

AN ORDINANCE OF TOWNSHIP OF GERMAN  
(FAYETTE COUNTY, PENNSYLVANIA)  
ENACTED MARCH 11, 2014 AND NUMBERED 03112014

AUTHORIZING THE INCURRING OF LEASE RENTAL INDEBTEDNESS BY THE GUARANTY OF THE BONDS OF THE GERMAN TOWNSHIP SEWER AUTHORITY TO BE ISSUED IN THE AGGREGATE AMOUNT OF FOUR MILLION THREE HUNDRED TWELVE THOUSAND DOLLARS (\$4,312,000); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF THE BONDS UNDER THE GUARANTY; AUTHORIZING FILINGS OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING ACTIONS OF OFFICERS AND DIRECTING OTHER ACTIONS; AND MAKING OTHER COVENANTS IN RESPECT OF THE GUARANTY.

Bond Counsel:

Clark Hill | Thorp Reed  
One Oxford Centre  
301 Grant Street, 14<sup>th</sup> Floor  
Pittsburgh, PA 15219

Solicitor:

Douglas S. Sepic, Esquire  
Watson, Mundorff, Brooks & Sepic  
720 Vanderbilt Road  
Connellsville, PA 15425

WHEREAS, the Governing Body of the Local Government Unit, after due consideration of the public welfare and with full legal competence pursuant to its enabling legislation, has determined to undertake the Project hereinafter described: and

WHEREAS, the Governing Body of the Local Government Unit desires to incur indebtedness, within constitutional and statutory limitations, in order to undertake said Project: and

WHEREAS, the incurrence of such indebtedness is governed by the provisions of the Local Government Unit Debt Act, codified by the Act of December 19, 1996, P.L. 1158, No. 177, as amended (the "Debt Act");

NOW, THEREFORE, BE, AND IT HEREBY IS, ENACTED by the affirmative vote of a majority of all members of the Governing Body of the Local Government Unit as follows:

## ARTICLE I - DEFINITIONS

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Debt Ordinance, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Debt Ordinance, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department of Community and Economic Development or by courts maintaining competent jurisdiction, and consistent with the Guaranty hereinafter discussed and the related corporate resolutions, and financing documents and instruments of the Authority hereinafter identified. Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person," in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Authority" means German Township Sewer Authority, a body corporate and politic of the Commonwealth of Pennsylvania, organized under and existing pursuant to the Municipality Authorities Act, as amended.

"Bonds" means the German Township Sewer Authority (Fayette County, Pennsylvania) Guaranteed Sewer Revenue Bond, Series A of 2014, in the principal amount of \$3,145,000 and the Guaranteed Sewer Revenue Bond, Series B of 2014 in the principal amount of \$1,167,000.

"Bond Counsel" means Clark Hill | Thorp Reed, Pittsburgh, Pennsylvania.

"Bond Documents" means the Guaranty, the Letter of Conditions of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, dated March 22, 2006 as clarified April 9, 2009, the Bond Resolution, the Loan Resolution and all those other additional and standard agreements and assignments executed and entered into by the Authority.

"Bond Resolution" means the formal action of the Board of the Authority adopted March 11, 2014 authorizing, among other items, the Bonds and setting forth the terms and conditions of their payment, and the execution and delivery of the Bond Documents, including the Guaranty.

"Debt Ordinance" means this document, being the formal action taken by the Local Government Unit according to the requirements of Section 8103 of the Debt Act in order to authorize and incur the lease rental indebtedness represented by the Guaranty. Such term shall apply whether, under the law and existing practices of the Local Government Unit, it would normally take formal action by enactment of an ordinance, adoption of a resolution or some other similar means.

"Designated Officer" or "Designated Officers" means and include, individually or jointly, the Chairman of the Board of Supervisors, the Vice Chairman and the Secretary/Treasurer, being those duly elected or appointed and acting officials of the Local Government Unit, and their successors, hereby authorized to undertake and perform the actions herein specified necessary and proper to the issuance of the Guaranty and compliance with the Debt Act.

"Governing Body" means the Board of Supervisors of the Local Government Unit, being that entity authorized by law to fix the rate of, and to levy taxes within the Local Government Unit.

"Guaranty" means the Guaranty Agreement between the Local Government Unit, the Authority and the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service, guaranteeing the payment obligations of the Authority on its Bonds, according to the terms and

provisions thereof, as contained in the form of the Guaranty set forth in Exhibit A, attached to this Debt Ordinance and incorporated by reference herein.

"Loan Resolution" means the resolution of the Authority, prepared using RUS Bulletin 1780-27, authorizing the adoption of the Bond Resolution and making certain other covenants in respect of the Bond.

"Local Government Unit" means the Township of German, situated in the County of Fayette, a Township of the Second Class of the Commonwealth of Pennsylvania duly organized and validly existing under the Constitution and laws of the Commonwealth, particularly the Second Class Township Code, Act of May 1, 1933, P.L. 103, No. 69, as amended.

"Project" means refinancing debt previously issued to pay a portion of the cost of designing and constructing the Authority's wastewater collection and treatment system. The improvements are expected to have a useful life in excess of 40 years.

"Purchaser" means the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, 625 Evans City Road, Suite 101, Butler, PA 16001.

"Redemption Price" means 100% of the principal amount of (or portion of) the Bond, together with accrued interest to the date fixed for redemption.

--END OF ARTICLE I--

## ARTICLE 2 -- AUTHORIZATION OF INDEBTEDNESS

Section 2.01. Incurrence. After having obtained cost estimates from the Authority, the Local Government Unit does hereby authorize and direct the incurrence of lease rental indebtedness in an amount equal to the aggregate principal amount of the Bonds for the purposes of the Project; such debt shall be evidenced by the Guaranty, to be executed and delivered according to the provisions of this Debt Ordinance and the Debt Act, as a general obligation of the Local Government Unit.

