

TOWNSHIP OF MIDDLESEX,
Cumberland County, Pennsylvania

ORDINANCE NO. 3-85

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THIS TOWNSHIP DETERMINING TO INCUR DEBT; DETERMINING THAT THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SUCH DEBT SHALL BE \$4,400,000; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A SERIES OF GUARANTEED WATER REVENUE BONDS - SERIES OF 1985, DATED AS OF JULY 15, 1985, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF FOUR MILLION FOUR HUNDRED THOUSAND DOLLARS (\$4,400,000), TO BE AUTHORIZED AND TO BE ISSUED BY MIDDLESEX TOWNSHIP MUNICIPAL AUTHORITY; BRIEFLY DESCRIBING THE PROJECTS FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC USEFUL LIFE OF SAID PROJECTS; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT REQUIRED BY SECTION 410 OF PENNSYLVANIA ACT NO. 1972-185, AS RE-ENACTED, AMENDED AND REVISED BY PENNSYLVANIA ACT NO. 1978-52, AS AMENDED AND SUPPLEMENTED, KNOWN AS THE "LOCAL GOVERNMENT UNIT DEBT ACT"; (B) TO PREPARE AND TO FILE ANY STATEMENTS REQUIRED BY ARTICLE II OF SAID ACT THAT ARE NECESSARY TO QUALIFY ALL OR ANY PORTION OF LEASE RENTAL DEBT OF THIS TOWNSHIP FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING DEBT; AND (C) TO EXECUTE, TO ATTEST AND TO DELIVER, AS APPROPRIATE, A GUARANTY AGREEMENT, DATED AS OF JULY 15, 1985, BETWEEN THIS TOWNSHIP, AS GUARANTOR, SAID AUTHORITY AND DAUPHIN DEPOSIT BANK AND TRUST COMPANY, AS TRUSTEE UNDER A TRUST INDENTURE, DATED AS OF JULY 15, 1985, BETWEEN SAID AUTHORITY AND SAID TRUSTEE, WITH RESPECT TO SAID PROJECTS AND SAID BONDS; APPROVING THE FORM OF SAID GUARANTY AGREEMENT; SPECIFYING THE MAXIMUM AMOUNTS OF THE GUARANTY OBLIGATIONS OF THIS TOWNSHIP PURSUANT TO SAID GUARANTY AGREEMENT AND THE SOURCES OF PAYMENT OF SUCH GUARANTY OBLIGATIONS, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS AS PROVIDED IN SAID ACT; APPOINTING A SINKING FUND DEPOSITARY IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS; PROVIDING FOR PROPER OFFICERS OF THIS TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SAID PROJECTS AND SAID GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, This Township (the "Local Government Unit") is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under provisions of Act No. 1972-185, as re-enacted, amended and revised by Act No. 1978-52, as amended and supplemented, from time to time, known as the "Local Government Unit Debt Act", of the Commonwealth (the "Act"); and

WHEREAS, Middlesex Township Municipal Authority (the "Authority") is a municipality authority organized and existing under the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented, from time to time, of the Commonwealth (the "Authorities Act"); and

WHEREAS, This Local Government Unit heretofore authorized the Authority to undertake, and consented to and approved of the Authority undertaking a capital project, a brief description of such project being: (i) the acquisition and construction by the Authority of certain water transmission and distribution system facilities, including all related and necessary facilities, required for rendering water service in and for portions of this Local Government Unit; and (ii) the making of certain capital contributions to South Middleton Township Municipal Authority to pay for a proportionate share of the cost of construction of certain water transmission facilities for the benefit of the Authority and to pay certain costs relating to the furnishing of water to the Authority (collectively the "Capital Project"); and

WHEREAS, The Authority, in connection with the Capital Project, heretofore authorized and issued a series of guaranteed water revenue bonds, designated generally as "Guaranteed Water Revenue Bonds - Series of 1984, dated as of October 1, 1984, in the aggregate principal amount of \$4,170,000 (the "Series of 1984 Bonds"); and

WHEREAS, The Authority has determined to undertake the Projects (hereinafter defined).

