operating Revenues	39,984	44,974	44,667	41,073
Net Purchased Power Expense	23,497	26,762	21,662	24,684
Other Operating Expenses	9,552	7,001	12,505	11,272
Subtotal-Operating Expenses	33,049	33,763	34,167	35,956
Net Operating Income	6,935	11,211	10,500	5,117
Depreciation	(2,839)	(2,718)	(2,876)	(2,717)
Other Revenues (Expenses)	(530)	15	673	1,322
Transfer to City	(2,056)	(1,455)	(2,249)	(3,008)
Net Income	**$1,510**	**$7,053**	**$6,048**	**714**
Beginning Equity, Prior Year	$57,893	$59,403	$66,456	$72,504
Capital Grants/Contributions and Prior Period Adjustment	0	0	0	0
Net Income	1,510	7,053	6,048	714
Ending Equity	**$59,403**	**$66,456**	**$72,504**	**$73,218**
Net Cash from Operations	**$3,074**	**$10,891**	**$11,786**	**$5,649**
Debt Service Coverage	**3.17x**	**8.36x**	**4.92x**	**2.41x**

Litigation

There is no material pending litigation, in which Rochelle or RMU is a party and which would adversely affect the operations of RMU.

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Summary of Certain Provisions of the Power Sales Agreements

The following is a summary of certain provisions of the Power Sales Agreements entered into between NIMPA and each of the Project Participants. This summary is not to be considered a full statement of the terms of such Power Sales Agreements and accordingly is qualified by reference thereto and subject to the full text thereof. Capitalized terms not defined in this Appendix have the meanings set forth in the Power Sales Agreements.

Definitions

As used in this Appendix, the following terms shall have the meanings set forth below:

"Additional Bonds" shall mean Bonds issued to finance the construction or acquisition of Additional Facilities or for any other purpose as permitted by the Indenture.

"Additional Facilities" means the ownership interest of NIMPA in, or rights or obligations with respect to any renewals, replacements, repairs, additions, betterments, modifications or improvements to the Prairie State Project, for which NIMPA shall be responsible by virtue of any obligation of NIMPA arising out of the Project Agreements.

"Annual Budget" shall mean the budget adopted by the Board of NIMPA pursuant to the Power Sales Agreements.

"Asset Purchase Agreement" means that certain Asset Purchase Agreement dated as of February 9, 2005, among NIMPA and the other buyers of the Prairie State Project named therein, as amended and supplemented from time to time.

"Billing Period" means such period of time as provided in the Power Sales Agreements for the preparation, calculation and billing of the amounts payable by the Participants under the Power Sales Agreements.

"Board" means the Board of Directors of NIMPA.

"Bond" or "Bonds" means any bond or bonds, notes, bank loans, commercial paper or other evidences of indebtedness authenticated and delivered under any Financing Documents.

"Bond Counsel" means counsel of recognized standing in the field of law relating to municipal bonds selected by NIMPA.

"Capacity" means the net electrical generating capability of the Prairie State Project from time to time, or Firming Capacity as applicable, both as measured at the Project Delivery Point.

"Coal Reserves" means the coal reserves that are jointly owned by NIMPA and the other Prairie State Project co-owners.

"Contract Year" means the Fiscal Year of NIMPA, except that the first Contract Year shall commence on the effective date of the Power Sales Agreements. In the event NIMPA changes its Fiscal Year, the Contract Year shall, without further action, be amended to mean such Fiscal Year.

"Costs of Acquisition and Construction" means NIMPA's costs, expenses and liabilities paid or incurred or to be paid or incurred by NIMPA in connection with the planning, engineering, designing,

acquiring (by purchase, lease or otherwise), constructing, installing, financing, operating, maintaining, retiring, decommissioning and disposing of the Prairie State Project or any part thereof. Costs of Acquisition and Construction may include, to the extent permitted by law:

(1) the cost of obtaining of all governmental approvals, certificates, permits and licenses with respect to the Prairie State Project,

(2) any good faith or other similar payment or deposits required in connection with the purchase or construction of any part of the Prairie State Project,

(3) the cost of acquisition by or for NIMPA of real and personal property or any interests therein,

(4) the costs of acquisition and construction of all or part of the Prairie State Project and costs of NIMPA incidental to such construction or acquisition,

(5) the cost of acquisition of coal reserves or other fuel inventory,

(6) all costs relating to injury and damage claims relating to construction of the Prairie State Project,

(7) the cost of any indemnity or surety bonds and premiums on insurance during the construction period,

(8) preliminary investigation and development costs, engineering fees and expenses,

(9) legal and financial advisory fees and expenses, including legal fees incurred pursuant to the Joint Defense Agreement,

(10) financing costs, including, without limitation, bank commitment and letter of credit fees, bond insurance, surety, indemnity or other credit enhancement premiums, fees and payments relating to Hedge Agreements, underwriters fees, rating agency fees and expenses and fees and expenses of the Fiduciaries,

(11) administration and general overhead expense and costs of keeping accounts and making reports required by the Financing Documents prior to or in connection with the construction and acquisition of the Prairie State Project,

(12) amounts, if any, required by the Financing Documents to be paid from the proceeds of Bonds or Obligations to provide, among other things, for interest accruing on Bonds or amounts owed with respect to Obligations,

(13) amounts, if any, to be deposited into the Debt Service Reserve Fund; or any other fund or account required by the Financing Documents for any of the respective purposes thereof,

(14) payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any Bonds, or amounts owed with respect to Obligations,

(15) initial deposits to a working capital fund and any other Project Reserve Account,

(16) all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with any part of the Prairie State Project, and

(17) reimbursements to NIMPA for any of the above items theretofore paid by or on behalf of NIMPA.

"Debt Service" for any period shall mean, the aggregate of the amounts required to be paid during said period into any fund or account(s) created by the Indenture or any other Financing Document for the purpose of paying the principal together with any related contractual obligations of, and premium, if any, and interest on all outstanding Bonds as the same shall become due.

"Debt Service Fund" shall mean the Debt Service Fund established in the Indenture.

"Debt Service Reserve Fund" shall mean the Debt Service Reserve Fund established in the Indenture.

"Defaulting Participant" shall be a Participant that has committed a Payment Default that has continued for at least five (5) days and is continuing.

"Delivery Point" means, the point of interconnection between the Project Participant's electric utility system and the transmission facilities of the applicable control area utility as set forth in the appendices of the respective Power Sales Agreement.

"Development Agreement" means that certain Project Development Agreement dated as of February 9, 2005, among NIMPA and the other Unaffiliated Participants (as defined therein) as amended and supplemented from time to time.

"Effective Date" means the date on which the Power Sales Agreements become effective.

"Energy" shall mean the electric energy generated by the Prairie State Project.

"Entitlement Share" means, with respect to each Participant, that Participant's Entitlement Share Percentage of the nominal Capacity (expressed in megawatts) and associated Energy (expressed in megawatt hours) derived from NIMPA's Percentage Ownership Interest in the Prairie State Project.

"Entitlement Share Percentage" means with respect to each Participant, the percentage set forth in the Power Sales Agreements, as the same may be revised from time to time.

"Fiduciary" or "Fiduciaries" shall mean any trustee, paying agents, bond registrar, escrow agent or any or all of them, as may be appropriate.

"Financing Documents" means any loan agreement, the Indenture, any bond resolutions, trust agreements, agreements with providers of credit facilities or Hedge Agreements, or other instrument or instruments providing for issuance of and the security for the Bonds and Obligations and all amendments and supplements of such agreements.

"Firming Capacity" shall mean any capacity whether purchased by contract or owned by NIMPA necessary to ensure the delivery of Replacement Energy in accordance with the Power Sales Agreements.

"Fiscal Year" means the twelve-month period established by NIMPA from time to time as its fiscal year.

"Hedge Agreement" means any financial arrangement entered into by NIMPA with respect to any Bonds for the purpose of moderating interest rate fluctuations or any other purpose which is any of the

following, or any combination thereof or any option with respect thereto: an interest cap, floor or collar, forward rate, future rate, interest rate swap, basis swap or other such exchange or rate protection transaction agreement or other similar transaction, however designated.

"Indenture" shall mean the trust indenture between NIMPA and the Trustee, as from time to time amended or supplemented.

"Initial Facilities" shall mean NIMPA's Percentage Ownership Interest in the Prairie State Project, including the coal fired generating facility, the coal mine, the coal reserves, the coal waste disposal facility and any real property or real property rights ancillary thereto, all as further described in the Participation Agreement or other agreements.

"Joint Defense Agreement" means the joint defense agreement executed by NIMPA, Prairie State Generating Company LLC, and other co-owners of the Prairie State Project on February 9, 2005.

"Management Committee" has the meaning specified in Section 2.2.3 of the Participation Agreement.

"Monthly Availability Costs" means Monthly Power Costs, Monthly Transmission Costs and Monthly Firming Costs.

"Monthly Firming Costs" shall mean with respect to each month of each Contract Year, all costs (other than Replacement Energy Costs) attributable to providing Firming Capacity to the Participants.

"Monthly Power Costs" shall mean, with respect to each month of each Contract Year, all costs (other than Project Energy Costs) attributable to the Prairie State Project, to the extent not paid from the proceeds of Bonds (including income from investment of such proceeds) incurred by NIMPA during such month resulting from the ownership, operation, maintenance, termination and retirement from service of and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Prairie State Project, including without limitation, the following items of cost:

(1) the amount required under the Indenture to be paid or deposited during such month into any fund or account established by the Indenture for the payment of Debt Service on Bonds;

(2) the amount required under the Indenture to be paid or deposited during such month into any fund or account established by the Indenture (other than funds and accounts referred to in clause (1) above), 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 clause (1) above;

(3) any additional amount which must be realized by NIMPA during such month in order to meet the requirement of any rate covenant of the Indenture with respect to Debt Service coverage or which NIMPA deems advisable in the marketing of its Bonds;

(4) any amount which NIMPA may be required to pay during such month for the completion of the Initial Facilities, prevention or correction of any unusual loss or damage or for Additional Facilities which are required under the Participation Agreement or which are necessary to keep the Prairie State Project in good operating condition and to the extent that (a) funds for such payment are not available to NIMPA from any funds in any Project Reserve Account or accounts established under the Indenture designated for such purpose or (b) funds for such payment are not provided by the issuance of Additional Bonds;

(5) any amount which the Board, upon recommendation from the Prairie State Project Committee, has determined to be paid or deposited during such month into any Project Reserve Account;

(6) the costs of operating and maintaining the Prairie State Project during such month including certain costs allocable to the mining, processing and storage of coal excluding all expenses designated as Variable Operating Expenses pursuant to the Participation Agreement;

(7) all costs incurred or associated with the discontinuance and disposition or sale of properties required to be paid by NIMPA in accordance with the Participation Agreement including, but not limited to, all of NIMPA's accrued costs and liabilities resulting from NIMPA's ownership, acquisition, construction, operation, maintenance and renewals and replacements of the Prairie State Project;

(8) all costs and expenses relating to injury and damage claims required to be paid by NIMPA pursuant to the Participation Agreement or otherwise in connection with the operation of the Prairie State Project;

(9) an equitably allocated portion of NIMPA's general and administrative expenses which are properly chargeable to the Prairie State Project;

(10) all amounts required to be paid during such month pursuant to any other Financing Document including but not limited to amounts required to be paid with respect to Obligations; and

(11) any additional amount (excluding Monthly Firming Costs, Monthly Transmission Costs, Project Energy Costs, Replacement Energy Costs and Transmission Usage Costs) which must be paid by NIMPA during such month under the Participation Agreement or any other costs incurred by NIMPA during such month which are properly chargeable to the Prairie State Project and are not included in the costs specified in the other items of this definition.

"Monthly Transmission Costs" shall mean, with respect to each month of each Contract Year, all costs (excluding Transmission Usage Costs) attributable to the transmission and delivery of Energy to the Delivery Point. Monthly Transmission Costs include without limitation, costs for access to transmission, financial transmission rights (FTRs) and other periodic fees and charges associated with the provision of transmission service.

"Monthly Usage Costs" means Project Energy Costs, Replacement Energy Costs and Transmission Usage Costs.

"Obligations" mean the obligations of NIMPA, other than Bonds, under the Financing Documents, including but not limited to Hedge Agreements and Credit Facilities.

"Operating Budget" has the meaning defined in the Participation Agreement.

"Operation and Maintenance Fund" shall mean the Operation and Maintenance Fund established pursuant to the Indenture.

"Ownership Interest" means the individual undivided interest of Prairie State Project co-owners, including NIMPA, as a tenant-in-common. Ownership Interest includes all of the rights of a Prairie State Project co-owner, including all of the rights provided for in the Participation Agreement.

"Participant" or "Participants" mean all Members that have entered into a Power Sales Agreement with NIMPA with respect to the Prairie State Project.

"Participation Agreement" means the participation agreement entered into by NIMPA, Prairie State Generating Company LLC, and other co-owners of the Prairie State Project, as amended and supplemented from time to time.

"Payment Default" shall have the meaning defined in the respective Power Sales Agreements, and as described in this Appendix C under the caption "Defaults and Remedies".

"Percentage Ownership Interest" means the Ownership Interest of NIMPA as it is defined, and as it may change from time to time, in accordance with the Participation Agreement.

"Prairie State Project" shall mean the mine mouth, pulverized coal-fueled power generating facility developed by the Prairie State Generating Company LLC at a site in Washington County and Randolph County, Illinois, the Coal Reserves and related contractual arrangements including arrangements and agreements for the transmission and firming of the Participants' Entitlement Shares, and shall include the Initial Facilities and the Additional Facilities.

"Prairie State Project Committee" shall mean the committee formed by resolution of NIMPA for development, coordination and monitoring of Prairie State Project related activities and consisting of one designee from each Participant.

"Project Agreements" means any agreement, in conjunction with the Participation Agreement, entered into with any person in connection with the development, construction, operation or maintenance of all or any portion of the Prairie State Project including but not limited to the following agreements:

(1) the Asset Purchase Agreement;

(2) the Development Agreement;

(3) all construction contracts;

(4) all equipment supply contracts;

(5) any interconnection agreement entered into with any transmission company to provide for the transmission of Energy from the plant to the Delivery Point;

(6) water supply agreement;

(7) plant operation and maintenance agreement;

(8) mine operation and maintenance agreement; and

(9) operating agreements.

"Project Delivery Point" means the physical point(s) of the Prairie State Project's interconnection with the transmission system as more fully described in the Participation Agreement.

"Project Energy Costs" means those costs which vary with the amount of Energy produced from time to time, including without limitation costs allocated to fuel burned or consumed during any period, costs related to disposal of wastes directly relating to production of Energy, costs for water, water treatment

and reactant and any other costs incurred under the Participation Agreement which are designated Variable Operating Expenses therein.

"Project Energy Percentage Share" means for each Participant during a Billing Period, the percentage that is (i) the amount of Energy scheduled by the Participant, divided by (ii) the amount of Energy scheduled by all Participants.

"Project Reserve Accounts" shall mean a working capital fund and any other fund or account related to the Prairie State Project established for the purpose of paying extraordinary Prairie State Project related costs, providing rate stabilization, accruing for major maintenance, costs or Additional Facilities or for cash flow management or such other purposes pursuant to a policy approved by the Board upon recommendation of the Prairie State Project Committee.

"Project Rights" shall mean all rights and privileges of a Participant under its Power Sales Agreement, including but not limited to its right to schedule Capacity and/or Energy from the Prairie State Project and its right to vote on the Prairie State Project Committee.

"Refunding Bonds" shall mean all Bonds issued for the purpose of redeeming or defeasing, whether legally or economically, any previously issued Bonds.

"Replacement Energy" shall mean all energy provided to Participants by NIMPA from a source other than the Prairie State Project, in accordance with the Power Sales Agreements.

"Replacement Energy Costs" shall mean those costs which vary with the amount of Replacement Energy provided to a Participant by NIMPA.

"Replacement Energy Percentage Share" shall mean for each Participant during a Billing Period, the percentage that is (i) the amount of Replacement Energy scheduled by the Participant, divided by (ii) the amount of Replacement Energy scheduled by all Participants.

"Revenue Fund" means the fund by that name established by the Indenture.

"Scheduled Energy" means the portion of Energy scheduled by NIMPA pursuant to Article 7 of the Participation Agreement.

"Scheduling Procedures" means those standards, procedures and criteria determined by NIMPA or its designated agent from time to time with respect to the operation of the Prairie State Project.

"Step Up Invoice" shall mean an invoice sent to a non-defaulting Participant as a result of one or more Payment Defaults, which invoice shall separately identify any amount owed with respect to the monthly invoice provided for one or more Defaulting Participants pursuant to the respective Power Sales Agreements.

"Tax Exempt Bonds" means those Bonds on which the interest has been determined on the date of issuance, in the opinion of Bond Counsel, to be excludable from gross income for federal income tax purposes.

