

TOWNSHIP OF MIDDLESEX.

Cumberland County, Pennsylvania

ORDINANCE NO. 387

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THIS TOWNSHIP DETERMINING TO INCUR DEBT; DETERMINING THAT THE MAXIMUM PRINCIPAL AMOUNT OF SUCH DEBT SHALL BE \$2,560,100; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTEED NOTE, SERIES OF 1987, DATED AS OF THE DATE OF DELIVERY THEREOF IN THE MAXIMUM PRINCIPAL AMOUNT OF TWO MILLION FIVE HUNDRED SIXTY THOUSAND ONE HUNDRED DOLLARS (\$2,560,100), TO BE AUTHORIZED AND TO BE ISSUED BY MIDDLESEX TOWNSHIP MUNICIPAL AUTHORITY IN CONNECTION WITH THE REFUNDING BY SAID AUTHORITY OF CERTAIN INDEBTEDNESS HERETOFORE LAWFULLY INCURRED BY SAID AUTHORITY WITH RESPECT TO A SEWER PROJECT OF SAID AUTHORITY; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC REMAINING USEFUL LIFE OF SAID PROJECT; 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 BOROUGH 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 MARCH 30, 1987, BETWEEN THIS TOWNSHIP, AS GUARANTOR, SAID AUTHORITY AND FARMERS TRUST COMPANY, AS LENDER UNDER A LOAN AGREEMENT, DATED AS OF MARCH 30, 1987, BETWEEN SAID AUTHORITY AND SAID BANK, WITH RESPECT TO SAID PROJECT AND SAID NOTE; 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; PROVIDING FOR PROPER OFFICERS OF THIS TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SAID PROJECT 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 Municipality 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, The Authority heretofore acquired or constructed certain sanitary sewage collection, transmission, treatment, and disposal system facilities (the "Sewer System"), required for rendering sewer service in and for, inter alia, certain portions of this Township; and

WHEREAS, The Authority heretofore incurred certain debt, which was lawful when incurred, under the Authorities Act, in connection with the Sewer System; and

WHEREAS, Such debt of the Authority is evidenced by: (i) a series of Promissory Notes, dated December 8, 1981, in the original maximum aggregate principal amount of \$1,987,700, presently outstanding in

the aggregate principal amount of \$1,908,930; (ii) a Note, dated December 8, 1981, in the original maximum principal amount of \$1,000,000, presently outstanding in the principal amount of \$515,000; and (iii) advances made to or in behalf of the Authority by the Local Government Unit (collectively referred to as the "Original Obligations"), all in connection with the Sewer System; and

WHEREAS, The Authority and this Local Government Unit have determined that the Authority shall undertake a project that consists of, refunding the Original Obligations (the "Refunding Project"), by issuance of a guaranteed sewer revenue note.

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 and requests the Authority to undertake and to complete the refunding of debt of the Authority, comprising the Refunding Project, which debt was incurred lawfully by the Authority under the Authorities Act.

Such outstanding debt of the Authority to be refunded was incurred with respect to a project of the Authority which consisted generally of the acquisition and construction of additions, extensions, alterations and improvements to the sanitary sewage collection, transmission, treatment and disposal system (the "Sewer System") of the Authority.

2. 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 Refunding Project.

3. Such debt, which shall be incurred as such lease rental debt, shall be in the maximum aggregate principal amount of \$2,560,100, shall be evidenced by obligations to be issued by the Authority under the Authorities Act and shall consist of a guaranteed sewer revenue note, to be designated as "Guaranteed Sewer Revenue Note, Series of 1987", dated as of the date of delivery thereof (the "Note"), which Note 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).

4. This Local Government Unit specifies that a realistic estimated remaining useful life of the Refunding Project is at least fifteen (15) years.

