

TOWNSHIP OF SCHUYLKILL
SCHUYLKILL COUNTY, PENNSYLVANIA
ORDINANCE

- 99-5

AN ORDINANCE OF THE TOWNSHIP OF SCHUYLKILL, SCHUYLKILL COUNTY, PENNSYLVANIA INCREASING THE INDEBTEDNESS OF THE TOWNSHIP BY THE ISSUANCE OF A GUARANTY OF DEBT TO BE INCURRED BY THE SCHUYLKILL VALLEY SEWER AUTHORITY FOR THE PURPOSE OF DESIGNING AND CONSTRUCTING A SEWAGE COLLECTION, TRANSMISSION AND TREATMENT SYSTEM IN THE AMOUNT OF \$376,260.00; FIXING THE FORM, NUMBER, DATE, AND TERM THEREOF; MAKING A COVENANT FOR THE PAYMENT OF DEBT SERVICE ON THE GUARANTY; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS; AND AUTHORIZING EXECUTION AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Township of Schuylkill, Schuylkill County, Pennsylvania (the "Township"), be increased for the following purpose: the guarantying of incurred debt by the Schuylkill Valley Sewer Authority (the "Authority") with said debt to be used for the purposes of designing and constructing a sewage collection, transmission and treatment system (the "Project"); and,

WHEREAS, the proposed increase of debt, presently outstanding, will not cause the limitations of the Township's debt-incurring power, pursuant to constitutional and statutory authority, to be exceeded.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the Township of Schuylkill, Schuylkill County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

Section 1. The aggregate principal amount of the Guaranty of the Township proposed to be issued is Three Hundred Seventy-Six Thousand Two Hundred Sixty (\$376,260.00) Dollars, same to be issued for the foregoing purposes and same to be incurred as lease rental debt.

Section 2. Said indebtedness shall be evidenced by (1) a Guaranty Agreement (the "Guaranty") and (2) a letter of commitment from the Community Banks, N.A. ("Bank") in a form similar to that attached hereto (the "Commitment Letter"), in the principal sum of \$376,260.00, provided as security for a Note issued by the Authority in maximum amount of \$1,254,200.00, dated and bearing interest, if required, from the earliest date of possible issue of said Guaranty under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania, approved the 28th day of April, 1978, being Act 52 of 1978 Session, as amended (the "Debt Act"), based on the following interest rates and maturity schedule:

Interest only on the unpaid principal balance at an annual rate of 4.75% per annum shall be payable in monthly installments on the first day of each calendar month commencing with the first calendar month following a loan advance by the Bank to or for the benefit of the Authority and ending on the earlier of three (3) years from the date of the closing or upon closing for permanent financing for the construction of the Sewer System with the Pennsylvania Infrastructure Investment Authority, whereupon the unpaid principal balance then outstanding and all accrued and unpaid interest shall be payable in full.

Section 3. The Township hereby covenants that the Township shall include the amounts payable in respect of its Guaranty for each fiscal year in which such sums may be payable with respect to the Project for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Guaranty and the interest thereon, on the dates and places and in the manner stated in the Guaranty according to the true intent and meaning thereof and for such proper budgeting, appropriation, and payment, the full faith and credit, and taxing power of the Township is hereby irrevocably pledged. The amounts which the Township hereby covenants to appropriate in each of the following fiscal years on the basis of the Guaranty Agreement as contained herein, is an amount equal to the lesser of the Debt Service on the Note for such Fiscal Year or that Municipality's Guaranty Limit as such terms are defined in the Guaranty Agreement.

Section 4. The form of said Guaranty shall be substantially in the form attached hereto as Exhibit "A".

Section 5. The form of said Commitment Letter shall be substantially in the form attached hereto as Exhibit "B".

Section 6. The said Guaranty and the Commitment Letter shall be executed in the name and under the corporate seal of the Township by the Chairman of the Schuylkill Township Board of Supervisors and attested to by the Secretary of the Schuylkill Township Board of Supervisors. The Chairman and Secretary of the Schuylkill Township Board of Supervisors are hereby authorized and directed to prepare, verify and file the Debt Statement required by Section 410 of the Debt Act and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

Section 7. The lease rental obligation evidenced by the Guaranty and Commitment Letter in the amount of \$376,260.00 herein authorized is hereby issued to the Bank in accordance with the Guaranty and Commitment Letter provided the said Guaranty is dated that day of delivery; and further provided that the proceedings have been approved by the Department of Community and Economic Development.

Section 8. The action of the proper officers and the advertising of the summary of this Ordinance as required by law in the Times-News, a newspaper of general circulation in the Township, is ratified and confirmed. The advertisement in said paper of the enactment of said Resolution is hereby directed within fifteen (15) days following the date of final enactment.

Section 9. In the event that any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not effect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Township that the remainder of this Ordinance shall remain in full force and effect.

Section 10. All ordinances and parts of ordinances not in accord with this resolution are hereby repealed insofar as they conflict herewith.

Section 11. This Ordinance shall be effective in accordance with Section 103 of the Debt Act.

DULY ADOPTED this day of *1st (Sept)*, 1999, by the Board of Supervisors of the Township of Schuylkill in lawful session duly assembled.

TOWNSHIP OF SCHUYLKILL

ATTEST:

May E. Bubil
Secretary

Joanna Thompson
Chairman