"Total Costs" mean Monthly Availability Costs, Monthly Usage Costs, and Costs of Acquisition and Construction.

"Transmission" means service required to transmit the Participants' scheduled Energy from the Project Delivery Point to the Delivery Point.

"Transmission Usage Costs" shall mean with respect to each month of each Contract Year, all costs (other than Monthly Transmission Costs) attributable to the transmission and delivery of Scheduled Energy or Replacement Energy to the Participants' Delivery Point(s) under any transmission contracts, transmission agreements and transmission arrangements which are directly related to the amount energy delivered during any period. Transmission Usage Costs shall include all losses from the Project Delivery Point to the Participants' Delivery Point(s) and shall be measured independently for each Participant.

"Trustee" shall mean the corporate trustee serving under the Indenture from time to time.

Term

Each of the Power Sales Agreements became effective upon the occurrence of the execution of all of the Power Sales Agreements by NIMPA and the Participants (the "Effective Date"), and will, unless terminated pursuant to the terms thereof, continue for a period ending on the earlier of (i) the day which is fifty years from the Effective Date or (ii) the later of the following dates (a) the date on which the principal of, premium, if any, and interest on all Bonds have been paid or sufficient funds have been sufficiently set aside for the full defeasance of such Bonds and all other obligations of NIMPA under the Financing Documents have been paid or satisfied, all in accordance with the Financing Documents; (b) the date the Prairie State Project is retired; or (c) the date on which NIMPA elects to terminate its interest in the Project Development Agreement or the Project Development Agreement is otherwise terminated in accordance with its terms; or (d) the date NIMPA's Ownership Interest in the Prairie State Project is terminated pursuant to the Participation Agreement.

Purchase and Sale of Capacity and Energy

From and after the Effective Date, NIMPA shall sell, and the Project Participants shall purchase, the respective Project Participants' Entitlement Share.

In consideration of the purchase of its Entitlement Share, the Project Participants shall pay to NIMPA in each Billing Period its respective share of Total Costs.

Except as otherwise provided by the Power Sales Agreements and subject to the provisions of the Project Agreements, Energy allocable to the Project Participants' Entitlement Share shall be made available in accordance with the applicable Power Sales Agreement during its term. NIMPA will use its best efforts, consistent with the Participation Agreement, to arrange for any planned interruption or reduction in Prairie State Project output to be scheduled at a time which will cause the least interference with the operation of Project Participants' electric system. The Project Participants acknowledge and agree that deliveries of the Energy allocable to a Project Participants' Entitlement Share are not firm and are contingent upon operation of the Prairie State Project, availability of transmission and other factors. Non-Delivery of Energy under the Power Sales Agreements for any reason whatsoever (i) shall not relieve the Project Participants from their obligation to make their payments under the applicable Power Sales Agreement; and (ii) shall not impose any liability upon NIMPA for any direct or consequential damages suffered by the Project Participants.

Once the Prairie State Project is operable and to the extent that Prairie State Project output is curtailed for any reason, NIMPA shall provide Firming Capacity and Replacement Energy to the Project Participants from alternative resources. The Project Participants shall pay for this firming service through

(a) a Monthly Firming Charge and (b) to the extent Replacement Energy is scheduled, Replacement Energy Costs.

Billing Periods, Billing and Payment

NIMPA shall invoice the Project Participants for all charges under the Power Sales Agreements on a calendar month basis. NIMPA shall make a reasonable effort to issue invoices as early as possible during the month following the calendar month to which the invoice applies. Any amounts invoiced to the Project Participants will be accompanied by reasonable supporting documentation. The monthly invoice shall be based on monthly amounts for Monthly Availability Costs, Project Energy Costs, Replacement Energy Costs and Transmission Usage Costs, as determined by and included in the Annual Budget. Each Project Participant shall be invoiced for:

(1) Monthly Availability Costs based on the Project Participant's Entitlement Share Percentage;

(2) Project Energy Costs based on the Project Participant's Project Energy Percentage for such billing period;

(3) Replacement Energy Costs based on the Project Participant's Replacement Energy Percentage for such period; and

(4) Transmission Usage Costs allocable to delivery of Energy or Replacement Energy to the Project Participant's Delivery Point for such period.

In the event any portion of a billing statement for any Billing Period received by the Project Participants is disputed by the Project Participants, the Project Participants shall pay NIMPA the full amount of such statement and shall give written notice of the dispute to NIMPA. Such notice shall identify the disputed invoice, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. NIMPA shall give consideration to such dispute and shall advise the Project Participants with regard to its position relative thereto within 30 days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be properly reflected in the statement next submitted to the Project Participants after such determination.

The obligation of the Project Participants to make payments under the applicable Power Sales Agreement is a several obligation and not a joint obligation with respect to any other Project Participant. Neither the full faith and credit nor the taxing power of the Project Participants is pledged to the payments to be made by the Project Participants under the applicable Power Sales Agreement. The Project Participants' obligation to make payments under the applicable Power Sales Agreement shall not constitute a general obligation of the Project Participants or indebtedness of the Project Participants for the purpose of any statutory limitation, but shall constitute a limited obligation of the Project Participants payable from and secured by a pledge of, and lien and charge upon, the revenues of the Project Participants' electric system as an expense of operation and maintenance of the Project Participants' electric system. Such payments shall be made whether or not the Prairie State Project or any portion of the Prairie State Project is acquired, completed, operable or operating and notwithstanding the suspension, interruption, interference reduction or curtailment of Project Capacity and Energy, or any termination of any of the Project Agreements, for any reason whatsoever, in whole or in part. The obligations of the Project Participants to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by NIMPA under the Power Sales Agreements or any other agreement or instrument.

Point of Delivery; Metering

Project Capacity and Energy under the Power Sales Agreements shall be alternating current, three (3) phase, sixty (60) Hertz. Project Capacity and Energy under the Power Sales Agreements shall be delivered at the Delivery Point as specified on Appendix B of the respective Power Sales Agreements for each Member, both for commercial/cost purposes and physical interchange purposes. It is acknowledged that the Project Participants must arrange for any service necessary to transmit Capacity and Energy from its respective Delivery Point to any other point, and failure of a Project Participant to make such an arrangement shall not relieve a Project Participant from its obligations under the applicable Power Sales Agreement.

The Project Participants agree to cooperate with NIMPA as necessary to meet its metering obligations.

If NIMPA incurs costs in obtaining equipment or services necessary for metering, maintenance of specific power factors, or other matters related to delivery of Capacity and Energy to the Project Participants under the applicable Power Sales Agreement, NIMPA reserves the right to levy a charge to the Project Participants to recover such costs.

In 2013, Batavia and NIMPA amended Appendix B of Batavia's Power Sales Agreement in order to allow Batavia to take delivery (for commercial/cost purposes) at the designated PJM node, or at any other node designated by Batavia.

Insurance

NIMPA, together with other Prairie State Project co-owners shall maintain, or cause to be maintained, insurance with responsible insurers, with policies against risk of direct physical loss and damage or destruction, consistent with the Insurance Plan as defined in the Participation Agreement, or as may be amended from time to time by the Management Committee. It is acknowledged that when the Prairie State Project becomes operable premiums payable under the Insurance Plan shall constitute an operating expense and NIMPA will include its allocable share in Monthly Power Costs.

Project Participant Covenants

The Project Participants covenant and agree that payments under the applicable Power Sales Agreement are obligations of the applicable Project Participant (i) payable as an operating expense of such Project Participants' electric system solely from revenues of its electric system, and (ii) payable, together with all other operation and maintenance expenses, as a first charge on the revenues of its electric system, prior to payment of any debt service on bonds, notes or other evidences of indebtedness or obligations on lease agreements which are payable from such revenues.

The Project Participants agree to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities, and commodities, sold, furnished or supplied through its electric system sufficient to provide revenues adequate to meet its obligations under the applicable Power Sales Agreement and to pay other amounts payable from or constituting a charge and lien upon such revenues, including amounts sufficient to pay the principal of and interest on all bonds, notes or other evidences of indebtedness payable from the revenues of the applicable Project Participant's electric system and, to the extent being paid from revenues of such electric system, all general obligation bonds of the applicable Project Participant issued for purposes related to its electric system.

The Project Participants covenant to maintain their electric system in good repair in accordance with Good Utility Practice, to cooperate with NIMPA, and keep accurate records and accounts.

The Project Participants shall at all times comply with all terms, covenants and provisions of all utility contracts to which they are a party and shall promptly collect all charges due for electric power and energy supplied by the Project Participants as the same becomes due.

The Project Participants shall not sell, lease or otherwise dispose of all or substantially all of their electric system (a "Disposition"), nor shall the Project Participants assign all or any part of their respective Entitlement Share or any or all of its interests under the Power Sales Agreement (an "Assignment"), except upon the approval of the Prairie State Project Committee. For purposes of such approval, the Project Participants seeking the approval shall not have a voting right and shall have provided NIMPA with written notice of such proposed Disposition or Assignment at least one hundred twenty (120) days prior to the intended effective date of such Disposition or Assignment. Upon satisfaction of certain conditions in the Power Sales Agreement, the Prairie State Project Committee shall approve a proposed Disposition and a related Assignment. If the Project Participant is proposing an Assignment not related to a Disposition, the approval of such Assignment is at the discretion of the Prairie State Project Committee, which approval shall not be unreasonably withheld or delayed.

The Project Participants shall not use or permit to be used any of the Capacity and Energy acquired under the applicable Power Sales Agreement, or to operate its system in any manner or for any purpose, or take or omit to take any action which could, either alone or in conjunction with any other similar actions by the Project Participants, result in loss of the exclusion from gross income for federal income tax purposes of the interest on any Tax Exempt Bonds issued or to be issued by NIMPA. The Project Participants covenant that, prior to entering into any contract whereby a person agrees to take, or take or pay for, the Capacity or Energy acquired under the Power Sales Agreement, the Project Participants shall notify NIMPA of its intent to enter into such contract. Further, the Project Participants covenant and agree that, prior to entering into any contract for the management of its electric system, the Project Participants shall notify NIMPA of its intent to enter into such contract. As soon as practicable after receipt of such notices, NIMPA shall advise the Project Participants as to whether, in the opinion of Bond Counsel, the entering into of such contracts would result in a loss of the exclusion from gross income for federal income tax purposes of interest on any Tax Exempt Bonds. The Project Participants agree that if NIMPA advises the Project Participant that such loss of exclusion may result, the Project Participant will not enter into such contracts.

Pledge of Payments

All payments required to be made by the Project Participants pursuant to the applicable Power Sales Agreements, together with other revenues of NIMPA attributable to the Prairie State Project, may be pledged by NIMPA pursuant to the Financing Documents to secure payment of the Bonds and the Obligations.

Defaults and Remedies

Failure of any Project Participant to make any payment to NIMPA when due shall constitute an immediate default ("Payment Default") on the part of such Project Participant. NIMPA shall give immediate notice (by electronic or other means) of any Payment Default to such Project Participant and all other Project Participants as soon as such Payment Default occurs.

In the event of a Payment Default, the Project Participant shall not be relieved of its liability for payment of the amounts in default and NIMPA shall have the right to recover from the Project Participant any amount in default. In enforcement of any such right of recovery, NIMPA may, either at law or in equity,

by suit, action, mandamus or other proceedings, enforce and compel the performance of any covenant, agreement or obligation to make any payment for which provision is made in the Power Sales Agreements against the respective Project Participant.

In the event that a Payment Default continues for five (5) days, NIMPA shall provide written notice (by electronic or other means) to the Project Participant that as a result of a Payment Default it is a Defaulting Participant whose Project Rights are subject to discontinuance, termination and disposal in accordance with certain provisions of the applicable Power Sales Agreements. Written notice (by electronic or other means) of such continuing Payment Default shall be provided promptly by NIMPA to all other Project Participants and the Trustee.

Upon providing the written notice described in the preceding paragraph, NIMPA may temporarily suspend the Defaulting Participant's right to schedule Energy and/or Replacement Energy. The Defaulting Participant's Entitlement Share of Energy shall be made available to all non-defaulting Project Participants on a pro rata basis. Any non-defaulting Project Participant who schedules its allocation of a Defaulting Participant's Entitlement Share of Energy shall be billed monthly for the Project Energy Costs, Replacement Energy Costs and Transmission Usage Costs associated with such Energy. The right to schedule a pro rata share of a Defaulting Participant's Energy shall continue until the earlier of (i) the Defaulting Participant shall have cured such Default or (ii) the Defaulting Participant's Entitlement Share shall have been permanently transferred or sold in accordance with the applicable Power Sales Agreements.

If at any time a Project Participant fails to cure a Payment Default within sixty (60) days from the date on which the Payment Default occurred, its Entitlement Share shall immediately and permanently be discontinued and terminated; provided, however, the Defaulting Participant's obligation to make payments under the Power Sales Agreements shall not be eliminated or reduced except to the extent provided therein. NIMPA shall provide to the Defaulting Participant a separate monthly invoice of such payment obligations, if any. NIMPA shall immediately notify each of the other Project Participants and the Trustee of such discontinuance and termination of a Defaulting Participant's Entitlement Share.

In the event a Defaulting Participant's Project Rights are discontinued and terminated as described above, NIMPA shall undertake or cause to be undertaken the following actions in the order indicated:

(1) NIMPA shall offer to convey, transfer and assign to all non-defaulting Participants, a pro rata portion of the Defaulting Participant's Entitlement Share which shall have been discontinued. Any part of such Entitlement Share of a Defaulting Participant which shall be declined by any non-defaulting Project Participant shall be reoffered pro rata to the non-defaulting Project Participants which have accepted in full the first such offer. Such reoffering shall be repeated until such Defaulting Participant's Entitlement Share shall have been reallocated in full or until all non-defaulting Project Participants shall have declined to take any additional portion of such Defaulting Participant's Entitlement Share.

(2) In the event less than all of a Defaulting Participant's Entitlement Share shall be accepted, NIMPA shall use its reasonable best efforts to sell the remaining portion of a Defaulting Participant's Entitlement Share for the remaining term of the applicable Power Sales Agreement to any person, firm, association or corporation, public or private; provided, however, that NIMPA shall make no such sales in such amounts, for such periods of time and under such terms and conditions as will cause the interest on any Tax Exempt Bonds to lose the exclusion from gross income for federal income tax purposes. The agreement for such sale shall contain such terms and conditions as will not adversely affect the security for the Bonds with respect to such Defaulting Participant, including provisions for discontinuance of service upon default, and such other terms as are otherwise acceptable

to NIMPA. In the event of default and discontinuance of service under such agreement, the Entitlement Share sold pursuant to such agreement shall be offered and transferred as provided for Defaulting Participants in the Power Sales Agreements.

(3) In the event that less than all of a Defaulting Participant's Entitlement Share shall be accepted or sold, NIMPA shall transfer, on a pro rata basis (based on the respective original Entitlement Shares of each of the Participants), to all non-defaulting Participants, the remaining portion of such Defaulting Participant's Entitlement Share.

(4) Any portion of the Entitlement Share of a Defaulting Participant transferred pursuant to the Power Sales Agreements to a non-defaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant. Upon such transfer, the Power Sales Agreements shall be automatically amended to reflect the change in each Participant's Entitlement Share Percentage. The transferee Project Participant shall be obligated to pay for its revised Entitlement Share as if the Entitlement Share of the transferee Project Participant had been at such revised level originally; provided, however, that in no event shall any transfer of any part of a Defaulting Participant's Entitlement Share result in a transferee Participant having an Entitlement Share Percentage in excess of 200% of its original Entitlement Share Percentage without the prior consent of the transferee Project Participant.

(5) In the event that less than all of a Defaulting Participant's Entitlement Share shall be sold or transferred to non-defaulting Project Participants pursuant to the Power Sales Agreements, NIMPA shall use its reasonable best efforts to sell the remaining portion of a defaulting Project Participant's Entitlement Share or the Energy or Capacity associated therewith on such terms and conditions as are acceptable to NIMPA to any person, firm, association or corporation, public or private; provided, however, that NIMPA shall make no such sales in such amounts, of such periods of time and under such terms and conditions as will cause the interest on any Tax Exempt Bonds to lose their exclusion from gross income for federal income tax purposes.

(6) A Defaulting Participant shall remain liable under its Power Sales Agreement with NIMPA in all events, except that the obligation of the Defaulting Participant to pay NIMPA shall be reduced to the extent that payments shall be received by NIMPA for that portion of the Defaulting Participant's Entitlement Share transferred or sold as provided in the Power Sales Agreement.

In the event of a failure of the Project Participant to perform any covenant, agreement or obligation under the respective Power Sales Agreement, other than a Payment Default, NIMPA may, in the event the performance of any such obligation under the respective Power Sales Agreement remains unsatisfied after 30 days' prior written notice thereof to such Participant and a demand to so perform, take any action permitted by law to enforce its rights under the respective Power Sales Agreement and/or bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against such Participant with regard to its failure to so perform.

