

VILLAGE OF CAREY, OHIO

ORDINANCE NO. 2020-13

ORDINANCE AUTHORIZING THE VILLAGE'S PARTICIPATION IN THE TREASURER OF OHIO'S MARKET ACCESS PROGRAM; AUTHORIZING THE PREPARATION AND FILING OF AN APPLICATION FOR THAT PROGRAM AND THE EXECUTION AND DELIVERY OF A STANDBY NOTE PURCHASE AGREEMENT WITH THE TREASURER, AND OTHER NECESSARY AND APPROPRIATE DOCUMENTS; AND DECLARING AN EMERGENCY.

WHEREAS, American Municipal Power, Inc. ("AMP") and the Village of Carey, Ohio (the "Village") have cooperated in connection with financing improvements to the Village's electric system, including the installation of a new 10 MVA 69/12kV substation, a new 10 MVA 69/122kV transformer in the Ogg Street Substation, new 12kV distribution feeders to serve a new school and industrial park, and replacing the majority of the existing 69kV wooden poles with ductile iron or steel poles (collectively, the "Project"), and AMP has provided initial funding for the Project by drawing on its bank line of credit, while maintaining the option to issue its notes on behalf of the Village in the future; and

WHEREAS, in 2018, AMP issued its bond anticipation notes, on behalf of the Village, in order to pay off the outstanding loan on AMP's bank line of credit; and

WHEREAS, notes currently outstanding in the principal amount of \$4,585,000, are about to mature and should be renewed in the reduced principal amount of \$4,275,000;

WHEREAS, the Village wishes continue to have AMP issue the renewal notes on its behalf, and in order to obtain a more favorable interest rate on the notes, the Village also wishes to participate in the Ohio Treasurer of State's Market Access Program (the "Program"); and

NOW, THEREFORE, Be It Ordained by the Council of the Village of Carey, Ohio:

SECTION 1. That the Village's participation in the Ohio Treasurer of State's Market Access Program with respect to the issuance of AMP's \$4,275,000 Electric System Improvement Bond Anticipation Notes (Village of Carey Project), Series 2018, Second (2020) Renewal (the "Notes") is hereby authorized. The Mayor or his designee is authorized to prepare and file with the Treasurer an application for such Program.

SECTION 2. The Standby Note Purchase Agreement required for participation in the Program is hereby authorized in substantially the form presented to the Council with such changes not materially adverse to the Village as may be approved by the officers of the Village executing that Agreement. The Village acknowledges the agreement of the Treasurer of State in the Standby Note Purchase Agreement that, in the event the Village is unable to repay the principal amount and accrued and unpaid interest of the promissory note from the Village to AMP (the "Note") which provides the funds to pay the principal of and interest on notes issued by AMP on the Village's behalf as set forth in the Amended and Restated Loan Agreement between AMP and the

Village (the “Loan Agreement”) at their maturity, whether through its own funds or through the issuance of other obligations by AMP on behalf of the Village, the Treasurer of State agrees (a) to purchase the Note from AMP at a price of par plus accrued interest to maturity or (b) to purchase a renewal note of the Village, in a principal amount not greater than the principal amount of the Note plus interest due at maturity, with such renewal note bearing interest at a rate equal to the one-year benchmark on the Municipal Market Data (MMD) AAA scale plus 400 basis points on the date the Village ordinance authorizing the renewal note is adopted, maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days’ notice, provided that in connection with the Treasurer of State’s purchase of such renewal note the Village shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal note is the legal, valid and binding obligations of the Village, and the principal of and interest on such renewal note, unless paid from other sources, are to be paid from the revenues of the Village’s electric utility system; and (ii) interest on the renewal note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code as amended to the same extent that interest on the Note is so excluded.

The Mayor and/or his designees are authorized to take all actions that may in their judgment reasonably be necessary to provide for such an Agreement.

SECTION 3. That the Mayor or his designee is authorized to execute and deliver, on behalf of the Village, the Standby Note Purchase Agreement, and any other documents or certificates deemed to be necessary or desirable in connection with this transaction. The Note is issued by the Village pursuant to Article 18, Section 12 of the Ohio Constitution and Section 133.34(A)(4) of the Ohio Revised Code.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution 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 5. That this Ordinance is hereby declared to be an emergency measure for the immediate preservation of the public peace, health, safety and welfare of the inhabitants of the Village for the reason that the retirement of the outstanding loan with the issuance of the Notes must be assured at the earliest possible time; therefore, this Ordinance shall take effect immediately upon its adoption and approval by the Mayor.

Date: _____

PRESIDING OFFICER

Attest: _____
CLERK