

EXHIBIT A

ADDENDUM TO AMENDED POWER SALES CONTRACT

This addendum to the amended power sales contract between the Illinois Municipal Electric Agency and the city of Farmer City, dated June 1, 1990, is made this 3rd day of February, 2003, by and between the Illinois Municipal Electric Agency, a municipal corporation and unit of local government of the state of Illinois, and the city of Farmer City, an Illinois municipal corporation.

WHEREAS, the Illinois Municipal Electric Agency ("IMEA" or "agency") and the city of Farmer City ("participating member") have heretofore entered into an amended power sales contract ("PSC"), dated June 1, 1990 and effective October 1, 1990, pursuant to which participating member has agreed to purchase and the IMEA has agreed to provide and sell, subject to certain limitations, all of the electric power and energy required for the operation of participating member's municipal electric utility for a term of thirty-five (35) years;

WHEREAS, in furtherance of its obligations under the PSCs, the agency issued bonds and purchased an undivided 12.12 percent ownership interest in a coal-fired generating unit, known as Trimble County Unit No. 1, in Trimble County, Kentucky, and all participating members pay rates for power and energy from the agency that are designed to cover the debt service on the bonds issued by the agency in connection with the purchase of said unit, as well as all other agency expenses;

WHEREAS, in planning to meet the long-term power and energy needs of the participating members, as well as other member municipalities that may be interested in entering into long-term full-requirement power supply agreements with IMEA, the agency has caused to be conducted both an integrated resource plan and a feasibility study regarding participation in a new base load, coal-fired generating unit;

WHEREAS, the results of the integrated resource plan and the preliminary recommendations from the feasibility study show that participation by IMEA in a new base load, coal-fired generating unit to be constructed and operational in the 2008/2009 time frame is the best long-term resource for meeting the power and energy needs of the participating members and other member municipalities wishing to enter into long-term full-requirement, power supply agreements with IMEA in the future;

WHEREAS, it is anticipated that IMEA will exercise its right of first refusal to acquire a 12.12% ownership in the Trimble County Unit No. 2, which is proposed to be constructed adjacent to the Trimble County Unit No. 1 with a projected unit nameplate rating of 750 MW, approximately 91 MW of which would be dedicated to IMEA, or a similar interest in another base load, coal-fired generating unit if Trimble County Unit No. 2 is either not constructed or not the best available resource (the "project");

WHEREAS, it is anticipated that the agency's costs associated with the project, including financing costs, will not exceed \$150,000,000;

WHEREAS, participation by IMEA in the proposed Trimble County Unit No. 2 or any other base load, coal-fired generating resource will require the issuance of additional bonds by IMEA, which will in turn necessitate extension of the terms of the existing participating members' PSCs through September 30, 2035 and the establishment of terms for any new participating members' long-term full-requirements, power supply contract through September 30, 2035; and

WHEREAS, IMEA and participating member have agreed to an addendum amend the amended power sales contract as set forth herein;

NOW, THEREFORE, the Illinois Municipal Electric Agency and the city of Farmer City hereby agree as follows:

1. IMEA shall take all steps reasonably necessary to acquire an ownership interest in a new base load, coal-fired generating unit.

2. The agency's board of directors shall set rates from time to time pursuant to the provisions of Section 3 of the amended power sales contract so as to amortize the proportionate share of debt service and associated costs for all participating members electing to participate in the new base load, coal-fired generating unit which is anticipated to be in service in the 2008/2009 time frame. In setting such rates, the agency's board of directors shall make appropriate adjustments to account for payments by any participating member that elected to pay its proportionate share of the debt service associated with the bonds issued by IMEA in connection with the acquisition of Trimble County Unit No. 1 over a shorter period of time.

3. Participating member hereby elects to participate in the project and to have its rates set pursuant to the amended power sales contract so as to amortize its proportionate share of debt service and other costs associated with the project over a twenty-five (25)-year period from the in-service date of the project.

4. IMEA and participating member hereby extend the initial term of the amended power sales contract for an additional ten (10) years. The initial term of the amended power sales contract between IMEA and participating member is hereby extended ten (10) years to September 30, 2035.

5. Section 1 of the amended power sales contract is further amended by deleting the entire text of subsection (a) and replacing it with the following:

This contract shall take effect on October 1, 1990 and shall remain in effect for an initial term of forty-five (45) years and thereafter from year to year until terminated by five (5) years' prior written notice. In no event shall this contract extend beyond September 30, 2040.

6. To the extent that Section 1(d)(iv) of the amended power sales contract may be interpreted to permit participating member to elect to limit its purchases from the agency to less than the full requirements of power and energy for its municipal electric utility system prior to the end of extended initial term established by this addendum, said provision is hereby eliminated, and it shall have no further legal effect.

7. Notwithstanding any other provision herein, this addendum and the contract term extension contained herein shall not become effective unless the agency's board of directors determines that the mix of participating members executing contract extensions or new power sales contracts results in sufficient benefits to the participating members to justify proceeding with the issuance of bonds to fund the purchase of an ownership interest in a new base load, coal-fired generating unit. The agency shall provide the participating member with written notice within sixty (60) days of any final decision by the agency that the addendum is to become effective. In addition, this addendum shall become null and void unless the agency shall have issued bonds in connection with the purchase of an ownership interest in a new base load, coal-fired generating unit by a date not later than December 31, 2007.

8. It is agreed between the parties that in the event there is a conflict between the provisions of this addendum and provisions of the amended power sales contract that the provisions of this addendum shall prevail and control.

IN WITNESS THEREOF the parties have authorized the execution of this addendum and have caused their duly authorized representatives to sign as of the day and year first written above.

For Illinois Municipal Electric Agency

By: 

Ronald D. Earl

General Manager & CEO

For the city of Farmer City, Illinois

By: 

Delwin "Buster" Kirby
Mayor

By: 

Administrative Assistant

Countersigned: (SEAL)

By: 

Sandra I. Shaw
City Clerk

Executed: 2/17, 2003

Executed: 2/3, 2003

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