Step Up Invoices; Default Payments; Third Party Revenues

Upon occurrence of a Payment Default, funds in any Project Reserve Account shall be used, to the extent necessary and to the extent available, to cover any deficiency in the Operation and Maintenance Fund and no amounts used for such deficiency shall be included in any Step Up Invoice.

With respect to a Payment Default by Project Participant, funds (or any surety bond or similar instrument) in the Debt Service Reserve Fund shall be used, to the extent necessary and to the extent available, to cover any shortfall in the Debt Service Fund. Amounts to replenish the Debt Service Fund or Debt Service Reserve Fund shall promptly be included in the Step Up Invoices sent to the non-defaulting Participants in accordance with the Power Sales Agreements.

Moneys received by NIMPA from the payment of Step Up Invoices shall be deposited in the Revenue Fund, and applied, to the extent necessary, to make up any shortfall in the Operation and Maintenance Fund, the Debt Service Fund or the Debt Service Reserve Account. Any additional funds shall be deposited in one or more Project Reserve Accounts. Failure by any Participant to pay less than the total amount of its Step Up Invoice when due shall be a Payment Default with respect to such Participant.

Moneys received by NIMPA from a Defaulting Participant for the payment of past due amounts shall be deposited in the Revenue Fund. NIMPA shall credit on each non-defaulting Participant's next monthly billing statement or billing statements an amount equal to the aggregate amount such non-defaulting Participant paid as a result of Step Up Invoices with respect to such past due amounts, plus a pro rata share, of the amount NIMPA received regarding late payment interest charges. In the event a Defaulting Participant pays less than the full amount of its Default Invoice, the credit to each non-Defaulting Participant shall be adjusted proportionately.

Moneys received by or on behalf of NIMPA from the sale of Capacity and/or Energy related to a Defaulting Participant's Entitlement Share shall be deposited into the Revenue Fund. NIMPA shall credit on each non-defaulting Participant's next monthly billing statement to the lesser of (i) a pro rata share of such sales or (ii), the aggregate amount paid to NIMPA by such non-defaulting Project Participant with respect to related Step Up Invoices. Following consultation with the non-defaulting Project Participants, NIMPA shall determine the disposition of any moneys received that are in excess of the aggregate amount of related Step Up Invoices paid by a non-defaulting Project Participant. The Defaulting Participant shall have no claim or right to any such moneys.

Covenants of NIMPA

As a co-owner of the Prairie State Project, NIMPA will participate in planning, financing, construction, acquisition, operation and maintenance of the Prairie State Project together with other Prairie State Project co-owners, and must comply with the requirements of the Project Agreements and Financing Documents, and it is agreed that the respective Power Sales Agreements are made subject to the term and provisions of the Financing Documents, the Project Agreements and all related permits and approvals. Such participation shall be coordinated by the Prairie State Project Committee.

NIMPA covenants and agrees that it will act as Prairie State Project co-owner, as defined in the Project Agreements, for the benefit of the Project Participants purchasing Capacity and Energy associated with the Prairie State Project, and comply in all material respects with all terms, conditions and covenants applicable to it contained in the Financing Documents, the Project Agreements and associated permits and approvals and that it will not, without consent of the Project Participants, enter into any amendment or modification of the Financing Documents or Project Agreements which will change the Project Participants' Entitlement Share or which will materially or adversely affect the rights and obligations of the Project Participants, unless otherwise required by the Project Agreements or applicable law.

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Summary of Certain Provisions of the Indenture

The following is a summary of certain provisions contained in the Indenture. This summary is not a comprehensive description, however, and is qualified in its entirety by reference to the Indenture for a complete recital of the terms thereof.

Definitions

"Accrued Debt Service" means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds, calculated as an amount equal to the sum of:

(a) the interest on the Bonds of such Series that has accrued and is unpaid and that will accrue by the end of the then current calendar month; and

(b) that portion of all Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due and payable that would accrue (if deemed to accrue in the same manner as interest accrues) by the end of the then current calendar month.

"Act" means the Joint Municipal Electric Power Act, 65 ILCS 5/Art. 11. Div 119.1, as amended from time to time.

"Additional Facilities" means, NIMPA's Undivided Interest in:

(a) all renewals, repairs, replacements, extensions and additions to the Initial Facilities, including capital additions, capital betterments and capital replacements necessary or desirable, in the opinion of NIMPA, to keep the Prairie State Energy Campus in good operating condition or to prevent a loss of Revenues therefrom, or required by any governmental agency having jurisdiction over the Prairie State Energy Campus or for which NIMPA shall be responsible by virtue of any obligation of NIMPA arising under the Project Agreements; and

(b) all property, real, personal or mixed, of any nature, including electric, substation and transmission facilities, directly and functionally related to the Initial Facilities; provided, however, that Additional Facilities shall not include any additional electric generating units located at the site of the Initial Facilities or elsewhere and related facilities other than common facilities.

"Agency Certificate" means a written certificate, written order or written request of NIMPA signed on behalf of NIMPA by an authorized representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, NIMPA with respect to matters set forth therein, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Trustee.

"Aggregate Debt Service" means for any period, as of the date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds Outstanding.

"Alternate Covered Bond" or "Alternate Covered Bonds" means all Series of Bonds with respect to which NIMPA has specified pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds that such Series of Bonds will be secured by the Alternate Series Debt Service Reserve Account in the Debt Service Reserve Fund.

"Alternate Series Debt Service Reserve Account Requirement" means, as of any date of calculation, and with respect to the Alternate Series Debt Service Reserve Account in the Debt Service Reserve Fund, an amount equal to 67% of the maximum Adjusted Aggregate Debt Service coming due on any series of Bonds secured thereby then Outstanding in the then current or any future Fiscal Year, excluding interest to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Bonds, Subordinated Indebtedness or other evidences of indebtedness of NIMPA (including amounts, if any, transferred thereto from the Acquisition Fund).

"Alternate Series Debt Service Reserve Account" means the Alternate Series Debt Service Reserve Account in the Debt Service Reserve Fund created pursuant to the Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"Annual Budget" means the annual budget established for NIMPA and approved and adopted by the Board of Directors of NIMPA, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Indenture, and which shall incorporate the Annual Project Budget.

"Annual Project Budget" means the annual budget established by NIMPA for the Project, which shall be included in the Annual Budget, as amended or supplemented, and in effect for a particular Fiscal Year as provided in the Indenture.

"Assumed Rate" means the rate set forth as in the 25 year Bond Buyer Revenue Bond Index most recently published in The Bond Buyer and any successor index at the time the relevant calculation is done; provided, that if such index is no longer published, the Assumed Rate shall be such a comparable index selected by NIMPA by notice to the Trustee.

"Balloon Bonds" means any Series of Bonds, other than a Series of Bonds that has a final maturity within 1 year of the original issue date of such Bonds, 25% or more of the original Principal Installments of which becomes due and payable (either by maturity or mandatory redemption), or may become due and payable or may be required to be purchased or redeemed upon demand of the holder, during the same Fiscal Year, if such Principal Installments becoming due and payable are not required to be amortized below such percentage by mandatory redemption or prepayment prior to such Fiscal Year.

"Board of Directors" means the Board of Directors of NIMPA, as constituted from time to time, or if said Board of Directors is abolished, such other body or bodies succeeding to the principal functions thereof, or to whom the power and duties granted or imposed by the Indenture shall be given by law.

"Bondowner", "Owner" or "Registered Owner" means the person in whose name any Bond is registered as shown on the bond register kept by the Trustee.

"Bonds" means bonds, notes or other obligations (other than Subordinated Bonds) authorized by and at any time issued, authenticated and Outstanding under the Indenture.

"Capital Appreciation Bonds" means any Bonds for which interest (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Series of Bonds, and (b) is payable only at the maturity of such Bonds, upon the redemption of such Bonds before maturity, or upon the conversion of such Bonds to Bonds with interest payable periodically in installments prior to maturity or prior to redemption or conversion before maturity.

"Common Debt Service Reserve Requirement" means, as of any date of calculation, with respect to the Covered Bonds, an amount equal to the least of (a) 10% of the aggregate original principal amount (or "issue price", as computed for federal income tax purposes, if original issuance premium or discount is

greater than 2%) of the Covered Bonds, (b) Maximum Annual Debt Service on the Covered Bonds, and (c) 125% of the average annual Debt Service on the Covered Bonds.

"Common Debt Service Reserve Account" means the Common Debt Service Reserve Account established in the Debt Service Reserve Fund in the Indenture.

"Costs of Acquisition and Construction" means all costs of NIMPA properly attributable to the acquisition, construction and placing in service of the Project and all expenses preliminary and incidental thereto incurred by NIMPA in connection therewith and in the issuance of the Bonds, including payment to NIMPA of any amounts, if necessary, to reimburse advances and payments previously made or incurred for any item of Costs of Acquisition and Construction.

"Covered Bond" or "Covered Bonds" means all Series of Bonds with respect to which NIMPA has specified pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds that such Series of Bonds will be secured by the Common Debt Service Reserve Account in the Debt Service Reserve Fund.

"Debt Service" means for any period, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of:

(a) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into any Series Debt Service Account in the Debt Service Fund made from Bond proceeds with respect to such Series; and

(b) that portion of each Principal Installment for such Series of Bonds which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later);

provided, however, that (1) the amount of such payments for any future period shall be calculated in accordance with the assumptions contained in the Indenture, and (2) there shall be excluded from such payments, cash, including proceeds of Refunding Bonds or other Bonds (e.g., accrued and capitalized interest), or Defeasance Obligations (including, where appropriate, the earnings or other increment to accrue thereon) that are on deposit in an irrevocable escrow or trust account with the Trustee and are required to be applied to pay all or a portion of the principal of and interest on, as the same shall become due, any Bonds which would otherwise be considered Outstanding and such amounts so required to be applied are sufficient to pay such principal and interest.

"Debt Service Reserve Requirements" means the Common Debt Service Reserve Requirement and the Series Debt Service Reserve Requirements.

"Defeasance Obligations" means:

(a) Cash.

(b) U.S. Treasury Certificates, Notes and Bonds.

(c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

(d) The interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(e) Pre-refunded municipal bonds rated "Aaa" by Moody's or "AAA" by S&P.

(f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

(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) General Services Administration Participation certificates

(5) U.S. Maritime Administration Guaranteed Title XI financing

(6) 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;

provided that any such obligations described in (b) through (f) above are not subject to redemption prior to maturity or the date such obligations must be liquidated for their intended purposes.

"Event of Default" means any of the events specified as Events of Default in the Indenture.

"Fiscal Year" means the annual 12-month accounting period of NIMPA as from time to time in effect, initially a period commencing on January 1 of each year and ending on the next succeeding December 31.

"Fund" or "Funds" means one or more of the funds established pursuant to the Indenture, including the Project Fund, the Revenue Fund, the Operation and Maintenance Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Subordinated Bond Fund, the Rebate Fund, the Reserve and Contingency Fund and the General Reserve Fund, together with any additional funds established by a Supplemental Indenture.

"Indenture" means the Trust Indenture, dated as of August 1, 2007, between NIMPA and the Trustee, as from time to time amended and supplemented by Supplemental Indentures.

"Initial Facilities" means NIMPA's Undivided Interest in the Prairie State Energy Campus as set forth in the Asset Purchase Agreement.

"Investment Securities" means and includes any of the following securities which are at the time legal for investment of NIMPA's funds under applicable law and the investment policies adopted by the Board of Directors of NIMPA:

(a) 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.

(b) 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
(not acceptable for certain cash-flow sensitive issues.)

(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

(c) 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) Resolution Funding Corp. (REFCORP) obligations

(5) Farm Credit System Consolidated system wide bonds and notes

(d) 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, or by Moody's of Aaa, Aa1, or Aa2.

(e) Securities of or other interest in any no load, open end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(1) the portfolio of such investment company, investment trust or common trust fund is limited to obligations referenced in paragraphs (a), (b) or (c) above and repurchase agreements fully collateralized by such obligations;

(2) such investment company, investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian; and

(3) such investment company, investment trust or common trust fund is managed so as to maintain its shares at constant net asset value.

(f) 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 delivered to NIMPA, the Trustee (if the 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).

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

(h) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements which are (i) acceptable to the issuer or provider of a Qualified Credit Facility; (ii) entered into with a provider rated in the two highest Rating Categories by a Rating Agency (or the parent guarantor of which is so rated); (iii) rated in one of the two highest Rating Categories by a Rating Agency or (iv) collateralized as provided in clause (1) or (2) of subsection (1) below.

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

(j) Bonds or notes issued by any state, political subdivision, municipality or other local government entity which are rated by Moody's or S&P in one of the two highest Rating Categories assigned by such agencies.

(k) 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 or "A-1" or "A" or better by S&P.

(l) Repurchase Agreements must follow the following criteria:

(1) <u>Repos must be with a bank, trust company or securities firm</u>

(A) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P or Moody's, or

(B) Banks or trust companies.

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

(A) Securities which are acceptable for transfer are:

(i) Direct U.S. governments, or

(ii) Any other securities described in (a), (b) or (c) above.

(B) The collateral must be delivered to NIMPA, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before or simultaneous with payment. The holder of the collateral must have a perfected security interest in any and all collateral pledged.

(C) Valuation of Collateral

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

(ii) The value of collateral must be equal to 102% for securities identified in (A)(i) and 103% for securities identified in (A)(ii) above 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 102% or 103% of the value of the cash transferred by NIMPA, then additional cash and/or acceptable securities must be transferred.

(m) Such other investments permitted by a Supplemental Indenture that are rated in either of the two highest Rating Categories by a Rating Agency or that are approved in writing by the issuer or provider of a Qualified Credit Facility.

"Maximum Annual Debt Service" means (a) when calculated with respect to any Series of Bonds, the maximum amount of Debt Service with respect to such Series of Bonds as computed for the then current or any succeeding Fiscal Year, and (b) when calculated with respect to all Series of Bonds, the maximum amount of Aggregate Debt Service as computed for the then current or any succeeding Fiscal Year.

"Net Revenues" means, for any period of calculation, the total Revenues during such period less the total Operation and Maintenance Expenses during such period.

"NIMPA" means the Northern Illinois Municipal Power Agency, a body politic and corporate, municipal corporation and unit of local government of the State of Illinois organized and existing under the Act.

"Operating Reserve Requirement" means, on and after the date the Prairie State Energy Campus commences commercial operations, $3,500,000 or such greater amount required to be on deposit in the

Operating Reserve Account in the Operation and Maintenance Fund as may be provided in an Annual Project Budget; provided however, if NIMPA is required to fund operating reserves pursuant to the Participation Agreement, the amount of such funds deposited by NIMPA shall be credited against the amount of the Operating Reserve Requirement.

"Operation and Maintenance Expenses" means all of NIMPA's costs and expenses related to the operation and maintenance of the Project incurred in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, including amounts reasonably required to be set aside in reserves for items of operation and maintenance expenses the payment of which is not then immediately required.

"Outstanding" means, as of the date of determination (subject to the provisions of the Indenture), all Bonds theretofore authenticated and delivered under the Indenture, except the following:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation as provided in the Indenture;

(b) Bonds for whose payment or redemption money or Defeasance Obligations in the necessary amount has been deposited with the Trustee in trust for the Owners of such Bonds as provided in the Indenture, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture; and

(d) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in the Indenture.

"Power Purchaser", individually, or "Power Purchasers", collectively means, the Illinois cities of Batavia, Geneva and Rochelle.

"Power Sales Agreements" means the take-or-pay power sales agreements between NIMPA and each Power Purchaser, as amended.

"Prairie State Energy Campus" means the approximately 1,620 MW (nameplate) mine mouth coal-fired electric generating facility, certain coal reserves and related properties, facilities, improvements and equipment described in the Project Agreements, and all other properties, facilities, improvements and equipment necessary or desirable in connection with the initial acquisition, construction and placing in service of the units, and additions, improvements, renewals and replacements to said generating units, and inventories of materials, supplies, fuel, tools and equipment for use in connection with the Prairie State Energy Campus.

"Principal Installment" means, as of any date of calculation, with respect to any Series of Bonds (a) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series.

"Project" means the Initial Facilities and the Additional Facilities.

"Project Agreements" means certain of the agreements entered into by NIMPA in connection with the development, operation and management of the Prairie State Energy Campus.

"Prudent Utility Practice" means, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedience. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts, having due regard for manufacturers' warranties and the requirements of governmental agencies of competent jurisdiction.

"Qualified Credit Facility" means with respect to any Bonds or Series of Bonds, an insurance policy, surety bond, letter of credit, line of credit or other form of credit enhancement in favor of the Owners of such Bonds, issued by a bank, trust company, national banking association, insurance company or other credit enhancer (or any guarantor thereof) with a credit rating in one of the two highest Rating Categories of a Rating Agency, for the purpose of providing a source of funds for the payment of all or a portion of the principal of and interest on such Bonds when due.

