

ORDINANCE NO. 213

AN ORDINANCE OF PENN TOWNSHIP APPROVING AS A CAPITAL PROJECT THE CONSTRUCTION OF IMPROVEMENTS TO THE EXISTING WASTEWATER TREATMENT PLANT OF THE PENN TOWNSHIP, YORK COUNTY AUTHORITY; DETERMINING TO FINANCE THE PROJECT BY INCURRING GROSS LEASE RENTAL DEBT OF THE TOWNSHIP; APPROVAL OF ISSUANCE BY THE AUTHORITY OF UP TO \$1,510,000 GUARANTEED SEWER REVENUE BONDS; APPROVING A REPORT FROM THE CONSULTING ENGINEER ON THE REVENUES OF THE AUTHORITY'S SEWER SYSTEM; AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO LEASE BETWEEN THE AUTHORITY AS LESSOR, AND THIS TOWNSHIP, AS LESSEE WHICH PROVIDES, AMONG OTHER THINGS FOR THE PAYMENT OF RENTALS BY THE TOWNSHIP TO AMORTIZE THE BONDS AND FOR A GUARANTY OF THE BONDS BY THE TOWNSHIP; AUTHORIZING THE PREPARATION OF A DEBT STATEMENT AND THE FILING OF SAID DEBT STATEMENT, THE REPORT AND TRANSCRIPT OF PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AFFAIRS; AND AUTHORIZING OTHER NECESSARY ACTION.

NOW, THEREFORE, IT IS HEREBY ORDAINED AND ENACTED BY THE BOARD OF COMMISSIONERS OF PENN TOWNSHIP, YORK COUNTY, as follows:

1. The Township hereby approves as a capital project, the Project, consisting of an expansion of the Treatment Plant of the Authority to a capacity of 4.2 million gallons per day and an upgrading of the degree of treatment, in accordance with the approved plans and specifications therefore, which shall be placed on file in the office of the Township Secretary, and shall be made available for inspection by interested persons during usual business hours. It is hereby determined and declared that the estimated useful life of the Project is not less than fifty (50) years.

2. (a) The Project shall be financed by the payments made on account of the Federal Grant and the proceeds of sale of the Authority's Guaranteed Sewer Revenue Bonds, Series of 1977 to be issued in an aggregate principal amount not exceeding \$1,510,000 and to constitute gross lease rental debt of this Township under the Local Government Unit Debt Act (the "Act"). The incurrence of such lease rental debt is hereby authorized and approved.

(b) The Township hereby approves the issuance by the Authority of the 1977 Bonds which, together with Sewer Revenue Bonds, Series of 1964 of the Authority currently outstanding in the principal amount of \$1,145,000 (the "1964 Bonds"), shall be guaranteed by the Township and secured by lease rentals payable by the Township.

(c) The Township hereby recommends to the Authority the acceptance of the Bond Purchase Proposal, and approves the annual maturities, interest rates and other provisions thereof as submitted to this meeting. A copy of the Bond Purchase Proposal shall be

attached hereto and is made a part hereof by reference.

3. This Township hereby approves the report to the Township of the Engineers submitted for the purpose of excluding as self-liquidating debt the debt of the Township evidenced by the 1977 Bonds (the Sewer System Report), a copy of which shall be attached hereto and is made a part hereof by reference.

4. (a) This Township, as Lessee, shall enter into a First Amendment to Lease (the First Amendment to Lease) with the Authority, as Lessor, dated as of July 15, 1977, supplementing and amending the Lease, dated as of February 1, 1964, and providing, among other things, for the construction of the Project by the Authority, for the payment by the Township of additional rentals and the amounts as set forth therein, for a guaranty of the 1964 Bonds and 1977 Bonds by the Township and for a pledge of the Township's full faith, credit and taxing power in connection with such guaranty. The form of First Amendment to Lease presented to this meeting is hereby approved and a copy of such First Amendment to Lease shall be attached hereto and is made a part hereof by reference.

(b) The President of the Board of Commissioners and the Secretary or Assistant Secretary of the Township are hereby authorized and directed to execute and deliver the First Amendment to Lease to the Authority, substantially in the form presented to this meeting with such modifications as such officers by their execution thereof may approve. This Township hereby consents to the assignment of said First Amendment to Lease and all rentals and other amounts payable thereunder to the Trustee, and hereby agrees to pay over to the Trustee all of said rentals and additional rentals in the amounts and at the times set forth in said Lease.

5. The President of Board of Commissioners and the Treasurer or Secretary of the Township are hereby authorized to prepare and verify the Debt Statement required by Section 410 of the Act and to prepare and verify and/or assemble and file either before or after the issuance of the Bonds, such further and additional Debt Statements and documents as may be required to exclude self-liquidating debt from non-electoral debt or lease rental debt of this Township. Said officers or any of them, are further authorized to apply to the Department of Community Affairs for further approval of the lease rental debt herein authorized and for the exclusion of the debt incurred in connection with the Sewer System evidenced by the 1977 Bonds from the gross debt of the Township in accordance with Section 206 of said Act as self-liquidating debt and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, the Debt Statement, a Borrowing Base Certificate and the Sewer System Report, and to take any and all such further action and to execute and deliver such other documents as may be necessary or proper to comply with all requirements of the Act or to carry out the intent and purpose of this Ordinance.

6. (a) The Township hereby covenants and agrees to pay out of the revenue and receipts of the Sewer System, and, to the extent

such revenues and receipts shall be insufficient, out of its general revenues all rentals and other amounts payable under the Lease, as amended and supplemented by the Amendment to Lease.

(b) The Township further covenants and agrees to charge, impose and collect sewer rents and other charges which shall be sufficient, together with other revenues, to pay the regular and additional rentals and other amounts payable under the Lease, as amended and supplemented by the First Amendment to Lease and to pay operating expenses and to provide necessary reserves.

ENACTED AND ORDAINED this 30th day of June, 1977.

BOARD OF COMMISSIONERS OF
PENN TOWNSHIP

By: Wesley S. Janning
President

Attest:

Karen M. Little
Secretary