

ORDINANCE NO. 03-105 AC CMS

**AN ORDINANCE AUTHORIZING THE EXECUTION OF A CERTIFICATE
OF RENEWAL AND PRINCIPAL PAYMENT ON THE PROMISSORY NOTE
BETWEEN THE CITY OF OBERLIN AND AMP-OHIO**

WHEREAS, on December 29, 2000, the City of Oberlin (the City) entered into a loan agreement with American Municipal Power-Ohio, Inc. (AMP-Ohio) for the sum of \$4,000,000 and executed and delivered a promissory note therefore to AMP-Ohio for the purpose of paying the cost to acquire, construct and install electric generating units and associated equipment; and

WHEREAS, the City renewed the promissory note on December 11, 2001 through AMP-Ohio in the amount of \$2,500,000 which included a principal debt payment of \$1,500,000 by the City; and

WHEREAS, the City renewed the promissory note on December 11, 2002 through AMP-Ohio in the amount of \$2,000,000 which included a principal debt payment of \$500,000 by the City; and

WHEREAS, the City desires to again renew the promissory note through AMP-Ohio in the amount of \$1,700,000 which includes a principal debt payment of \$300,000 by the City; and

WHEREAS, the City has sufficient funds in the electric reserve fund to cover the principal payment on the promissory note.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, a majority of all members elected thereto concurring:

SECTION 1. That the City Manager and City Auditor are hereby authorized to make a principal debt payment of \$300,000 from the electric reserve fund to pay down the promissory note of the City to AMP-Ohio from \$2,000,000 to \$1,700,000.

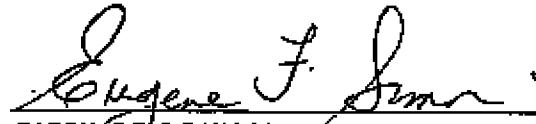
SECTION 2. That the City Manager and City Auditor are hereby authorized to execute a certificate of renewal with AMP-Ohio authorizing renewal of said promissory note in the principal amount of \$1,700,000.

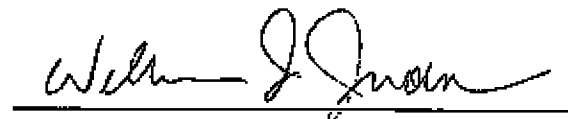
SECTION 3. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

SECTION 4. That this ordinance shall take effect at the earliest date allowed by law.

PASSED: 1st Reading – December 1, 2003 (E)
2nd Reading –
3rd Reading –

ATTEST:


CLERK OF COUNCIL


CHAIR OF COUNCIL

POSTED: 12/2/2003

EFFECTIVE DATE: 12/2/2003

a:/ORD03-105Financing EngineGeneratorProject

CERTIFICATE OF CITY OF OBERLIN CONCERNING RENEWAL

The undersigned officer of the City of Oberlin ("Oberlin") hereby certifies that:

1. On December 29, 2000 Oberlin entered into a Loan Agreement (the "Loan Agreement") with American Municipal Power - Ohio, Inc. ("AMP-Ohio"), pursuant to which AMP-Ohio loaned Oberlin a total of \$4,000,000 and Oberlin executed and delivered a promissory note therefor to AMP-Ohio.

2. The Loan Agreement contains provisions pursuant to which AMP-Ohio has issued its short-term notes (the "Notes") to provide the amounts loaned to Oberlin.

3. The Loan Agreement also contains provisions pursuant to which Oberlin pays interest on its debt to AMP-Ohio at the same rate as AMP-Ohio pays on its Notes.

4. AMP-Ohio's Notes, presently outstanding in the amount of \$2,000,000, are about to mature and must be renewed in the reduced principal amount of \$1,700,000.

5. Oberlin acknowledges that the interest rate on the renewal Notes is 1.30% per annum, and understands that it is obligated to pay interest at this rate to AMP-Ohio until the maturity date of the renewal Notes, at which time the interest rate may change.

CITY OF OBERLIN

By 
City Manager

Dated: December 11, 2003