"Qualified Liquidity Facility" means with respect to any Bonds or Series of Bonds, a letter of credit, line of credit, standby bond purchase agreement, or other liquidity facility or arrangement for liquidity support in favor of the Owners of such Bonds, issued by a bank, trust company, national banking association, insurance company or other liquidity provider (or any guarantor thereof) with a credit rating in one of the two highest Rating Categories of a Rating Agency, for the purpose of providing a source of funds for the payment of all or a portion of the purchase price of such Bonds that are tendered for purchase by the Owners thereof.

"Qualified Reserve Facility" means with respect to any Bonds or Series of Bonds, a letter of credit, surety bond or similar instrument issued by a bank, insurance company or other financial institution (or any guarantor thereof) with a credit rating in one of the two highest Rating Categories of a Rating Agency, for the purpose of satisfying all or any portion of the Debt Service Reserve Requirement with respect to a Series of Bonds.

"Qualified Swap Facility" means with respect to any Bonds or Series of Bonds, an interest rate exchange, hedge or similar agreement or facility entered into by NIMPA and a swap counterparty who is a member of the International Swap Dealers Association, pursuant to which NIMPA is obligated to make payments to or on behalf of another person (based on a specific rate or formula) and that person is obligated to make similar payments to or on behalf of NIMPA (based on a different rate of, or formula), with neither party obligated to repay any principal, which agreement:

(a) may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g., a call, put, cap, floor or collar); and

(b) does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof;

provided that either (1) the credit rating of the swap counterparty (or any guarantor thereof) is in one of the two highest Rating Categories of a Rating Agency, or (2) if such Bonds are secured by a Qualified Credit Facility, such Qualified Swap Facility is approved in writing by the issuer or provider of such Qualified Credit Facility.

"Rating Agency" means, S&P, Fitch or Moody's, or any other nationally recognized securities rating agency designated by NIMPA by notice to the Trustee.

"Rating Category" means the rating category assigned by a Rating Agency without regard to any refinements or gradation of such category by numerical modifier or otherwise.

"Refunding Bonds" means any Series of Bonds issued, authenticated and delivered on original issuance pursuant to the Indenture, for the purpose of refunding other Bonds (including bonds commonly referred to as current refunding bonds, advance refunding bonds or cross-over refunding bonds where the proceeds of such Refunding Bonds are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest on and principal or Redemption Price of such Bonds being refunded and/or such Refunding Bonds).

"Reimbursement Obligation" means any amounts payable by NIMPA to reimburse or repay the issuer or provider of a Qualified Credit Facility, a Qualified Liquidity Facility or a Qualified Reserve Facility for amounts paid or advanced thereunder in connection with any Bonds, to refinance, pay, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, Bonds under the Indenture, and the obligation of NIMPA to pay interest payable on amounts disbursed for such purposes, plus any fees payable to the issuer or provider of such Qualified Credit Facility, Qualified Liquidity Facility or Qualified Reserve Facility.

"Reserve and Contingency Requirement" means $1,500,000 or such greater amount required to be on deposit in the Reserve and Contingency Fund as may be provided in an Annual Project Budget; provided however, if NIMPA is required to fund capital reserves pursuant to the Participation Agreement, the amount of such funds deposited by NIMPA shall be credited against the amount of the Reserve and Contingency Requirement.

"Revenues" means:

(a) all revenues, income, rents and receipts derived or to be derived by NIMPA from or attributable to or relating to the Project or to the payment of the costs thereof, including all revenues received or to be received by NIMPA or the Trustee under the Power Sales Agreements or under any other arrangement by NIMPA with respect to the sale or use of the Project or any portion thereof or the capacity or energy thereof;

(b) the proceeds of certain insurance required to be deposited with the Trustee, including the proceeds of any self-insurance fund, and insurance covering business interruption loss relating to the Project; and

(c) interest and other investment income received or to be received on any moneys or securities held pursuant to the Indenture and required to be paid into the Revenue Fund.

Revenues shall not include: (1) insurance proceeds resulting from casualty damage to the Project (other than insurance proceeds deposited into a special account in the Debt Service Fund for the redemption of Bonds); (2) the proceeds from the sale of the Bonds; (3) interest and other investment income received or to be received on any moneys or securities held pursuant to an indenture of trust entered into by NIMPA with respect to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds except to the extent that NIMPA specifies in a Supplemental Indenture that such interest and other investment income shall constitute Revenues; (4) amounts received by or on behalf of NIMPA pursuant to any Qualified Swap Facility with respect to the Project except to the extent that NIMPA specifies in a Supplemental Indenture that such amounts shall constitute Revenues; and (5) amounts received by or on

behalf of NIMPA pursuant to a Qualified Credit Facility with respect to the Project except to the extent that NIMPA specifies in a Supplemental Indenture that such amounts shall constitute Revenues.

"Series" means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance and identified pursuant to the Indenture and the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture.

"Series 2009 B Debt Service Reserve Requirement" means $2,280,000, an amount equal to 10% of the aggregate original principal amount of the 2009 B Bonds.

"Series 2009 B Debt Service Reserve Account" means the Series 2009 B Debt Service Reserve Account in the Debt Service Reserve Fund created pursuant to the Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"Series Debt Service Reserve Account" means, with respect to any Series of Bonds that are not Covered Bonds, the Series Debt Service Reserve Account or Alternate Series Debt Service Reserve Account created within the Debt Service Reserve Fund pursuant to the Indenture and the Supplemental Indenture authorizing such Series of Bonds, including the Alternate Series Debt Service Reserve Account and the Series 2009 B Debt Service Reserve Account.

"Series Debt Service Reserve Requirement" means, with respect to any Series of Bonds that are not Covered Bonds, the amount, if any, established by the Supplemental Indenture authorizing such Series of Bonds as the Debt Service Reserve Requirement for such Series of Bonds, including the Alternate Series Debt Service Reserve Requirement, and the 2009 B Series Debt Service Reserve Requirement.

"Sinking Fund Installment" means an amount so designated for a Series of Bonds which is established pursuant to a Supplemental Indenture.

"Subordinated Bonds" means any bond, note or other evidence of indebtedness which is expressly made subordinate and junior in right of payment to the Bonds and which complies with the provisions of the Indenture. Subordinated Bonds shall not be, nor shall be deemed to be, Bonds for purposes of the Indenture, except as may be expressly provided by Supplemental Indenture.

"Supplemental Indenture" means any indenture supplemental or amendatory to the Indenture entered into by NIMPA and the Trustee pursuant to the Indenture.

"Trust Estate" means the property described as the Trust Estate in the Granting Clauses of the Indenture.

"Trustee" means Computershare Trust Company, N.A. and its successors and assigns.

"Variable Rate Bonds" means Bonds that provide for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the Supplemental Indenture with respect to such Bonds and which for any future period of time is not susceptible of precise determination.

Pledge and Assignment of Trust Estate

In order to secure the payment of the principal and redemption price of, and the interest on, the Bonds and to secure the performance of the covenants and obligations on its part contained in the Indenture

and the Bonds, NIMPA transfers in trust, assigns, pledges and grants a security interest to the Trustee and to its successors and assigns in trust forever, all right, title and interest of NIMPA in and to the following described property (the "Trust Estate"):

(a) the proceeds of sale of the Bonds;

(b) all Net Revenues;

(c) all money and securities in the Funds held by the Trustee under the Indenture (except for the Rebate Fund) including the investments thereof, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and

(d) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under the Indenture by NIMPA or by anyone in its behalf or with its written consent, to the Trustee.

The Trustee shall hold in trust and administer the Trust Estate, upon the terms and conditions set forth in the Indenture for the equal and pro rata benefit and security of each and every Owner of Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection of the Indenture of one Bond over or from the others, except as otherwise expressly provided in the Indenture.

Authorization of Bonds

NIMPA is authorized to issue Bonds in one or more Series from time to time under and upon compliance with the terms and conditions of the Indenture and pursuant to one or more Supplemental Indentures for the purpose of (a) paying all or a portion of the Costs of Acquisition and Construction relating to the Initial Facilities or Additional Facilities, or (b) refunding any Outstanding Bonds. The number of Series of Bonds and the aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Indenture is not limited except as may be provided in the Indenture or as may be limited by law.

Refunding Bonds

One or more Series of Refunding Bonds may be issued, authenticated and delivered under the Indenture to refund any Outstanding Bonds of one or more Series or any portion thereof. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds under the Indenture required by the provisions of the Supplemental Indenture authorizing such Bonds.

Subordinated Bonds

NIMPA may from time to time issue Subordinated Bonds for any purpose of NIMPA in connection with the Project, including, without limitation, the financing of any part of the Costs of Acquisition and Construction of the Project or the refunding of any Subordinated Bonds or Outstanding Bonds. Such Subordinated Bonds shall be payable out of and may be secured by a pledge of such amounts in the Subordinated Bond Fund as may from time to time be available therefor; provided, however, that any such payment or pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge and lien in the Trust Estate created under the Indenture as security for the Bonds.

Qualified Credit Facilities

A Supplemental Indenture relating to a Series of Bonds may provide that NIMPA obtain or cause to be obtained as additional security for such Series of Bonds (or any portion thereof) a Qualified Credit Facility providing for payment of the principal and interest due or to become due on such Bonds of such Series (or any portion thereof). Any such additional security with respect to a particular Series of Bonds (or any portion thereof) need not extend to any other Series of Bonds unless required by the Indenture. A Supplemental Indenture relating to any Series of Bonds may provide for such additional security and permit realization upon such security solely for the benefit of the Bonds entitled thereto, and as are not inconsistent with the intent of the Indenture.

NIMPA may include such provisions in a Supplemental Indenture relating to a Series of Bonds secured by a Qualified Credit Facility as NIMPA deems appropriate, including provisions to the effect that:

(a) So long as the Qualified Credit Facility is in full force and effect, and payment on the Qualified Credit Facility is not in default, (1) the issuer or provider of the Qualified Credit Facility shall be deemed to be the Owner of the Outstanding Bonds of such Series (or portion thereof secured thereby) when the approval, consent or action of the Bondowners of such Series of Bonds is required or may be exercised under the Indenture, including upon occurrence of an Event of Default, and (2) the Indenture may not be amended in any manner which adversely affects the rights of the issuer of such Qualified Credit Facility without its prior written consent.

(b) In the event that the principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding (or portion thereof secured thereby) shall be paid under the provisions of a Qualified Credit Facility, all covenants, agreements and other obligations of NIMPA to the Bondowners of such Series of Bonds (or portion thereof secured thereby) shall continue to exist and the issuer or provider of such Qualified Credit Facility shall be subrogated to the rights of such Bondowners in accordance with the terms of such Qualified Credit Facility and the Supplemental Indenture.

In addition, such Supplemental Indenture may establish such provisions as are necessary (a) to comply with the provisions of such Qualified Credit Facility, (b) to provide relevant information to the issuer or provider of such Qualified Credit Facility, (c) to provide a mechanism for paying principal or redemption price of and interest on such Series of Bonds (or portion thereof secured thereby) from such Qualified Credit Facility, (d) to make provision for any Events of Default or for additional or improved security required by the issuer or provider of such Qualified Credit Facility, and (e) to authorize agreements with the provider or issuer of such Qualified Credit Facility providing for (1) the payment of fees and expenses to such issuer or provider for the issuance of such Qualified Credit Facility, (2) the terms and conditions of such Qualified Credit Facility and the Series of Bonds (or portion thereof secured thereby) affected thereby, including the security, if any, to be provided for the issuance of such Qualified Credit Facility, (3) such adjustments to the rate of interest, method of determining the rate of interest, maturity or redemption provisions as are specified by NIMPA or determined as provided in such Supplemental Indenture or in any agreement referred to therein, and (4) the obligation to reimburse the provider of such Qualified Credit Facility for payment of Bonds pursuant to such Qualified Credit Facility on either a parity or subordinated basis with respect to such Series of Bonds (any such direct reimbursement obligations are referred to in the Indenture as "Reimbursement Obligations").

Qualified Liquidity Facilities

The Supplemental Indenture relating to a Series of Bonds may provide that NIMPA obtain or cause to be obtained for such series of Bonds (or a portion thereof) a Qualified Liquidity Facility providing for payment of the purchase price of such Bonds that are tendered for purchase by the Owners thereof.

Such Supplemental Indenture may establish such provisions as are necessary (a) to comply with the provisions of such Qualified Liquidity Facility, (b) to provide relevant information to the issuer or provider of such Qualified Liquidity Facility, (c) to provide a mechanism for paying the purchase price of tendered Bonds of such Series of Bonds from such Qualified Liquidity Facility, (d) to make provision for any Events of Default or for additional or improved security required by the issuer or provider of such Qualified Liquidity Facility, and (e) to authorize agreements with the provider or issuer of such Qualified Liquidity Facility providing for (1) the payment of fees and expenses to such issuer or provider for the issuance of such Qualified Liquidity Facility, (2) the terms and conditions of such Qualified Liquidity Facility and the Series of Bonds (or portion thereof) supported thereby, including the security, if any, to be provided for the issuance of such Qualified Liquidity Facility, (3) such adjustments to the rate of interest, method of determining the rate of interest, maturity or redemption provisions as are specified by NIMPA or determined as provided in such Supplemental Indenture or in any agreement referred to therein, and (4) the obligation to reimburse the provider of such Qualified Liquidity Facility for purchase of Bonds pursuant to such Qualified Liquidity Facility on either a parity or subordinated basis with respect to such Series of Bonds (any such direct reimbursement obligations are referred to in the Indenture as "Reimbursement Obligations").

Qualified Swap Facilities

In connection with the issuance of a Series of Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, NIMPA may obtain or enter into a Qualified Swap Facility providing for certain payments by NIMPA and a swap counterparty, which payments are calculated by reference to fixed or variable rates and constituting a financial accommodation between NIMPA and such swap counterparty if (a) NIMPA determines that any such agreement (1) will assist NIMPA in more effectively managing its interest costs or cash flow, and (2) will not, in the opinion of NIMPA, result in a downward revision or withdrawal of any rating on any Series of Bonds then in effect by a Rating Agency, and (b) NIMPA would be in compliance with the conditions for the issuance of such Series of Bonds to which the Qualified Swap Facility relates assuming such Bonds were being issued at the time NIMPA enters into the Qualified Swap Facility.

NIMPA may determine from time to time to enter into one or more Qualified Swap Facilities, provided that NIMPA and the Trustee execute a Supplemental Indenture which may include provisions that:

(a) Set forth the manner or method for the calculation of the payments and receipts under such Qualified Swap Facility and the scheduled payment dates therefor;

(b) Provide that (1) payments under such Qualified Swap Facility (other than the amount, if any, payable by NIMPA, or by the Trustee for the account of NIMPA, as a result of the termination of any Qualified Swap Facility or other fees, expenses or indemnification) shall be made by NIMPA (or by the Trustee for the account of NIMPA) out of a special subaccount in the Series Debt Service Account, on a parity with the principal of and interest on the Bonds, or (2) payments shall be made by NIMPA out of the Subordinated Bond Fund or the General Reserve Fund; provided, however, that no payments under such Qualified Swap Facility may be payable from or secured by amounts on deposit in the Debt

Service Reserve Fund; and provided further, that payments of any termination or other fees, expenses, indemnification or other obligations to a swap counterparty shall be payable only out of the General Reserve Fund;

(c) Provide that receipts received by NIMPA or the Trustee under such Qualified Swap Facility shall be deposited promptly upon receipt into a special subaccount in the Series Debt Service Account; and any amounts received by NIMPA from a swap counterparty relating to a Qualified Swap Facility (other than a lump sum payment made upon the commencement of a related swap or as a termination payment in respect of a related swap) shall be deposited in the Series Debt Service Account to the extent that at the time of a receipt by NIMPA of such amount the amount then on deposit therein shall be less than the amount then required to be on deposit therein and any amounts not required to be so deposited shall be deposited in the General Reserve Fund; and

(d) Provide that any termination payment under such Qualified Swap Facility (1) owed by NIMPA shall be payable solely from amounts on deposit in the General Reserve Fund or an account or subaccount therein, or (2) received by NIMPA or the Trustee shall be deposited promptly upon receipt into the General Reserve Fund.

Calculation of Debt Service

For purposes of the various calculations under the Indenture, the amount of Bonds of NIMPA, the amortization schedule of such Bonds and the Debt Service with respect to such Bonds shall be calculated in accordance with the actual amortization schedule for such Bonds, except as follows:

(a) Balloon Bonds. The Debt Service on Bonds of any Series that constitute Balloon Bonds may be deemed to be payable as follows:

(1) If NIMPA delivers an Agency Certificate to the Trustee that establishes an amortization schedule for any such Bonds, which provides for payments of principal for each Fiscal Year that will provide sufficient moneys to make any actual payments when required to be made by the terms of such Bonds; and NIMPA agrees in such Agency Certificate that NIMPA will deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between NIMPA and such bank or trust company, which agreement shall be satisfactory in form and substance to the Trustee) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Bonds during such Fiscal Year (other than from amounts on deposit with such bank or trust company), which deposits shall be made prior to any such required actual payments, then such Bonds may be deemed to be payable in accordance with the terms of such amortization schedule and agreement; or

(2) Such Bonds may be deemed to be Bonds payable on a level annual debt service basis calculated using the original principal amount of such Balloon Bonds amortized over a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Bonds and ending on the final maturity date of such Balloon Bonds, or (ii) 25 years from the date of issuance of such Bonds, bearing interest on the unpaid principal balance at the Assumed Rate.