Section 2.02. Approval of Guaranty. The Local Government Unit does hereby approve the Guaranty substantially in accordance with the form set forth in Exhibit A, attached to this Debt Ordinance and incorporated by reference herein; the Designated Officers are authorized and directed to execute and deliver the Guaranty, with such minor modifications and completions from Exhibit A as they shall, in their uncontroverted discretion, deem appropriate and in the best interests of the Local Government Unit and the Authority.

Section 2.03. Preparation of Debt Statement: Proceedings Before the Secretary. The Designated Officers are hereby authorized and directed to prepare and verify under oath or affirmation, according to the requirements of Sections 8002(c) and 8110 of the Debt Act, the Debt Statement of the Local Government Unit, including therewith a certification of the Borrowing Base, and, if desired, any statements required by Chapter 80, Subchapter B of the Debt Act necessary to qualify all or any portion of the indebtedness for exclusion from the appropriate debt limit as self-liquidating or subsidized debt.

The Designated Officers are hereby further authorized and directed to prepare and file all proceedings of the Local Government Unit relative to this incurrence of indebtedness with the Department of Community and Economic Development and to respond to all inquiries or requests and to perform all other actions necessary to obtain the approval of the Secretary to execute and deliver the Guaranty.

Section 2.04. General Obligation Covenant. The Local Government Unit hereby covenants with the owners from time to time of the Bonds to: (a) include, within the limits of this Debt Ordinance and the Guaranty, the amount necessary to service the debt on the Bonds, for each fiscal year in which such sums are payable, in its budget for that year, (b) appropriate such amounts from its general revenues to the payment of such debt service, and (c) duly and punctually pay, or cause to be paid, from its Sinking Fund or from any other of its revenues or funds, the principal of and the interest, within the limits of this Debt Ordinance and the Guaranty, on the Bonds at the dates and places and in the manner stated therein according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Bonds, the Local Government Unit hereby irrevocably pledges its full faith, credit and taxing power.

As provided in the Debt Act, the foregoing covenant is specifically enforceable.

--END OF ARTICLE 2--

## ARTICLE 3 - SETTLEMENT

Section 3.01. Concurrence of Award to Purchaser. After due consideration of various factors, including professional assistance and current market conditions, the Governing Body hereby approves the award of the Bonds by the Authority to the Purchaser and concurs in finding that a private sale by negotiation is in the best financial interest of the Authority and the Local Government Unit.

Section 3.02. Settlement. The Designated Officers are authorized and directed to undertake and perform, or cause to be undertaken or performed, all such ordinary duties of the Local Government Unit (which are hereby specifically approved) that may be required under, or reasonably contemplated by, the execution and delivery of the Guaranty in connection with the issuance of the Bonds, including execution and delivery of such certificates, orders and agreements as may be necessary, in the opinion of Bond Counsel or Solicitor, to proper settlement of the Bonds.

Section 3.03. Ratification. The action of the proper officers or agents in advertising a Summary Notice of this Debt Ordinance, as required by law, is ratified and confirmed. The advertisement of the Enactment Notice of this Debt Ordinance is hereby directed.

Section 3.04. Debt Ordinance A Contract. This Debt Ordinance shall be a contract with the Purchaser, and any subsequent owners, from time to time, of the Bonds.

Section 3.05. Inconsistencies. All prior ordinances, resolutions, or other official acts or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Section 3.06. Statutory References. All references to specific provisions of statutory law herein contained may be read and interpreted by reference to amended, successor or replacement laws, but only to the extent consistent with the intent and clear meaning of this Debt Ordinance. All inconsistencies shall be resolved with recognition of, and in favor of, the rights of the owners of the Bonds, whose rights shall not be impaired.

--END OF ARTICLE 3--

Duly enacted by the Governing Body of the Local Government Unit, in lawful session assembled, on March 11, 2014.

TOWNSHIP OF GERMAN

By:   
Chairman

Attest:

  
Secretary/Treasurer

EXHIBIT A  
FORM OF GUARANTY AGREEMENT



DEBT SERVICE SCHEDULE  
for  
\$3,145,000  
GERMAN TOWNSHIP SEWER AUTHORITY  
Guaranteed Sewer Revenue Bond, Series A of 2014

DEBT SERVICE SCHEDULE  
for  
\$1,167,000  
GERMAN TOWNSHIP SEWER AUTHORITY  
Guaranteed Sewer Revenue Bond, Series B of 2014

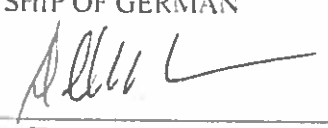
CERTIFICATE

I, the undersigned, a Designated Officer of the named Local Government Unit, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly enacted by the affirmative vote of a majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof: that due notice of such meeting was given and the meeting was at all times open to the public: that such Ordinance was duly recorded: that this Ordinance is still in full force and effect as of the date hereof: that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body: and that the members of the Governing Body voted in the manner following:

	Yes	No	Abstain	Absent
Floyd Gladman III	<u>X</u>	_____	_____	_____
Robert Belch	<u>X</u>	_____	_____	_____
Daniel C. Shimshock	<u>X</u>	_____	_____	_____

WITNESS my hand and seal of the Local Government Unit this 11<sup>th</sup> day of March, 2014.

TOWNSHIP OF GERMAN

  
\_\_\_\_\_  
Secretary/Treasurer