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors (the "Governing Body") of this Local Government Unit, as follows:

1. This Local Government Unit authorizes the Authority to undertake, and consents to and approves of the Authority undertaking: (i) a refunding project, a brief description of such project being the retirement of the Series of 1984 Bonds, by stated maturities and mandatory redemption, as appropriate (the "Refunding Project"); and (ii) a capital project, a brief description of such project being to provide funds for the completion by the Authority of the Capital Project (the Refunding Project and the Capital Project being referred to herein collectively as the "Projects"); and

2. This Local Government Unit specifies that a realistic estimated useful life of the Capital Project is at least twenty-five (25) years.

3. This Local Government Unit determines to incur "debt", as such term is defined in the Act, as "lease rental debt", as such phrase is defined in the Act, in connection with the Projects.

4. Such debt, which shall be incurred as such lease rental debt, shall be in the maximum aggregate principal amount of \$4,400,000, shall be evidenced by obligations to be issued by the Authority under the Authorities Act and shall consist of a series of guaranteed water revenue bonds, to be known generally as "Guaranteed Water Revenue Bonds - Series of 1985", dated as of July 15, 1985 (the "Bonds"), which Bonds shall have the benefit of and shall be secured by, inter alia, the guaranty obligations of this Local Government Unit pursuant to the Guaranty Agreement (hereinafter mentioned and identified).

5. This Local Government Unit, as guarantor, shall enter into a Guaranty Agreement, dated as of July 15, 1985 (the "Guaranty Agreement"),

substantially in the form referred to in Paragraph 7, with the Authority and Dauphin Deposit Bank and Trust Company (the "Trustee"), as trustee under a Trust Indenture, dated as of July 15, 1985 (the "Indenture"), between the Authority and the Trustee, with respect to the Projects and the Bonds, under terms and provisions of which Guaranty Agreement, inter alia, this Local Government Unit shall guaranty, unconditionally, for the benefit of the holders, from time to time, of the Bonds, full and prompt payment of Debt Service, as such phrase is defined in the Guaranty Agreement, to the extent provided in the Guaranty Agreement, as such shall be due and payable with respect to the Bonds.

The Guaranty Agreement shall be for the life of the Bonds and shall set forth terms, conditions, provisions, covenants and agreements to be observed by this Local Government Unit, the Authority and the Trustee in relation to said water system facilities, the Projects and the Bonds.

6. This Local Government Unit shall covenant in the Guaranty Agreement and does hereby covenant to and with the Trustee, the Authority and the holders, from time to time, of the Bonds that shall be Outstanding, as such term is defined in the Indenture, that this Local Government Unit: (i) shall include the Debt Service, as that phrase is defined in the Guaranty Agreement, payable in respect of its guaranty pursuant to the Guaranty Agreement, for each Fiscal Year, as that phrase is defined in the Guaranty Agreement, in which such sums shall be payable in its budget for that Fiscal Year; (ii) shall appropriate such amounts from its general revenues for payment to the Trustee of its obligations under the Guaranty Agreement; and (iii) shall duly and punctually pay or cause to be paid from its sinking fund (hereinafter referred to) or any other of its revenues or funds the amount payable in respect of such guaranty, at the dates and in the manner stated in the Guaranty Agreement, at the principal corporate trust office of the Trustee, according to the true intent

and meaning thereof; and for such budgeting, appropriation and payment in respect of such guaranty, this Local Government Unit shall and does pledge, irrevocably, its full faith, credit and taxing power. This covenant shall be specifically enforceable. For the purpose of complying with the foregoing covenant, this Local Government Unit covenants that it shall budget the amounts set forth in Exhibit A which is attached hereto and made part hereof, such amounts being such Debt Service on the Bonds for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Trustee such amounts; Subject, however, to provisions of the Guaranty Agreement with respect to credit for certain sums that shall be available for such Debt Service under the Indenture, all as more fully set forth in the Guaranty Agreement.