(b) Capital Appreciation Bonds. The principal amount of Bonds of any Series that constitute Capital Appreciation Bonds shall be deemed to be the "accreted value" (defined below)

thereof as of the date of calculation. "Accreted value" means with respect to any capital appreciation bonds (1) as of any "valuation date" (defined below), the amount set forth in the Supplemental Indenture authorizing such Bonds as the value of such Bonds on such valuation date, and (2) as of any date other than a valuation date the sum of (i) the accreted value on the next preceding valuation date, and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding valuation date and the denominator of which is the number of days from such preceding valuation date to the next succeeding valuation date, and (B) the difference between the accreted values for such valuation dates. "Valuation date" means with respect to any Capital Appreciation Bonds the date or dates set forth in the Supplemental Indenture relating to such Bonds on which specific accreted values are assigned to the capital appreciation bonds.

(c) Qualified Credit Facilities. No Reimbursement Obligations shall be deemed payable with respect to Bonds supported by a Qualified Credit Facility until such time as amounts are paid under such Qualified Credit Facility and the obligation to make payments under the Qualified Credit Facility actually arises (and only to the extent of advances actually made under such Qualified Credit Facility). From and after such funding, the amount of such Debt Service shall be calculated in accordance with the actual amount of Reimbursement Obligations required to be repaid on such Qualified Credit Facility and the actual interest rate and amortization schedule applicable thereto. No Debt Service shall be deemed to arise when any funding occurs under any such commitment if such funding is immediately repaid and such commitment is reinstated in accordance with its terms, or when any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as existed prior to such renewal.

(d) Qualified Swap Facilities. If NIMPA has entered into a Qualified Swap Facility with respect to a Series of Bonds (or portion thereof), such Bonds shall be deemed to bear interest for the period of time the Qualified Swap Facility is in effect at a net interest rate which takes into account the interest payments made or to be made by NIMPA with respect to such Bonds and the net payments expected to be paid or received by NIMPA under such Qualified Swap Facility; if such net amount is less than zero, such net amount may be credited against other interest coming due in calculating Debt Service so long as the credit rating of the swap counterparty (or any guarantor thereof) is in one of the two highest Rating Categories of a Rating Agency.

(e) Variable Rate Bonds. In determining the Debt Service on Bonds of any Series that constitute Variable Rate Bonds, the interest rate on such Bonds for any period prior to the date of calculation or for which the interest rate has been determined shall be the actual interest rate payable during such period, and for each year in which such Bonds are Outstanding and for which the actual interest rate has not been determined, the interest rate on such Bonds for the period of determination shall be deemed one of the following to be selected by NIMPA at the date of calculation: (1) the average annual rate of interest payable on such Bonds during the 12 months immediately preceding the date of calculation, or if such Bonds are to be issued or were issued less than 12 months preceding such date, the average annual rate of interest payable on such Bonds during such period immediately preceding the date of calculation, or (2) such other amount as shall be specified or determined in accordance with the Supplemental Indenture pursuant to which such Variable Rate Bonds were issued.

(f) BAN. The principal or interest due on a BAN payable on the maturity date shall not be taken into account for purposes of determining Accrued Debt Service under the Indenture.

Persons Deemed Owners of Bonds

The person in whose name any Bond is registered on the bond register shall be deemed and regarded as the absolute Owner thereof for all purposes, except as otherwise provided in the Indenture or a Supplemental Indenture with respect to a Series of Bonds secured by a Qualified Credit Facility or when a Book-Entry System is in effect for a particular Series of Bonds, and payment of or on account of the principal or redemption price of, and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as provided under the Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Redemption of Bonds Prior to Maturity

The Bonds of each Series shall be subject to optional and mandatory redemption prior to maturity in accordance with the applicable terms and provisions contained in the Indenture and as may be specified in such Bonds and the Supplemental Indenture authorizing such Bonds.

Establishment of Funds and Accounts

The following Funds and Accounts are hereby established, each of which shall be held by the Trustee or NIMPA as specified:

(a) Project Fund, to be held by the Trustee, which shall consist of a separate Series Project Account for each Series of Bonds in which the Trustee may establish such subaccounts as shall be necessary to segregate and account for Bond proceeds.

(b) Revenue Fund, to be held by NIMPA.

(c) Operation and Maintenance Fund, to be held by NIMPA, which shall consist of an Operating Account and Operating Reserve Account.

(d) Debt Service Fund, to be held by the Trustee, which shall consist of a separate Series Debt Service Account for each Series of Bonds.

(e) Debt Service Reserve Fund, to be held by the Trustee, which shall consist of a Common Debt Service Reserve Account and may contain a separate Debt Service Reserve Account for any Series of Bonds.

(f) Subordinated Bond Fund, to be held by the Trustee, which may consist of a separate Series Subordinated Bond Account for each series of Subordinated Bonds.

(g) Rebate Fund, to be held by the Trustee, which may consist of a separate Series Rebate Account for each Series of Bonds the interest on which is intended to be tax-exempt.

(h) Reserve and Contingency Fund to be held by NIMPA.

(i) General Reserve Fund to be held by NIMPA.

NIMPA may, by Supplemental Indenture, establish one or more additional funds or accounts. In addition, NIMPA may, in its discretion, create or cause to be created subaccounts of any of the foregoing from time to time. All moneys deposited with or paid to NIMPA or the Trustee for the Funds and Accounts held by NIMPA or the Trustee, respectively, under the Indenture shall be held and applied by NIMPA or the Trustee, as applicable, only in accordance with the provisions of the Indenture and each applicable Supplemental Indenture. Until used or applied as provided in the Indenture, all moneys in the Funds and Accounts held by the Trustee under the Indenture (except for moneys in the Rebate Fund) shall be held by the Trustee in trust and shall constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds and accounts of NIMPA except as provided under the Indenture hereof for investment purposes.

Project Fund

(a) There shall be paid into the Project Fund the amounts required to be so paid by the provisions of the Indenture and any Supplemental Indenture with respect to a Series of Bonds, and there may be paid into the Project Fund, at the direction of NIMPA, any moneys received for or in connection with the Project from any other source, unless required to be otherwise applied as provided by the Indenture. Amounts in the Project Fund shall be applied to the payment of the Costs of Acquisition and Construction of the Project or the costs of refunding any Bonds in the manner provided under the Indenture.

(b) Subject to the provisions of the Project Agreements, the proceeds of insurance, including the proceeds of any self-insurance fund, maintained pursuant to the Indenture against physical loss of or damage to the Project or casualty loss, or of contractors' performance bonds or other assurances of completion with respect thereto, pertaining to the period of acquisition and construction thereof, shall be paid into the appropriate separate Series Project Account in the Project Fund.

(c) The Trustee shall make payments from the Series Project Accounts in the Project Fund, except payments and withdrawals pursuant to portions of the Indenture described in paragraphs (e), (f) and (g) under this Appendix D -- "Project Fund" in the amounts, at the times, in the manner and on the other terms and conditions set forth in the Indenture. Before any such payment shall be made, NIMPA shall file with the Trustee its requisition therefor set forth in an Agency Certificate.

(d) The Trustee shall, during construction of the Project, pay from the Project Fund to NIMPA, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than $1,000,000, such sums are to be used by NIMPA as a revolving fund for the purpose of paying such items of the Cost of Acquisition and Construction thereof as cannot conveniently be paid as otherwise provided in this portion of the Indenture. So long as the amount in such revolving fund shall at any time be less than $1,000,000, such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the Project Fund upon requisitions specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an item of the Cost of Acquisition and Construction and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursement the Trustee may rely upon such requisitions and accompanying certificates.

(e) Notwithstanding any of the other provisions of the Indenture described in the foregoing paragraph of Appendix D — "Project Fund," to the extent that other moneys are not

available therefor, amounts in the Project Fund shall be applied to the payment of principal of and interest on Bonds when due.

(f) The completion of acquisition and construction of the Project for which a separate Series Project Account has been established in the Project Fund shall be evidenced by an Agency Certificate filed with the Trustee, stating that such Facilities have been completed substantially in accordance with the plans and specifications applicable thereto. Upon the filing of such Agency Certificate, the balance in the applicable Series Project Account in the Project Fund shall, subject to any provision in a Supplemental Indenture, be applied as follows (in any order as determined by NIMPA): (1) used to purchase Bonds of the applicable Series as provided in the Indenture; (2) deposited into the Debt Service Reserve Account in the Debt Service Reserve Fund with respect to the applicable Series of Bonds to fund any amounts required to be deposited therein; (3) deposited into the Series Debt Service Account with respect to the applicable Series of Bonds; (4) transferred into another Series Project Account to pay Costs of Acquisition and Construction; or (5) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds, including a transfer into the Operation and Maintenance Fund to provide operating reserves for the payment of Operation and Maintenance Expenses, and any balance shall be paid over or transferred to the Revenue Fund.

(g) Notwithstanding the foregoing, the Trustee shall make payments from any Series Project Account established in the Project Fund with respect to a Series of Refunding Bonds, to provide, together with other funds held by the Trustee, for the call for redemption prior to maturity and the payment of the principal or redemption price of and interest on the Bonds being refunded, in accordance with the Supplemental Indenture authorizing such Refunding Bonds.

Revenues and Revenue Fund

All Revenues shall be promptly deposited by NIMPA upon receipt thereof to the credit of the Revenue Fund.

Payments Into Certain Funds

As soon as practicable in each month after the deposit of Revenues into the Revenue Fund, but in any case no later than the last business day of such month, NIMPA shall withdraw from the Revenue Fund and credit to, or shall transfer to the Trustee for deposit in, the following Funds and Accounts in the following order the amounts set forth below:

(a) To the Operation and Maintenance Fund (1) for credit to the Operating Account such amount as shall be necessary for the payment of all Operation and Maintenance Expenses which are unpaid and which are estimated to become due prior to the end of the following calendar month in the Annual Project Budget, and (2) if the amount on deposit in the Operating Reserve Account in the Operation and Maintenance Fund is less than the Operating Reserve Requirement, for credit to the Operating Reserve Account, the amount required to restore the balance in the Operating Reserve Account to the Operating Reserve Requirement, over a period of 24 months in equal monthly installments. If and to the extent provided in the Indenture and any Supplemental Indenture, there may be deposited in the Operating Reserve Account moneys received for or in connection with the Project from any other source, unless required to be otherwise applied as provided in the Indenture.

(b) To the Debt Service Fund, for credit to each Series Debt Service Account established with respect to each Series of Bonds pursuant to a Supplemental Indenture, on a parity with the transfer to each other Series Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Debt Service with respect to such Series of Bonds as of the last day of the then current month; provided that, if there shall be a deficiency of Revenues to make the deposits required by this provision of the Indenture, such Revenues shall be deposited into each Series Debt Service Account on a pro rata basis based on the amount of each such required deposit. To the extent provided in a Supplemental Indenture, deposits to the Debt Service Fund shall also include payments with respect to a Qualified Swap Facility and a Qualified Credit Facility.

(c) To the Debt Service Reserve Fund, for credit to the Common Debt Service Reserve Account and to any Series Debt Service Reserve Account established with respect to any Series of Bonds pursuant to a Supplemental Indenture, the amount, if any, required (1) to restore any deficiency in said account as described under the Indenture and (2) to fund the applicable Debt Service Reserve Requirement as described in the Indenture; provided, that, if there shall be a deficiency of Revenues to make the deposits required by this provision of the Indenture, such Revenues shall be deposited into each Series Debt Service Reserve Account on a pro rata basis based on the amount of each such required deposit.

(d) To the Subordinated Bond Fund, for credit to each Series Subordinated Bond Account established with respect to Subordinated Bonds pursuant to a Supplemental Indenture, such amounts as shall be required by the Supplemental Indenture authorizing such Subordinated Bonds. To the extent provided in a Supplemental Indenture, deposits to the Debt Service Fund shall also include payments with respect to a Qualified Swap Facility and a Qualified Credit Facility.

(e) To the Reserve and Contingency Fund (1) commencing with the month during which the Prairie State Energy Campus achieves commercial operations, the amount of $25,000 each month until such time as the amount on deposit in the Reserve and Contingency Fund has reached the Reserve and Contingency Requirement, and (2) thereafter, if the amount on deposit in the Reserve and Contingency Fund is less than the Reserve and Contingency Requirement, the amount required to restore the balance in the Reserve and Contingency Fund to the Reserve and Contingency Requirement, over a period of **24** months in equal monthly installments.

(f) To the General Reserve Fund, the remaining balance, if any, of moneys in the Revenue Fund after making the above credits, transfers and deposits.

Operation and Maintenance Fund

(a) The Operation and Maintenance Expenses shall be paid by NIMPA out of the amounts on deposit in the Operating Account in the Operation and Maintenance Fund, from time to time as such costs become due and payable.

(b) Moneys in the Operating Reserve Account in the Operation and Maintenance Fund may be used as working capital and to provide for the payment of items of Operation and Maintenance Expenses which accrue over time and are payable less frequently than monthly and other non-recurring expenses.

(c) If on the last business day of any month the amount in the Operating Account in the Operation and Maintenance Fund shall be less than the amount required to be in such Account to pay expected Operation and Maintenance Expenses in such month, NIMPA shall transfer amounts from the Operating Reserve Account in the Operation and Maintenance Fund to the Operating Account to the extent of the deficiency.

(d) If the amount on deposit in the Operating Reserve Account is less than the Operating Reserve Requirement because of a withdrawal from said Account under this provision of the Indenture or a valuation under the Indenture, NIMPA shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the amount in such account to the Operating Reserve Requirement within 24 months as provided in the Indenture.

Debt Service Fund-Series Debt Service Accounts

Amounts on deposit in the Debt Service Fund in any Series Debt Service Account established for a Series of Bonds shall be used and withdrawn as provided in the portion of the Indenture described under this Appendix D -- "Debt Service Fund — Series Debt Service Accounts" and in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(a) The Trustee shall pay out of the appropriate Series Debt Service Account in the Debt Service Fund: (1) on or before each interest payment date for the Series of Bonds to which such Account relates, the amount required for the interest payable on such date; (2) on or before each Principal Installment due date for such Series of Bonds, the amount required for the Principal Installment payable on such due date; (3) on or before any redemption date for such Series of Bonds, the amount required for the payment of redemption price of and accrued interest on such Bonds then to be redeemed; and (4) if provided in a Supplemental Indenture, on or before the due date of each swap payment under a Qualified Swap Facility with respect to such Series, the amount required for the payment thereof; provided, however, that if provided in a Supplemental Indenture, with respect to any Series of Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a Qualified Credit Facility prior to any application of amounts in the Series Debt Service Account to such payments, then the Trustee shall not pay any such amounts to the Paying Agent unless such amounts have failed to be provided from such Qualified Credit Facility at the time required, and if any such amounts due are paid from such Qualified Credit Facility the Trustee shall apply the amounts in the Series Debt Service Account to provide payment of the Reimbursement Obligations with respect to such Qualified Credit Facility as provided in the agreement governing reimbursement of such amounts to the issuer or provider of such Qualified Credit Facility.

(b) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in any Series Debt Service Account in the Debt Service Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by NIMPA in an Agency Certificate not less than 45 days before the due date of such Sinking Fund Installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund redemption price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). All purchases of any Bonds pursuant to this provision of the Indenture shall be made at prices not exceeding the

applicable sinking fund redemption price of such Bonds plus accrued interest, and such purchases shall be made in such manner as NIMPA shall direct the Trustee. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the appropriate Series Debt Service Account in the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by NIMPA as an Operation and Maintenance Expense from the Operation and Maintenance Fund.

(c) In the event of the refunding of any Bonds, the Trustee shall, if NIMPA so directs, withdraw from the Series Debt Service Account in the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or redemption price, if applicable, and interest on the Bonds being refunded; provided however, that such withdrawal shall not be made unless the requirements of the Indenture described in the two preceding paragraphs have been satisfied.