5. This Local Government Unit, as guarantor, shall enter into a Guaranty Agreement, dated as of March 30, 1987 (the "Guaranty Agreement"), substantially in the form referred to in Paragraph 6, with the Authority and Farmers Trust Company (the "Bank"), as lender under a Loan Agreement, dated as of March 30, 1987 (the "Loan Agreement"), between the Authority and the Bank, with respect to the Refunding Project and the Note, 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 Note, 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 Note.

The Guaranty Agreement shall be for the life of the Note and shall set forth terms, conditions, provisions, covenants and agreements to

be observed by this Local Government Unit, the Authority and the Bank in relation to the Sewer System, the Refunding Project and the Note.

6. 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.

7. This Local Government Unit shall covenant in the Guaranty Agreement and does hereby covenant to and with the Authority, the Bank, and any subsequent registered owners, from time to time, of the Note so long as the Note shall be Outstanding, as such term is defined in the Loan Agreement, 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 Bank or any subsequent registered owners 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 times and in the manner stated in the Guaranty Agreement, at the principal office of the Bank or any subsequent registered owners of the Note, 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 purposes 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 Note for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Bank or any subsequent registered owners of the Note 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 Loan Agreement, 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 Bank or any subsequent registered owners of the Note only that portion of such Debt Service that cannot be paid from the Receipts and Revenues from the Sewer 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 attached hereto, shall mean the fiscal year of this Local Government Unit as prescribed by applicable statute.

8. The guaranty obligations of this Local Government Unit, with respect to the Note, as set forth in the Guaranty Agreement in the form referred to in Paragraph 6, which shall be payable, if and as necessary, on a quarterly basis, shall be as is set forth in Exhibit A which is attached hereto and made part hereof.

9. The guaranty obligations of this Local Government Unit, as set forth in Paragraph 7, shall be payable from the tax and other general revenues of this Local Government Unit.

10. The Chairman or Vice Chairman of the Governing Body and the Secretary 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.

Proper officers 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.

11. The Chairman or Vice Chairman of the Governing Body and the Secretary 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.

12. The Chairman or Vice Chairman of the Governing Body and the Secretary 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 6; Subject, however, to applicable provisions of the Act.

13. 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.

14. 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.

15. 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.

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

17. 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.

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

DULY ENACTED AND ORDAINED, this 4th day of March, 1987, by the
Governing Body of this Local Government Unit, in lawful session duly
assembled.

TOWNSHIP OF MIDDLESEX
Cumberland County, Pennsylvania

ATTEST:

R. E. Rustin
(~~Assistant~~) Secretary

By: *Albert M. Shaver*
(~~Vice~~) Chairman of the
Board of Supervisors

(SEAL)

EXHIBIT A

Debt Service, as such phrase is defined in the Guaranty Agreement referred to in the Ordinance to which this is attached, on the Note, as such term is defined in the Ordinance to which this is attached (in the maximum principal of \$2,560,100), to be issued by Middlesex Township Municipal Authority.

<u>Fiscal Year</u>	<u>January 1</u>	<u>April 1</u>	<u>July 1</u>	<u>October 1</u>	<u>Total Debt Service</u>
1987					
1988					
1989					
1990					
1991					
1992					
1993					
1994					
1995					
1996					
1997					
1998					
1999					
2000					
2001					

CERTIFICATE

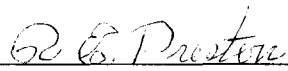
I, the undersigned, (Assistant) Secretary of the Township of Middlesex, Cumberland County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by the Board of Supervisors of the Township, in accordance with law, at a meeting duly held on March 4, 1987, at which meeting a quorum was present; said Ordinance has been certified and recorded by me, as (Assistant) Secretary of the Township, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. ; 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:

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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 the Board of Supervisors of the Township met the advance notice requirements of the Sunshine Act, Act No. 1986-84 of the General Assembly of the Commonwealth of Pennsylvania, approved July 3, 1986, by advertising said meeting and by posting prominently a notice of said meeting at the principal office of the Township or at the public building in which said meeting was held, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this day of March, 1987.



(Assistant) Secretary

(SEAL)