

TOWNSHIP OF RUSH,  
Schuylkill County, Pennsylvania

---

ORDINANCE NO. 125

---

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 \$160,750; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT AND SHALL BE THE SEVERAL AND PROPORTIONATE SHARE (50%) OF THE 1996 PROMISSORY NOTE, IN THE MAXIMUM PRINCIPAL AMOUNT OF THREE HUNDRED TWENTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$321,500), TO BE AUTHORIZED AND ISSUED BY NORTHEASTERN SCHUYLKILL JOINT MUNICIPAL AUTHORITY IN CONNECTION WITH THE FOLLOWING: (1) THE PLANNING AND DESIGN OF SANITARY SEWAGE COLLECTION, TRANSMISSION, TREATMENT AND DISPOSAL SYSTEM FACILITIES IN AND FOR CERTAIN PORTIONS OF THIS TOWNSHIP AND THE TOWNSHIP OF RYAN, SCHUYLKILL COUNTY, PENNSYLVANIA, AND (2) THE PAYMENT OF COSTS, FEES AND EXPENSES WITH RESPECT TO THE FOREGOING PURPOSES AND THE FINANCING; PROVIDING THE MANNER OF SHARING, SEVERALLY (AND NOT ON A JOINT BASIS), SUCH MAXIMUM PRINCIPAL AMOUNT OF SUCH INDEBTEDNESS; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SUCH LEASE RENTAL DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC 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 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, BY AND AMONG THIS TOWNSHIP AND THE TOWNSHIP OF RYAN, SCHUYLKILL COUNTY, PENNSYLVANIA, SEVERALLY, AS GUARANTORS, SAID AUTHORITY AND PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY, AS LENDER, WITH RESPECT TO SAID PROJECT AND SAID 1996 PROMISSORY NOTE; APPROVING THE FORM OF SAID GUARANTY AGREEMENT; SPECIFYING THE MAXIMUM AMOUNTS OF THE SEVERAL GUARANTY OBLIGATIONS OF THIS TOWNSHIP AND THE TOWNSHIP OF RYAN, SCHUYLKILL COUNTY, PENNSYLVANIA, PURSUANT TO SAID GUARANTY AGREEMENT AND THE SOURCES OF PAYMENT OF

SUCH SEVERAL GUARANTY OBLIGATIONS OF THIS TOWNSHIP, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; PROVIDING FOR THE SEVERAL GUARANTY OF THIS TOWNSHIP OF PAYMENT OF SUCH PRINCIPAL OF AND INTEREST ON SAID 1996 PROMISSORY NOTE; CREATING A SINKING FUND IN CONNECTION WITH SUCH SEVERAL GUARANTY OBLIGATIONS AS PROVIDED IN SAID ACT; APPOINTING A SINKING FUND DEPOSITARY IN CONNECTION WITH SUCH SEVERAL GUARANTY OBLIGATIONS; PROVIDING FOR PROPER OFFICERS OF THIS TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SAID PROJECT, SAID PROCEEDINGS UNDER SAID ACT, AND SAID GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

---

WHEREAS, This Township (the "Township") 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, Northeastern Schuylkill Joint Municipal Authority (the "Authority") is a municipality authority organized by joint action of this Township together with the Township of Ryan, Schuylkill County, Pennsylvania ("Ryan Township") (the Township and Ryan Township are collectively referred to herein, from time to time, as the "Municipalities"), 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 and the Municipalities have determined that the Authority shall undertake a capital project which consists of the following:

(A) the planning and design of certain sanitary sewage collection, transmission,

treatment and disposal system facilities in and for certain portions of the Municipalities; and (B) the payment of costs, fees and expenses with respect to the foregoing purposes and to the financing (collectively, the "Project"), to be financed in part by issuance of the 1996 Promissory Note (hereinafter mentioned and identified).

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

1. This Township authorizes and requests the Authority to undertake the Project.

2. This Township determines to incur "debt", as such term is defined in the Act, which shall be lease rental debt of this Township pursuant to the Act, in connection with the Project.

3. Such debt shall be incurred as such lease rental debt, shall be in the maximum principal amount of \$160,750, and shall be evidenced by the Township's several guaranty of a certain obligation to be issued by the Authority under the Authorities Act consisting of a promissory note, to be known generally as the "1996 Promissory Note", to be dated as provided therein, in the maximum principal amount of \$321,500, to be issued by the Authority under the Authorities Act (the "1996 Promissory Note"), which 1996 Promissory Note shall have the benefit of and shall be secured by, among other things, the several guaranty obligations of the Municipalities (to be shared as follows: Rush Township - 50%; Ryan Township - 50%), pursuant to the Guaranty Agreement (hereinafter defined).

4. This Township specifies that a realistic estimated useful life of the capital project constituting the Project being financed by issuance of the 1996 Promissory Note is at least twenty-five (25) years.

5. This Township, together with Ryan Township, severally, as guarantors, shall enter into a Guaranty Agreement (the "Guaranty Agreement"), substantially in the form referred to in paragraph 6, with the Authority and the Pennsylvania Infrastructure Investment Authority ("PENNVEST"), as lender under a Loan Agreement (the "Loan Agreement"), dated as provided therein, between the Authority and PENNVEST, with respect to the Project and the 1996 Promissory Note, under terms and provisions of which Guaranty Agreement the Municipalities shall severally guaranty (Rush Township to the extent of 50% and Ryan Township to the extent of 50%), unconditionally, for the benefit of PENNVEST and any other holder, from time to time, of the 1996 Promissory 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 1996 Promissory Note.

The Guaranty Agreement shall be for the life of the 1996 Promissory Note and shall set forth terms, conditions, provisions, covenants and agreements to be observed by the Municipalities (both individually and collectively), the Authority and PENNVEST in relation to the Sewer System, as such phrase is defined in the Loan Agreement, the Project and the 1996 Promissory 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 Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

7. This Township shall covenant in the Guaranty Agreement and does hereby covenant to and with the Authority and PENNVEST and any other holder, from time to time, of the 1996 Promissory Note, that this Township: (i) shall include