Debt Service Reserve Fund

(a) Any Series of Bonds hereafter issued is not required to be secured by the Debt Service Reserve Fund or any Account thereof. However, NIMPA has established under the Indenture a Common Debt Service Reserve Account which shall be funded to secure the Covered Bonds in an amount equal to the Common Debt Service Reserve Requirement. NIMPA may, at its option, specify in a Supplemental Indenture whether or not any Series of Bonds will be secured by the Common Debt Service Reserve Account. If NIMPA determines, as it did with the 2009 C Bonds and the 2010 A Bonds, that a Series of Bonds shall not have a claim for payment on the Common Debt Service Reserve Account, NIMPA may, at its option, create a Series Debt Service Reserve Account for such Bonds and establish a related Series Debt Service Reserve Requirement in a Supplemental Indenture. Such Bonds shall have a claim for payment on the related Series Debt Service Reserve Account as set forth therein. *See* "SECURITY AND SOURCE OF PAYMENT FOR THE 2026 A BONDS — DEBT SERVICE RESERVE FUNDS — Alternate Series Debt Service Reserve Account." Such Series Debt Service Reserve Account may be established for the benefit of one or more Series of Bonds as set forth in a Supplemental Indenture. Amounts held in an Account of the Debt Service Reserve Fund shall be applied only to prevent deficiencies in the payments of principal of and interest on the related Series of Bonds which have a claim on such Account.

(b) Upon the issuance of a Series of Covered Bonds, NIMPA shall calculate the amount of the Common Debt Service Reserve Requirement to reflect the issuance of such Covered Bonds. Any resulting increase in the amount of the Common Debt Service Reserve Requirement shall be funded in whole at the time of issuance of a Series of Covered Bonds by the deposit of cash, Investment Securities or a Qualified Reserve Facility.

(c) Upon the issuance of any Series of Bonds that are not Covered Bonds but are secured by a Series Debt Service Reserve Account, such Series Debt Service Reserve Account will be funded in an amount and in the manner to be set forth in the Supplemental Indenture authorizing such Series of Bonds.

(d) Amounts on deposit in the Debt Service Reserve Fund in the Common Debt Service Reserve Account or any Series Debt Service Reserve Account established for a Series of Bonds shall be used and withdrawn as provided in the Indenture and the Supplemental Indenture authorizing the issuance of such Series. If the amount on deposit in the applicable Debt Service Account for any Series of Bonds secured by an Account of the Debt Service Reserve Fund shall be less than the amount required to be in such Debt Service Account to pay principal of or interest on the related Series of Bonds pursuant to the Indenture, the Trustee shall apply amounts from the applicable Account of the Debt Service Reserve Fund to the extent necessary to cure such deficiency with respect to the related Series of Bonds.

(e) NIMPA may cause to be deposited into the Common Debt Service Reserve Account or any Series Debt Service Reserve Account in the Debt Service Reserve Fund one or more Qualified Reserve Facilities to satisfy all or a portion of the Debt Service Reserve Requirement. Each Qualified Reserve Facility in an account shall be payable (upon the giving of notice as required thereunder and, unless otherwise authorized by any Supplemental Indenture), on a pro rata basis with any other Qualified Reserve Facilities on deposit in such Account of the Debt Service Reserve Fund on any day on which moneys will be required to be withdrawn from such Account and applied to make up any deficiency in the Debt Service Accounts pursuant to the provision of the Indenture described in the preceding paragraph with respect to the Bonds secured by such Account of the Debt Service Reserve Fund; provided, that prior to drawing on any Qualified Reserve Facility, any cash or Investment Securities in the applicable Account of the Debt Service Reserve Fund shall be applied to cure such deficiency. Not less than 60 days prior to the expiration of any Qualified Reserve Facility, NIMPA shall provide a commitment for the extension of the term thereof or a new Qualified Reserve Facility to be deposited in the related Account of the Debt Service Reserve Fund on or before the date of such expiration or shall make provision for the deposit of cash and Investment Securities into such Account in an amount necessary to provide that the amount held therein at the expiration of the Qualified Reserve Facility shall equal the applicable Debt Service Reserve Requirement.

(f) If the rating of any issuer or provider of a Qualified Reserve Facility is down-graded below the required Rating Category or the Qualified Reserve Facility is otherwise terminated or not renewed by NIMPA, then NIMPA must immediately either (1) direct the Trustee to draw on such Qualified Reserve Facility and deposit the proceeds of said drawing to the applicable Account of the Debt Service Reserve Fund, or (2) otherwise provide funds for deposit in the applicable Account of the Debt Service Reserve Fund in an amount sufficient to satisfy the related Debt Service Reserve Requirement.

(g) If the value of the Common Debt Service Reserve Account or any Series Debt Service Reserve Account of the Debt Service Reserve Fund exceeds the applicable Debt Service Reserve Requirement, NIMPA may request that to the extent that another fund or account established under the Indenture is under-funded, the cash or Investment Securities held in such Account in excess of the required amount be transferred by the Trustee to NIMPA for deposit into the Revenue Fund and applied in accordance with the Indenture. NIMPA may request that any additional excess cash or investments be transferred to the General Reserve Fund.

(h) If the value of the Common Debt Service Reserve Account or any Series Debt Service Reserve Account of the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Requirement because of a withdrawal from said Account under the Indenture or a valuation under the Indenture, the Trustee shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the funds in such account to the applicable Debt Service Reserve Requirement as follows. If such deficiency exists in the Common Debt Service Reserve Account, the monthly deposit shall be equal to the difference between the Common Debt Service Reserve Requirement and the amount of cash and Investment Securities and the balance available to be drawn on the related Qualified Reserve Facilities on such date divided by 12. In the event that a deficiency exists in a Series Debt Service Reserve Account, the monthly deposit shall be calculated in accordance with the terms of the applicable Supplemental Indenture.

(i) In the event of the refunding of all or a portion of a Series of Bonds secured by an Account in the Debt Service Reserve Fund, the Trustee shall, upon the direction of NIMPA, withdraw from the related Account of the Debt Service Reserve Fund amounts accumulated therein with respect to the Series of Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or redemption price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to the Indenture, and (b) the amount remaining in the applicable Account of the Debt Service Reserve Fund after such withdrawal shall not be less than the applicable Debt Service Reserve Requirement.

(j) Whenever the amount in the Debt Service Reserve Fund, excluding the amounts available under any Qualified Reserve Facility, together with the amounts in the accounts in the Debt Service Fund are sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in each Account of the Debt Service Reserve Fund shall be transferred to the related Account in the Debt Service Fund and no further deposits shall be required to be made into the Debt Service Reserve Fund.

Subordinated Bond Fund

(a) The Trustee shall apply amounts in each separate Series Subordinated Bond Account in the Subordinated Bond Fund at the times, in the amounts and to the purposes specified with respect thereto in the respective resolutions, indentures or other instruments, including any Supplemental Indenture, relating to such account and the Subordinated Bonds payable therefrom or secured thereby.

(b) If at any time the amount in any Series Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to the Indenture, or the amount in any Account in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement relating thereto, and there shall not be on deposit in the General Reserve Fund or the Reserve and Contingency Fund available moneys sufficient to cure any such deficiency, then the Trustee shall withdraw from the Subordinated Bond Fund and deposit into such Series Debt Service Account or such Accounts of the Debt Service Reserve Fund, as the case may be, the amount necessary to make up such deficiency (or, if the amount in said Fund shall be less than the amount necessary to make up the deficiencies with respect to all Series Debt Service Accounts and Accounts of the Debt Service Reserve Fund, then the amount in said Fund shall be first applied ratably (in proportion to the

deficiency in each such account) to make up the deficiencies in such Series Debt Service Accounts, and any balance remaining shall be applied ratably (in proportion to the deficiency in each such Account) to make up part of the deficiencies in such Debt Service Reserve Accounts). For purposes of this provision of the Indenture, the Trustee shall withdraw from each account in the Subordinated Bond Fund, ratably in proportion to the respective amounts on deposit therein, the amounts required to make up said deficiencies.

(c) Subject to the provisions of, and to the priorities and limitations and restrictions provided in, the Indenture, indenture or other instrument, including any Supplemental Indenture, securing each issue of Subordinated Bonds, amounts in the Subordinated Bond Fund which NIMPA at any time determines to be in excess of the requirements of such Fund, may, to the extent that another Fund or Account is under-funded, at the discretion of NIMPA, be transferred to the Revenue Fund and applied in accordance with the Indenture. NIMPA may request that any additional excess cash or investments be transferred to the General Reserve Fund.

Reserve and Contingency Fund

(a) Amounts in the Reserve and Contingency Fund shall be applied to payment of extraordinary operation and maintenance expenses and contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the Project, to payment of renewals, repairs, additions, betterments and improvements in connection with the Project necessary to keep the same in good operating condition, or required by any governmental agency having jurisdiction over the Prairie State Energy Campus or any part thereof or required by the Project Agreements, all to the extent not provided for in the then current Annual Budget or by reserves credited to the Operation and Maintenance Fund or from the proceeds of Bonds, notes or other evidences of indebtedness issued by NIMPA to finance or refinance the Costs of Acquisition and Construction.

(b) No payments shall be made from the Reserve and Contingency Fund if and to the extent that the proceeds of insurance, including the proceeds of any self-insurance fund, or other moneys recoverable as the result of damage, if any, are available to pay the costs otherwise payable from such Fund.

(c) If and to the extent provided in a Supplemental Indenture authorizing Bonds of a Series, amounts from the proceeds of such Bonds may be credited to the Reserve and Contingency Fund and to any account therein as specified in the Supplemental Indenture for any purpose of such Fund or account.

(d) If at any time the amount in any Series Debt Service Account in the Debt Service Fund shall be less than the requirement of such Account pursuant to the Indenture, or the amount in any Debt Service Reserve Account in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement therefor, and there shall not be on deposit in the General Reserve Fund available moneys sufficient to cure any such deficiency, then NIMPA shall transfer moneys from the Reserve and Contingency Fund in the following order of priority: (1) to the Series Debt Service Accounts, pro rata based on the amount of such deficiencies, the amount necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiencies, and (2) to the Debt Service Reserve Accounts, pro rata based on the amount of such deficiencies, the amount

necessary (or all the moneys in the Reserve and Contingency Fund if less than the amount necessary) to make up such deficiencies.

(e) Any balance of moneys and securities in the Reserve and Contingency Fund not required to meet any deficiencies in any Series Debt Service Account or any Debt Service Reserve Account or not needed for any of the purposes for which such Fund was established, may be transferred by NIMPA to the Operation and Maintenance Fund, if and to the extent deemed necessary by NIMPA, to make up any deficiencies in such Fund, and thereafter any remaining excess may be transferred to the credit of the General Reserve Fund.

(f) If the amount on deposit in the Reserve and Contingency Fund is less than the Reserve and Contingency Requirement because of a withdrawal from said Fund under the provision of the Indenture described under this Appendix D — "Reserve and Contingency Fund" or a valuation under the Indenture, NIMPA shall calculate the amount of such deficiency and then determine the monthly deposit necessary to restore the amount in such account to the Reserve and Contingency Requirement within 24 months as provided in the Indenture.

General Reserve Fund

(a) NIMPA shall transfer from the General Reserve Fund moneys in the following amounts and in the following order of priority: (1) to the Trustee for deposit in the Series Debt Service Accounts, pro rata based on the amount of each such deficiency, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Accounts required by the Indenture, (2) to the Trustee for deposit in the Accounts of the Debt Service Reserve Fund, pro rata based on the amount of each such deficiency, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in required payments to such Accounts or resulting from any transfer to the Series Debt Service Accounts, (3) to the Subordinated Bond Fund, the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Fund required by the Indenture, and (4) to the Reserve and Contingency Fund the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Fund required by the Indenture.

(b) Amounts in the General Reserve Fund not required to meet a deficiency as required in the provision of the Indenture described in the preceding paragraph shall, upon a determination of NIMPA, be applied to or set aside for any one or more of the following:

(1) payment into the Revenue Fund or any other fund or account established by the Indenture or any indenture with respect to bonds, notes or other evidences of indebtedness issued by NIMPA to finance or refinance the Costs of Acquisition and Construction;

(2) the purchase or redemption of any Bonds, and expenses in connection with the purchase or redemption of any Bonds;

(3) payments required to be made to any Series Subordinated Bond Account in the Subordinated Bond Fund established pursuant to an indenture of trust with respect

to bonds, notes or other evidences of indebtedness payable on a basis subordinate to the Bonds; and

(4) any other lawful purpose of NIMPA related to the Project.

Rebate Fund

There shall be deposited in each respective Series Rebate Account in the Rebate Fund such amounts as are required to be deposited therein pursuant to the tax compliance provisions applicable to any Series of tax-exempt Bonds under a Supplemental Indenture with respect to a Series of Bonds. All amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust to the extent required to pay rebatable arbitrage to the United States of America, and neither NIMPA nor the owner of any Bonds shall have any rights in or claim to such money.

The Trustee shall remit from moneys in each respective Series Rebate Account in the Rebate Fund all rebate installments and a final rebate payment to the United States required by the tax compliance provisions applicable to any Series of tax-exempt Bonds under a Supplemental Indenture with respect to a Series of Bonds.

Investment of Certain Funds

Moneys held in the Project Fund, each Series Debt Service Account in the Debt Service Fund, the Common Debt Service Reserve Account and each Series Debt Service Reserve Account in the Debt Service Reserve Fund, the Subordinated Bond Fund and the Rebate Fund shall be invested and reinvested by the Trustee at the direction of NIMPA to the fullest extent practicable in Investment Securities which mature or are available not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries.

Moneys held in the Revenue Fund shall be invested and reinvested by NIMPA in Investment Securities which mature not later than such times as reasonably expected to be necessary to provide moneys when needed for payments to be made from such Fund. Moneys in the Operation and Maintenance Fund shall be invested by NIMPA in Investment Securities which mature within **12** months from the date of such investment and moneys in the Reserve and Contingency Fund and the General Reserve Fund shall be invested by NIMPA in Investment Securities which mature not later than such times as reasonably expected to be necessary to provide moneys when needed to provide payments from such Funds or Accounts.

Interest and other investment income (net of that which (a) represents a return of accrued interest paid in connection with the purchase of any investment, and (b) is required to offset the amortization of any premium paid in connection with the purchase of any investment) earned on any moneys or investments in such Funds and Accounts (other than the Project Fund and the Rebate Fund), to the extent resulting in a balance which is in excess of any requirement for such Fund or Account, shall be paid into the Revenue Fund, provided, however, that interest and other investment income may be paid into the Project Fund to the extent provided in the Supplemental Indentures entered into from time to time. Interest and other investment income earned on any moneys or investments in a separate account in the Project Fund or the Rebate Fund shall be held in such account for the purposes thereof except as otherwise provided in a Supplemental Indenture. Nothing in the Indenture shall prevent any Investment Securities acquired as investments of funds held under the Indenture from being issued or held in book-entry form.

Construction and Operation of Prairie State Energy Campus; Project Agreements

(a) NIMPA is duly authorized under all applicable laws to execute the Project Agreements and to undertake, acquire, construct and operate the Project, and to do and perform all acts and things required to be done or performed by NIMPA to carry out such undertakings.

(b) NIMPA shall at all times comply with all terms, covenants and provisions, express and implied, of the Project Agreements and all other contracts or agreements affecting or involving the Project or business of NIMPA with respect thereto. NIMPA shall duly perform its covenants and obligations under the Project Agreements and will enforce the provisions thereof against the other parties thereto. NIMPA shall not consent or agree to any rescission of or amendment to any of the Project Agreements which, in the judgment of NIMPA or the Trustee, will materially and adversely affect its rights thereunder.

(c) NIMPA shall use its best efforts to cause the acquisition and construction of the Project to be accomplished in a sound and economic manner and as expeditiously as is practicable, in accordance with the provisions of the Project Agreements and the plans and specifications therefor. NIMPA shall promptly and vigorously enforce and defend its rights under the Project Agreements and will not consent or agree to any amendment of the Project Agreements that materially and adversely affects its rights thereunder.

(d) NIMPA shall, subject to the provisions of the Project Agreements and consistent with the terms and provisions thereof and with Prudent Utility Practice, (a) cause the Prairie State Energy Campus to be operated, maintained and managed in an efficient and economical manner consistent with the Power Sales Agreements, (b) cause the Prairie State Energy Campus to be maintained, preserved and kept in good repair, working order and condition, and (c) cause all necessary and proper repairs, replacements and renewals to be made so that the operating efficiency of the Prairie State Energy Campus will be properly and advantageously conducted.

Power Sales Agreements; Enforcement and Amendment

(a) NIMPA is duly authorized under all applicable laws to execute the Power Sales Agreements and to sell the capacity and output of the Project to the Power Purchasers upon the terms and conditions contained in the Power Sales Agreements. NIMPA shall not consent to the transfer or assignment of a Power Sales Agreement unless NIMPA has received from each Rating Agency who maintains an underlying rating on the Bonds, a written confirmation that the rating on the Bonds will not be adversely affected as a result of such transfer.

(b) The Power Sales Agreements, certified or executed copies (or a composite copy) of which have been filed with the Trustee, set forth the covenants and obligations of NIMPA and the Power Purchasers and reference is hereby made to the Power Sales Agreements for a detailed statement of said covenants and obligations of the Power Purchasers thereunder.