This Local Government Unit also shall covenant in the Guaranty Agreement and does hereby covenant that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required under the Guaranty Agreement, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or otherwise to satisfy its obligations under the Guaranty Agreement, it shall include any amounts so payable by it in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay or shall cause to be paid its obligations incurred under the Guaranty Agreement, in the manner therein stated, according to the true intent and meaning thereof and, for such budgeting, appropriation and payment, it shall and does pledge, irrevocably, its full faith, credit and taxing power. This covenant shall be specifically enforceable.

It shall be the intent and purpose of the Guaranty Agreement that this Local Government Unit shall be required to pay over to the Trustee only that

portion of such Debt Service that cannot be paid from the Receipts and Revenues from the Water System, as that phrase is defined in the Guaranty Agreement, or from other money of the Authority that shall be available for the purpose, as set forth in the Guaranty Agreement.

The phrase "Fiscal Year", as used in this Ordinance and in Exhibit A which is attached hereto and made part hereof, shall mean the fiscal year of this Local Government Unit as prescribed by applicable statute.

7. The Guaranty Agreement shall be substantially in the form presented to this meeting, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved, shall be filed with the Secretary of this Local Government Unit and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

8. This Local Government Unit hereby creates and establishes a "sinking fund", as such phrase is defined or applied in the Act, with respect to its obligations under such guaranty and the Guaranty Agreement and Dauphin Deposit Bank and Trust Company, Harrisburg, Pennsylvania, is hereby appointed "sinking fund depository" and "paying agent", as such phrases are defined or applied in the Act, with respect to obligations of this Local Government Unit under such guaranty and the Guaranty Agreement.

9. The Chairman or Vice Chairman of the Governing Body and the Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to prepare, to certify and to file the debt statement, as such phrase is defined in the Act, required by Section 410 of the Act, in behalf of this Local Government Unit.

The auditors of this Local Government Unit shall prepare and execute a borrowing base certificate for this Local Government Unit to be appended to such debt statement, as required by the Act.

10. The Chairman or Vice Chairman of the Governing Body and the Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to prepare and to file appropriate statements required by Article II of the Act that are necessary to qualify all or any portion of the lease rental debt of this Local Government Unit that is subject to exclusion as self-liquidating debt for exclusion from the appropriate debt limit as self-liquidating debt.

11. The Chairman or Vice Chairman of the Governing Body and the Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to execute, to attest and to deliver the Guaranty Agreement, in behalf of this Local Government Unit, substantially in the form approved in Paragraph 7; Subject, however, to applicable provisions of the Act.

12. Proper officers of this Local Government Unit are authorized and directed to make application to the Department of Community Affairs of the Commonwealth (the "Department") for approval with respect to the Guaranty Agreement, as required by Section 411(b) of the Act; and, in connection with such application, this Local Government Unit shall pay or shall cause to be paid to the Department the filing fee required by the Department, the payment of which filing fee is authorized and approved.

13. The guaranty obligations of this Local Government Unit, with respect to the Bonds, as set forth in the Guaranty Agreement in the form referred to in Paragraph 7, which shall be payable, if and as necessary, on a semiannual basis, shall be as is set forth in Exhibit A which is attached hereto and made part hereof.

14. The guaranty obligations of this Local Government Unit, as set forth in Paragraph 6, shall be payable from the tax and other general revenues of this Local Government Unit.

15. Proper officers of this Local Government Unit are authorized and directed to execute all documents and to do all other acts as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of this Local Government Unit under the Guaranty Agreement.

16. Reference in this Ordinance to specified officers of this Local Government Unit shall include and shall be construed to include, if and as applicable, their respective successors in office.