(c) NIMPA shall collect and forthwith deposit in the Revenue Fund all amounts payable to it by the Power Purchasers with respect to the Project pursuant to the Power Sales Agreements or pursuant to any other contract for the use or the sale of the capacity or output of the Project or any part thereof. NIMPA shall enforce the provisions of the Power Sales Agreements and duly perform its covenants and agreements thereunder. NIMPA will not consent or agree to or permit any rescission of or amendment to or otherwise take any

action under or in connection with the Power Sales Agreements which will reduce the payments required thereunder with respect to the Project or which will in any manner materially impair or materially adversely affect the rights of NIMPA thereunder or the rights or security of the Bondowners under the Indenture. So long as the Bonds are Outstanding, NIMPA shall not establish a billing period with respect to the Project under the Power Sales Agreements that is longer than a month.

(d) If for any reason any of the Power Sales Agreements are no longer in force and effect, NIMPA, to the extent permitted by law, shall use its best efforts to enter into one or more power purchase agreements or make other arrangements for the disposition of capacity or output of the Project to other power purchasers. NIMPA shall, to the extent permitted by law, provide for the payment of Revenues pursuant to any such power purchase agreements so entered into or other arrangements so made which will be fully sufficient in order to provide Revenues to pay the principal or redemption price of and interest to become due in respect of all Bonds in strict conformity with the terms of the Bonds and the Indenture.

(e) NIMPA agrees that if an Event of Default exists and is continuing under the Indenture, the Trustee in its name or in the name of NIMPA may enforce all rights of NIMPA and all obligations of the Power Purchasers and NIMPA under and pursuant to such Power Sales Agreements for and on behalf of the Bondowners.

(f) The failure of a Power Purchaser to make to NIMPA any of the payments for which provision is made in its Power Sales Agreement when due constitutes an immediate default on the part of such Power Purchaser as provided in the Power Sales Agreements. Upon the occurrence of such an event of default under any of the Power Sales Agreements, NIMPA shall immediately take all actions authorized by the Power Sales Agreements against such Power Purchaser pursuant to the terms of the Power Sales Agreements.

Rates, Fees and Charges

(a) NIMPA has, and will have as long as any Bonds are Outstanding, good right and lawful power to establish charges and cause to be collected amounts with respect to the use of the Project, subject to the terms of the Power Sales Agreements.

(b) NIMPA shall promptly collect all amounts payable under the Power Sales Agreements as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any Power Purchaser who does not pay such charges when due as provided in the Indenture.

(c) NIMPA shall at all times fix, establish, maintain and collect rates and charges for the sale, use, capacity, output and services of the Project, as shall be required to provide Revenues at least sufficient in each Fiscal Year, together with other available funds, for the payment of the sum of:

(1) the amount required to be paid during such Fiscal Year into the Operating Account and Operating Reserve Account of the Operation and Maintenance Fund during such Fiscal Year;

(2) the amounts equal to the Aggregate Debt Service for such Fiscal Year required to be paid during such Fiscal Year into the Debt Service Fund other than any such

amounts which the Annual Budget anticipates shall be transferred from other Funds;

(3) the amount, if any, to be paid during such Fiscal Year into the Common Debt Service Reserve Account or respective Series Debt Service Reserve Accounts in the Debt Service Reserve Fund (whether to replace amounts withdrawn from the Debt Service Reserve Fund, to reimburse amounts drawn on any Qualified Reserve Facility or otherwise);

(4) the amount, if any, required to be paid during such Fiscal Year into the Subordinated Bond Fund;

(5) the amount required to be paid during such Fiscal Year into the Reserve and Contingency Fund;

(6) the amounts, if any, required to be deposited in the General Reserve Fund during such Fiscal Year; and

(7) all other amounts, if any, required to be paid into any other Fund or Account during such Fiscal Year under the Indenture, and all other charges or amounts payable out of Revenues during such Fiscal Year.

(d) NIMPA will not furnish or supply or cause to be furnished or supplied any capacity, output, use, or service of the Project, free of charge to any person, firm or corporation, public or private, and NIMPA may to the extent permitted by law enforce the payment of any and all accounts owing to NIMPA by reason of the operation of the Project by discontinuing such capacity, output, use or service, or by filing suit therefor within **120** days after any such accounts are due, or by both such discontinuance and by filing suit.

Annual Budget

(a) Not less than **30** days prior to the beginning of each Fiscal Year, NIMPA shall prepare and file with the Trustee for the ensuing Fiscal Year an Annual Budget approved by the Board of Directors of NIMPA, which Annual Budget shall incorporate an Annual Project Budget with respect to the Project. Such Annual Project Budget shall set forth in reasonable detail the estimated Revenues, Operation and Maintenance Expenses and other expenditures with respect to the Project and the estimated deposits to and amounts estimated to be expended from each Fund and Account established under the Indenture.

(b) Following the end of each quarter of each Fiscal Year, NIMPA shall review the Annual Project Budget for such Fiscal Year, and in the event such review indicates that the Annual Project Budget does not or will not substantially correspond with actual receipts or expenditures, or if there are or are expected to be at any time during any such Fiscal Year extraordinary receipts, credits or expenditures that will substantially affect the amounts shown in the Annual Project Budget, NIMPA shall take the actions provided for in the Power Sales Agreements. In the event the Annual Project Budget is amended or supplemented, NIMPA will file with the Trustee a revised Annual Project Budget. NIMPA also may at any time adopt and file with the Trustee a revised Annual Project Budget for the remainder of the then current Fiscal Year.

Accounts and Reports

(a) NIMPA shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project and each Fund and Account established under the Indenture and relating to costs and charges under the Power Sales Agreements and which, together with the Power Sales Agreements and all other books and papers of NIMPA, including insurance policies, relating to the Project, shall at all times be subject to the inspection of the Trustee.

(b) The Trustee shall furnish statements to NIMPA promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by it under the Indenture. NIMPA shall have the right upon reasonable notice and during reasonable business hours to audit the books and records of the Trustee with respect to the Funds and Accounts held by the Trustee under the Indenture.

(c) NIMPA shall annually, within 120 days after the close of each Fiscal Year, cause to be filed with the Trustee, and otherwise as provided by law, a copy of NIMPA's Audited Financial Statements for such Fiscal Year, accompanied by an Agency Certificate, which shall state whether or not, to the knowledge of the signer, NIMPA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Indenture, and if so, the nature of such default.

(d) NIMPA shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by NIMPA of any covenant, agreement or condition contained in the Indenture, an Agency Certificate specifying such Event of Default or default and (b) within 120 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending after the issuance of the first Series of Bonds under the Indenture, an Agency Certificate stating that, to the best of the signer's knowledge and belief, NIMPA has kept, observed, performed and fulfilled its covenants and obligations contained in the Indenture and there does not exist at the date of such certificate any default by NIMPA under the Indenture or any Event of Default or other event which, with the lapse of time or giving of notice specified in the Indenture would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

(e) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture shall be available for the inspection of Bondowners at the office of the Trustee and shall be mailed to each Bondowner who shall file a written request therefor with the Trustee. The Trustee may charge each Bondowner requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Creation of Liens

(a) Except to the extent otherwise provided in the Indenture or the Project Agreements, the Revenues, and the Trust Estate are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the Indenture, and all corporate or other action on the part of NIMPA to that end has been and will be duly and validly taken.

(b) NIMPA will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Revenues or the Trust Estate, except as specifically authorized under the Indenture. NIMPA shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Revenues or the Trust Estate or by the Trustee under the Indenture and shall not create or cause to be created any lien or charge on the Revenues, or the Trust Estate; provided, however, that nothing contained in the Indenture shall prevent NIMPA from issuing, if and to the extent permitted by law, bonds, notes, debentures or other evidences of indebtedness payable on a basis subordinate to the Bonds.

(c) NIMPA will not create, and will use its good faith efforts to prevent the creation of, any mortgage or lien upon the Project or any property essential to the proper operation of the Project or to the maintenance of the Revenues. NIMPA will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Revenues except only as provided in or permitted by the Indenture.

Maintenance of Insurance

(a) NIMPA shall, at all times, insure (or cause to be insured) the Prairie State Energy Campus from such causes customarily insured against for similar interests held by utilities constructing and operating electric generation facilities of the nature of the generation facilities of the Prairie State Energy Campus, and in such relative amounts as are usually obtained, to the extent available on commercially reasonable terms. NIMPA shall use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those with rights and interests similar to the Prairie State Energy Campus, to the extent available on commercially reasonable terms. Insurance maintained pursuant to the Project Agreements shall be deemed in compliance with this provision of the Indenture if such insurance otherwise complies with the requirements of the Indenture.

(b) NIMPA shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and the interests of the Bondowners, to the extent available on commercially reasonable terms.

(c) Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to NIMPA or the Trustee, or as otherwise required by the Project Agreements.

(d) NIMPA shall file or cause to be filed with the Trustee annually, within 120 days after the close of each Fiscal Year, an Agency Certificate setting forth (1) a description in reasonable detail of the insurance then in effect, including any self-insurance fund maintained, pursuant to the requirements of the Indenture and that NIMPA has complied in all respects with the requirements of the Indenture, and (2) whether during such year any loss has been incurred relating to Prairie State Energy Campus and, if so, the amount of insurance proceeds covering such loss and specifying the reasonable and necessary costs relating thereto.

Reconstruction; Application of Insurance Proceeds

(a) If any useful portion of the Prairie State Energy Campus shall be damaged or destroyed, NIMPA shall as expeditiously as possible, continuously and diligently enforce its rights under the Project Agreements to cause to be prosecuted the repair, reconstruction or replacement thereof, unless NIMPA in an Agency Certificate filed with the Trustee shall state, in the judgment of NIMPA, that such reconstruction or replacement is not in the interest of NIMPA and the Bondowners or unless it is determined under the provisions of the Project Agreements that such reconstruction or replacement is not to be undertaken.

(b) The proceeds of any insurance payable to NIMPA and not required to be paid as provided in the Project Agreements, paid on account of such damage or destruction (other than any business interruption loss insurance) shall be held by the Trustee in a special account in the Project Fund and made available for, and to the extent necessary be applied to, the costs of reconstruction. Pending such application, such proceeds shall be invested by NIMPA or the Trustee at the written direction of NIMPA in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction. Interest earned on such account or investments shall be deposited into the Revenue Fund. The proceeds of any insurance not applied within **36** months after receipt thereof by NIMPA or the Trustee to the costs of reconstruction, or which NIMPA shall at any time notify the Trustee are not to be so applied, shall be deposited into the Revenue Fund. Notwithstanding the foregoing, in the event that payments are made from the Reserve and Contingency Fund for any such costs of reconstruction prior to the availability of insurance proceeds, including the proceeds of any self-insurance fund therefor, such proceeds when received shall be deposited in the Reserve and Contingency Fund to the extent of such payments therefrom.

(c) The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund unless otherwise required by the Project Agreements.

Tax Covenants for Build America Bonds

NIMPA shall not use or permit the use of any proceeds of any Build America Bonds or any other funds of NIMPA, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the status of the Bonds as Build America Bonds and the benefits of such status. NIMPA agrees that so long as any of the Build America Bonds remain Outstanding, it will comply with the tax compliance provisions applicable to NIMPA under any Supplemental Indenture with respect to a Series of Build America Bonds.

NIMPA and the Trustee agree to comply with the tax compliance provisions under any Supplemental Indenture or tax compliance documents with respect to a Series of Bonds issued as Build America Bonds and with any statute, regulation or ruling that may apply to it as Trustee under the Supplemental Indenture and relating to reporting requirements or other requirements necessary to preserve the status of the Bonds as Build America Bonds and the benefits of such status.

Tax Covenants for Tax-Exempt Bonds

NIMPA shall not use or permit the use of any proceeds of any tax-exempt Bonds or any other funds of NIMPA, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on any tax-exempt Bonds from gross income for federal income tax purposes. NIMPA agrees that so long as any of the Bonds remain

Outstanding, it will comply with the tax compliance provisions applicable to NIMPA under any Supplemental Indenture with respect to a Series of tax-exempt Bonds.

NIMPA and the Trustee agree to comply with the tax compliance provisions under any Supplemental Indenture or tax compliance documents with respect to a Series of Bonds issued as tax-exempt Bonds and with any statute, regulation or ruling that may apply to it as Trustee under the Supplemental Indenture and relating to reporting requirements or other requirements necessary to preserve the exclusion of the interest on any tax-exempt Bonds from gross income for federal income tax purposes.

Events of Default

The term "Event of Default", wherever used in the Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on any Bond when such interest becomes due and payable; or

(b) default in the payment of the principal or redemption price of any Bond when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of NIMPA in the Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in the provisions of the Indenture expressly defining an event of default), and continuance of such default or breach for a period of 60 days after there has been given to NIMPA by the Trustee or to NIMPA and the Trustee by the Owners of at least 25% in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if NIMPA shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of NIMPA, or adjudging NIMPA a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of NIMPA under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for NIMPA or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order remains unstayed and in effect for a period of 90 consecutive days; or

(e) any other event described as an Event of Default in a Supplemental Indenture.

Acceleration of Maturity; Rescission and Annulment

If an Event of Default under the Indenture occurs and is continuing, the Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding shall, by written notice to NIMPA, declare the principal of all Bonds Outstanding and the interest accrued thereon

to the date of acceleration to be due and payable, subject to the rights or limitations specified in a Supplemental Indenture with respect to a Series of Bonds, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as provided in the Indenture, the Owners of a majority in principal amount of the Bonds Outstanding may, by written notice to NIMPA and the Trustee, rescind and annul such declaration and its consequences as provided in the Indenture.

Exercise of Remedies by the Trustee

Upon the occurrence and continuance of any Event of Default under the Indenture, unless the same is waived as provided in the Indenture, the Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Indenture or by law:

(a) Right to Bring Suit, Etc. The Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, redemption price, if any, and interest on the Bonds Outstanding, including interest on overdue principal and on overdue installments of interest, and any other sums due under the Indenture, to realize on or to foreclose any of its interests or liens under the Indenture to enforce and compel the performance of the duties and obligations of NIMPA as set forth in the Indenture and to enforce or preserve any other rights or interests of the Trustee under the Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) Exercise of Remedies at Direction of Bondowners. If requested in writing to do so by the Owners of not less than 25% in principal amount of Bonds Outstanding and if indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Indenture as the Trustee shall deem most expedient in the interests of the Bondowners.

(c) Appointment of Receiver. Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) Suits to Protect the Trust Estate. The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture and to protect its interests and the interests of the Bondowners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Indenture or be prejudicial to the interests of the Bondowners or the Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Bondowners in any judicial proceeding to which NIMPA is a party and which in the judgment of the Trustee has a substantial bearing on the interests of the Bondowners.

Limitation on Suits by Bondowners

No Owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to the Indenture, or for the appointment of a receiver or trustee or for any other remedy under the Indenture, unless:

(a) such Owner has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Owners of not less than 25% in principal amount of the Bonds Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee under the Indenture;

(c) such Owner or Owners have offered to the Trustee indemnity as provided in the Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the lien of the Indenture or the rights of any other Owners of Bonds, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under the Indenture, except in the manner provided in the Indenture and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in the Indenture, however, the Owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and redemption price, if any) and interest on such Bond on the respective stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and nothing contained in the Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Control of Proceedings by Bondowners

The Owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an Event of Default,

(a) to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of the Indenture, or otherwise; and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture, provided that:

(1) such direction shall not be in conflict with any rule of law or the Indenture;

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

(3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction.

Application of Moneys Collected

Any moneys collected by the Trustee pursuant to the Indenture (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys), together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) **First**: To the payment of all amounts due the Trustee under the Indenture.

(b) **Second**: To the payment of Operation and Maintenance Expenses then due.

(c) **Third**: To the payment of the interest and principal then due on the Bonds as follows:

(1) If the principal of all the Bonds shall not have become and shall not have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption or for which moneys for the payment thereof held pursuant to the provisions of the Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto without any discrimination or privilege.

(2) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the persons entitled thereto without any discrimination or privilege; and

(3) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture, then, provided that no distribution has been made pursuant to the provisions of the Indenture described in paragraph (2) above, the moneys shall be applied in accordance with the provisions of the Indenture described in paragraph (1) above.

(d) **Fourth**: To the payment of the remainder, if any, to NIMPA or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, or as otherwise provided in a Supplemental Indenture.

Corporate Trustee Required; Eligibility

There shall at all times be a Trustee hereunder which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof or national banking association, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State of Illinois. The Trustee must have a combined capital and surplus or consolidated net worth of at least **$100,000,000**, or must provide a guaranty of the full and prompt performance by the Trustee of its obligations under the Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to NIMPA, by a guarantor with such combined capital and surplus or consolidated net worth.

Resignation and Removal of Trustee

(a) The Trustee may resign at any time by giving written notice thereof to NIMPA and each Owner of Bonds Outstanding as shown by the bond register required by the Indenture to be kept by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within **30** days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to NIMPA and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds.

(c) NIMPA or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(d) The Trustee may be removed at any time (so long as no Event of Default has occurred and is continuing under the Indenture) by an instrument in writing signed by NIMPA and delivered to the Trustee. The foregoing notwithstanding, the Trustee may not be removed by NIMPA unless written notice of the delivery of such instrument is given to the Owners of all Bonds Outstanding under the Indenture, which notice indicates the Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective not less than 60 days from the date of such notice, unless the Owners of not less than 25% in aggregate principal amount of such Bonds Outstanding shall object in writing to such removal and replacement.

(e) If at any time (1) the Trustee shall cease to be eligible under the Indenture and shall fail to resign after written request therefor by NIMPA or by any such Bondowner, or (2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, NIMPA may remove the Trustee, or any Bondowner may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Appointment of Successor Trustee

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, NIMPA, or the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to NIMPA and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by NIMPA or the Bondowners. If, within **30** days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed in the manner provided in the Indenture, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner provided in the Indenture, the Trustee or any Bondowner may petition any court of competent jurisdiction for the appointment of a successor Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Trustee appointed pursuant to the Indenture shall be a bank with trust powers or trust company or national banking association in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of the Indenture.

Paying Agents and Bond Registrars

The Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds. NIMPA may, in its discretion, cause the necessary arrangements to be made through the Trustee for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption price, if any, and interest on the Bonds of any Series or of alternate Bond Registrars for the purpose of registering, transferring and exchanging Bonds of any Series at the designated corporate trust office of said alternate Bond Registrars. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent and Bond Registrar for the Bonds, and the successor Trustee shall become such Trustee and Paying Agent and Bond Registrar unless a separate Paying Agent and Bond Registrar are appointed by NIMPA in connection with the appointment of any successor Trustee.

Supplemental Indentures without Consent of Bondowners

Without the consent of the Owners of any Bonds, NIMPA and the Trustee may from time to time enter into one or more Supplemental Indentures for any of the following purposes:

(a) to more precisely identify the facilities financed or refinanced with proceeds of the Bonds, or to correct or amplify the description of any property at any time subject to the lien of the Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property;

(b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any Series of Bonds, as set forth in the Indenture, additional conditions, limitations and restrictions thereafter to be observed;

(c) to authorize the issuance of any Series of Bonds and make such other provisions and to specify any other terms and provisions with respect to such Bonds that are not inconsistent with the provisions of the Indenture then in effect;

(d) to modify or eliminate any of the terms of the Indenture; provided, however, that: (1) such Supplemental Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any Series issued prior to the execution of such Supplemental Indenture, and (2) the Trustee may, in its discretion, decline to enter into any such Supplemental Indenture which, in its judgment, may not afford adequate protection to the Trustee when the same becomes operative;

(e) to evidence the appointment of a separate Trustee or the succession of a new Trustee under the Indenture;

(f) to add to the covenants of NIMPA or to the rights, powers and remedies of the Trustee for the benefit of the Owners of all of the Bonds or to surrender any right or power conferred upon NIMPA under the Indenture;

(g) to cure any ambiguity, to correct or supplement any provision in the Indenture which may be inconsistent with any other provision of the Indenture, or to make any other change with respect to matters or questions arising under the Indenture, which shall not be inconsistent with the provisions of the Indenture, provided such action shall not materially adversely affect the interests of the Owners of the Bonds;

(h) to authorize Subordinated Bonds and, in connection therewith, specify and determine any matters and things relative to such Subordinated Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the original issuance and delivery of such Subordinated Bonds;

(1) to authorize a Qualified Credit Facility, Qualified Liquidity Facility, Qualified Reserve Facility, or Qualified Swap Facility with respect to any Series of Bonds, permitted under the Indenture;

(j) to add additional Events of Default under the Indenture, including any default in the performance, or breach of any covenant or agreement, of NIMPA under any Qualified Credit Facility, Qualified Liquidity Facility, Qualified Reserve Facility or Qualified Swap Facility; or

(k) to modify, eliminate or add to the provisions of the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States.

Supplemental Indentures with Consent of Bondowners

With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Indenture, NIMPA and the Trustee may enter into one or more Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the Owners of the Bonds under the Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Owner of each Outstanding Bond affected thereby, carry out any of the following:

(a) change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners is required for any such Supplemental Indenture, or the consent of whose Owners is required for any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences;

(c) modify the obligation of NIMPA to make payment on or provide funds for the payment of any Bond;

(d) modify or alter the provisions of the definition of the term "Outstanding"; or

(e) permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any of the Trust Estate or terminate the lien of the Indenture on any property at any time subject to the Indenture or deprive the Owner of any Bond of the security afforded by the lien of the Indenture.

Payment, Discharge and Defeasance of Bonds

All or part of the Bonds of any Series or maturity will be deemed to be paid and discharged and no longer Outstanding under the Indenture and will cease to be entitled to any lien, benefit or security of the Indenture if NIMPA shall pay or provide for the payment of such Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;

(b) by delivering such Bonds to the Trustee for cancellation; or

(c) by depositing in trust with the Trustee moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including the payment of the principal or redemption price of and interest payable on such Bonds to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of the Indenture or provision satisfactory to the Trustee is made for the giving of such notice.

The foregoing notwithstanding, the liability of NIMPA in respect of such Bonds shall continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys and Defeasance Obligations deposited with the Trustee as aforesaid.

Moneys and Defeasance Obligations so deposited with the Trustee pursuant to the Indenture shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the persons entitled thereto. Such moneys and Defeasance Obligations shall be applied by the Trustee to the payment to the persons entitled thereto, of the principal (and redemption price, if any) and interest for whose payment such moneys and Defeasance Obligations have been deposited with the Trustee.

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Form of Opinion of Bond Counsel

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DTC Book-Entry System

The information in this section concerning DTC (as defined below) and DTC's book-entry-only system has been obtained from DTC, the Northern Illinois Municipal Power Agency (the "Issuer") and the Underwriters take no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, 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, as amended (the "1934 Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation ("NSCC") and Fixed Income Clearing Corporation ("FICC"), all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com. Please note that this website address is included herein as an active textual reference only, and the information contained on (or accessed through) this website is not incorporated herein and should not be construed as part of this Official Statement.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect 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 Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payment by 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 Participant and not of DTC, the Issuer or the Trustee, as applicable, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Bonds are required to be printed and delivered to the Beneficial Owners.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds are required to be printed and delivered to DTC.

THE INFORMATION ABOVE HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER OR THE UNDERWRITERS AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Form of Continuing Disclosure Undertaking

CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12

This Continuing Disclosure Certificate (the "**Agreement**") is executed and delivered by Northern Illinois Municipal Power Agency ("**NIMPA**") in connection with the issuance of its $_____ Power Project Revenue Refunding Bonds, Series 2026 A (Prairie State Project). The Bonds are being issued pursuant to a Trust Indenture dated as of August 1, 2007 between NIMPA and [●], [●], as Trustee (the "**Trustee**") (the "**Original Indenture**"), as amended and supplemented from time to time, including, as supplemented by the Supplemental Trust Indenture No. 12, dated as of _____, 2026 (the "**Supplemental Indenture**"). The Original Indenture as supplemented and amended from time to time is herein referred to as the "Indenture".

In consideration of the issuance of the Bonds by NIMPA and the purchase of such Bonds by the Bondholders (as defined herein) thereof, NIMPA covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by NIMPA as of the date set forth below, for the benefit of the Bondholders and in order to assist the Participating Underwriter (as defined herein) in complying with the requirements of the Rule (as defined herein).

2. Definitions. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Indenture. In addition, the terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"**Annual Financial Information**" means the financial information and operating data relating to the Project Participants as described in Exhibit I.

"**Annual Financial Information Disclosure**" means the dissemination of Annual Financial Information and Audited Financial Statements as set forth in Section 4.

"**Audited Financial Statements**" means the audited financial statements of NIMPA and of the Project Participants, prepared pursuant to the standards and as described in Exhibit I.

"**Bondholder**" means any registered or beneficial owner or holder of any Bond, including any person which has or shares power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

"**Commission**" means the Securities and Exchange Commission.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Final Official Statement**" means the Official Statement dated [●], 2026, relating to the Bonds, including any document included therein by specific reference, which is available to the public on the MSRB's internet website or filed with the Commission.

"**MSRB**" means the Municipal Securities Rulemaking Board.

"**Participating Underwriter**" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"**Power Sales Agreements**" mean the agreements entered into between the Project Participants and NIMPA requiring the Project Participants to make monthly payments to NIMPA for deposit into the Revenue Fund established under the Indenture in amounts sufficient to pay that Participant's proportionate share of (a) the fixed and variable costs NIMPA incurs in connection with the Project, and (b) NIMPA's administrative and other reasonable costs associated with its role as power supplier to the Project Participants. Each Project Participant's obligation to make such payments is a special limited obligation payable solely out of the revenues of its municipal electric system. Such payments are payable whether or not the Project is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, are not subject to any reduction, whether by offset, counterclaim, recoupment or otherwise and are not conditioned upon the performance or nonperformance of NIMPA or any other person under the Power Sales Agreements or any other agreement for any cause whatsoever. All payments due to NIMPA under the Power Sales Agreements are designated as operating and maintenance expenses and are to be made prior to the payment of principal of and interest on any outstanding debt of the Project Participants.

"**Project**" means NIMPA's undivided interest in the Prairie State Project, which entitles NIMPA to approximately 120 MW of the capacity and output of Prairie State and a proportionate share of the adjacent coal reserves and mining facilities.

"**Project Participants**" means the Illinois cities of Batavia, Geneva and Rochelle.

"**Reportable Event**" means the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, ***if material***;

(3) Unscheduled draws on debt service reserves ***reflecting financial difficulties***;

(4) Unscheduled draws on credit enhancements ***reflecting financial difficulties***;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), other ***material*** notices or determinations with respect to the tax status of the Bonds or other ***material*** events affecting the tax status of the Bonds;

(7) Modifications to rights of Bond holders, ***if material***;

(8) Optional, unscheduled or contingent Bond calls, ***if material*** and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, ***if material***;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the Issuer/Obligated Person;

Note: for the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the Issuer/Obligated Person or the sale of all or substantially all of the assets of the Issuer/Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, ***if material***;

(14) Appointment of a successor or additional trustee or the change of name of a trustee if material;

(15) Incurrence of a Financial Obligation of the Issuer/Obligated Person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer/Obligated Person, any of which affect Bondholders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer/Obligated Person, any of which reflect financial difficulties.

For purposes of clauses (15) and (16) above, the term "financial obligation" means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"***Reportable Events Disclosure***" means dissemination of a notice of a Reportable Event.

"***Rule***" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"***Undertaking***" means the obligations of NIMPA pursuant to Sections 3 and 4.

3. Annual Financial Information Disclosure. Subject to Sections 7 and 8 of this Agreement, NIMPA hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in Exhibit I) to the MSRB in an electronic format as prescribed by the MSRB. NIMPA will deliver such information in such manner and by such time so that the MSRB receives the information by the dates specified. If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, or because the Project Participant to which it is related has ceased to be a Project Participant, NIMPA will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs. If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB in an electronic format as prescribed by the MSRB) shall contain a narrative description of the reason for such amendment and its impact on the type of information being provided.

4. Reportable Events Disclosure. Subject to Sections 7 and 8 of this Agreement, NIMPA hereby covenants that it will disseminate, in a timely manner within 10 business days of the occurrence of a Reportable Event, Reportable Events Disclosure to the MSRB in an electronic format as prescribed by the MSRB.

5. Duty to Determine Electronic Format Prescribed by the MSRB. NIMPA shall determine, in the manner it deems appropriate, the electronic format prescribed by the MSRB in connection with any of its filings with the MSRB pursuant to this Agreement. All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

6. Consequences of Failure of NIMPA to Provide Information. NIMPA shall give notice in a timely manner to the MSRB in an electronic format prescribed by the MSRB, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder. In the event of a failure of NIMPA to comply with any provision of this Agreement, any Bondholder may seek mandamus or specific performance by court order, to cause NIMPA to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of NIMPA to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, NIMPA by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) The Amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of NIMPA, or type of business conducted;

(b) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of any Bondholders, as determined either by (i) parties unaffiliated with NIMPA or (ii) the Trustee.

8. Termination or Suspension of Undertaking.

(a) The Undertaking of NIMPA to provide Annual Financial Information and Audited Financial Statements with respect to NIMPA shall be terminated hereunder if NIMPA shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture.

(b) The Undertaking of NIMPA to provide Annual Financial Information and Audited Financial Statements with respect to any Participant shall be (i) terminated hereunder if such Participant shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture and the Power Sales Agreements or (ii) terminated if the Undertaking of NIMPA shall have been terminated pursuant to Section 8(a) above.

9. Dissemination Agent. NIMPA may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent NIMPA from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If NIMPA chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, NIMPA shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of NIMPA and the Bondholders, and shall create no rights in any other person or entity.

12. Recordkeeping. NIMPA shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure and the date of filing such disclosure.

13. Assignment. NIMPA shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of NIMPA under this Agreement or to execute an undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of Illinois.

[Signature Begins on Following Page]

NORTHERN ILLINOIS MUNICIPAL POWER AGENCY

By: _____
President

Date: _____, 2026

EXHIBIT I

ANNUAL FINANCIAL INFORMATION
AUDITED FINANCIAL STATEMENTS
TIMING OF DISCLOSURE

1. Defined Terms

"***Annual Financial Information***" means financial information and operating data relating to the Project Participants of the type contained under the headings "Electric Rates", "Electric System Requirements", "Customer Information", "Financial Condition" and "Litigation" for each of the Project Participants in the Official Statement under the caption "Appendix B: The Project Participants".

"***Audited Financial Statements***" means:

(i) with respect to NIMPA, NIMPA's audited financial statements for its most recent fiscal year, prepared in accordance with generally accepted accounting principles ("***GAAP***") in the United States as promulgated to apply to governmental entities in the United States from time to time (or such other accounting principles as may be applicable to NIMPA in the future pursuant to applicable law); and

(ii) with respect to the Project Participants, the audited financial statements of each Project Participant, for its most recent fiscal year, prepared in accordance with GAAP in the United States as promulgated to apply to governmental entities in the United States from time to time (or such other accounting principles as may be applicable to the Project Participants in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents available to the public on the MSRB's internet website or filed with the Commission. NIMPA shall clearly identify each such item of information included by reference.

2. Timing of Disclosure.

(a) Annual Financial Information will be provided to the MSRB in an electronic format as prescribed by the MSRB, by NIMPA within 210 days after each December 31, commencing with the one-year period ending December 31, 2026.

(b) In the event the Audited Financial Statements of NIMPA or the City of Batavia for the one-year period ending on December 31 preceding the deadline for filing the Annual Financial Information for such period are available by such deadline, NIMPA shall include such Audited Financial Statements with the filing of such Annual Financial Information in accordance with Section 3 of the Agreement. In the event the Audited Financial Statements of NIMPA or the City of Batavia for the one year period ending on December 31 preceding the deadline for filing the Annual Financial Information for such period are not available by such deadline, NIMPA shall file such Audited Financial Statements, when and if available, within 60 days of receipt of such Audited Financial Statements from its auditors, in accordance with Section 3 of the Agreement.

(c) In the event the Audited Financial Statements of the City of Geneva for the one-year period ending on April 30 preceding the deadline for filing the Annual Financial Information for such period are

available by such deadline, NIMPA shall include such Audited Financial Statements with the filing of such Annual Financial Information in accordance with Section 3 of the Agreement. In the event the Audited Financial Statements of the City of Geneva for the one year period ending on April 30 preceding the deadline for filing the Annual Financial Information for such period are not available by such deadline, NIMPA shall file such Audited Financial Statements, when and if available, within 60 days of receipt of such Audited Financial Statements from its auditors, in accordance with Section 3 of the Agreement.

(d) In the event the Audited Financial Statements of the City of Rochelle for the one-year period ending on December 31 preceding the deadline for filing the Annual Financial Information for such period are available by such deadline, NIMPA shall include such Audited Financial Statements with the filing of such Annual Financial Information in accordance with Section 3 of the Agreement. In the event the Audited Financial Statements of the City of Rochelle for the one year period ending on December 31 preceding the deadline for filing the Annual Financial Information for such period are not available by such deadline, NIMPA shall file such Audited Financial Statements, when and if available, within 60 days of receipt of such Audited Financial Statements from its auditors, in accordance with Section 3 of the Agreement.

(e) If any change is made to the Annual Financial Information as permitted in Section 3 of the Agreement, NIMPA shall include in the Annual Financial Information for the year in which such change is made a narrative description of the reason for such change and its impact on the type of information being presented as required in Section 3.

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