17. This Ordinance shall become effective in accordance with provisions of Section 103 of the Act.

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

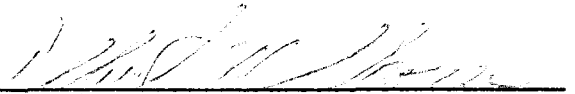
19. All ordinances or parts of ordinances that are inconsistent herewith shall be and the same expressly are repealed.

DULY ENACTED AND ORDAINED, this 22nd day of July, 1985, by the
Governing Body of this Local Government Unit, in lawful session duly assembled.

TOWNSHIP OF MIDDLESEX,
Cumberland County, Pennsylvania

ATTEST:


(Assistant) Secretary

By: 
(Vice) Chairman

(SEAL)

EXHIBIT A

Debt Service, as such phrase is defined in the Guaranty Agreement referred to in the Ordinance to which this Exhibit A is attached, on the Bonds, as such term is defined in the Ordinance to which this Exhibit A is attached (in the maximum aggregate principal amount of \$4,400,000), to be issued by Middlesex Township Municipal Authority.

<u>Fiscal Year</u>	<u>Interest Due June 1</u>	<u>Principal Due June 1</u>	<u>Interest Due December 1</u>	<u>Total Debt Service</u>
1986	\$331,951.42	\$90,000	\$186,723.75	\$608,675.17
1987	186,723.75	70,000	184,711.25	441,435.00
1988	184,711.25	75,000	182,367.50	442,078.75
1989	182,367.50	80,000	179,667.50	442,035.00
1990	179,667.50	85,000	176,692.50	441,360.00
1991	176,692.50	90,000	173,452.50	440,145.00
1992	173,452.50	95,000	169,937.50	438,390.00
1993	169,937.50	105,000	165,947.50	440,885.00
1994	165,947.50	110,000	161,657.50	437,605.00
1995	161,657.50	120,000	156,857.50	438,515.00
1996	156,857.50	130,000	151,495.00	438,352.50
1997	151,495.00	140,000	145,545.00	437,040.00
1998	145,545.00	155,000	138,647.50	439,192.50
1999	138,647.50	170,000	131,082.50	439,730.00
2000	131,082.50	185,000	122,850.00	438,932.50
2001	122,850.00	200,000	113,750.00	436,600.00
2002	113,750.00	220,000	103,740.00	437,490.00
2003	103,740.00	245,000	92,592.50	441,332.50
2004	92,592.50	265,000	80,535.00	438,127.50
2005	80,535.00	295,000	67,112.50	442,647.50
2006	67,112.50	320,000	52,552.50	439,665.00
2007	52,552.50	350,000	36,627.50	439,180.00
2008	36,627.50	385,000	19,110.00	440,737.50
2009	19,110.00	420,000	-	439,110.00

CERTIFICATE

I, the undersigned, (~~Assistant~~) Secretary of the Township of Middlesex, Cumberland County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by the Board of Supervisors of the Township, in accordance with law, at a meeting duly held on July 22, 1985; said Ordinance has been certified and recorded by me, as (~~Assistant~~) Secretary of the Board of Supervisors of the Township, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. ³⁸⁵ ; the total number of members of the Board of Supervisors of the Township is three (3); the vote of the members of the Board of Supervisors of the Township, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me as (~~Assistant~~) Secretary as follows:

Albert Shover	-	AYE
Robert Eppley	-	AYE
Abram Witmer	-	AYE ;

said Ordinance has been advertised (both before and after enactment), as required by law, in a proper newspaper of general circulation in the Township; and said Ordinance has not been amended, altered or repealed, as of the date of this Certificate.

I further certify that: (i) the Board of Supervisors of the Township met the advance notice requirements of Act No. 175 of the General Assembly of the Commonwealth of Pennsylvania, approved July 19, 1974, as amended, by advertising said meeting and by posting prominently a notice of said meeting at the public building in which said meeting was held, all in accordance with such Act; and (ii) said Ordinance (and the Guaranty Agreement referred to therein) was available for public inspection in accordance with law.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 22nd day of July, 1985.



(Assistant) Secretary

(SEAL)