

TOWNSHIP OF INDEPENDENCE
WASHINGTON COUNTY, PENNSYLVANIA

AMENDED ORDINANCE NO. 16-03

AN ORDINANCE INCURRING “LEASE RENTAL DEBT”, AS DEFINED IN THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, IN THE AMOUNT OF \$4,691,400.00, EVIDENCED BY A GUARANTY OF 51.27% OF THE PAYMENTS DUE (\$2,405,280.78) UNDER A DEBT OBLIGATION TO BE ISSUED BY THE INDEPENDENCE-CROSS CREEK JOINT SEWER AUTHORITY TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY (PENNVEST) TO CONSTRUCT A SANITARY SEWAGE SYSTEM TO SERVE 89 EQUIVALENT DWELLING UNITS IN INDEPENDENCE VILLAGE, INDEPENDENCE TOWNSHIP AND 26 EQUIVALENT DWELLING UNITS IN CROSS CREEK VILLAGE AND CROSS CREEK TOWNSHIP AND AUTHORIZING THE PAYMENT OF RELATED EXPENSES, A GUARANTY AGREEMENT, BY AND AMONG THE TOWNSHIP, SEVERALLY (NOT JOINTLY), AS GUARANTOR, THE INDEPENDENCE-CROSS CREEK JOINT SEWER AUTHORITY AND PENNVEST, AS LENDER, SECURING A PORTION OF THE DEBT OBLIGATION; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP IN SUPPORT OF ITS GUARANTY; APPOINTING A SINKING FUND DEPOSITORY IN CONNECTION WITH SUCH GUARANTY; AND AUTHORIZING ALL NECESSARY ACTIONS RELATED THERETO.

WHEREAS, Independence Township is a Second Class Township organized and existing under the laws of the Commonwealth of Pennsylvania (the “Township”) and is a “local government unit” under the Local Government Unit Debt Act, 53 Pa. C.S. §8001 et. seq., as amended (the “Debt Act”), and,

WHEREAS, The Independence Cross-Creek Joint Sewage Authority (hereinafter “the Authority”) is a Municipal Authority created under the Municipal Authorities Act with Independence Township and Cross Creek Township as the authorizing municipal authorities and governing bodies thereof; and

WHEREAS, the Authority has determined the need for a sewage expansion project to serve 26 equivalent dwelling units in Cross Creek Village and Cross Creek Township

and 89 equivalent dwelling units Independence Village and Independence Township as well as constructing 1,080 linear feet of 6 inch diameter and 8 inch diameter gravity sewers, approximately 33,820 linear feet of small diameter pressure sewers, 114 grinder pumps, approximately 2,060 linear feet of 3 inch diameter force main and a 65 GPM sewage pumping station (the "Project"); and

WHEREAS, in order to fund a portion of the project, the Authority has agreed to a loan in the amount of \$4,691,400.00 from the Pennsylvania Infrastructure Investment Authority ("Pennvest"); and

WHEREAS, the Township is willing to guarantee payment of the principal and interest on its proportionate share of the loan which is \$2,405,280.78 and represents 51.27% of the overall loan amount ("Debt Obligation"); and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants for the Authority indicating a total project cost of \$5,184,00.00 will be needed to complete the project in its entirety; and

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Supervisors of Independence Township, Washington County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. The Township authorizes the Authority to undertake and complete the Project.

SECTION 2. The Township hereby incurs "lease rental debt" pursuant to the Debt Act, represented by the Guaranty Agreement, to enable the Authority to proceed with the Project.

SECTION 3. The Authority's debt shall be in the aggregate principal amount of the loan between the Authority and Pennvest proposed to be issued in the amount of \$4,691,400.00, with Independence Township's several (not joint) guaranty of all payments due on its Debt Obligation amount of \$2,405,280.78. Cross Creek Township shall serve as the guaranty on its proportionate share of the overall loan amount.

SECTION 4. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of 30 years.

SECTION 5. The initial principal installment payment date on the Debt Obligation shall not be deferred beyond one (1) year after estimated completion of the Project, in accordance with Section 8142(c) of the Debt Act. The Debt Obligation payment schedule is attached hereto as Exhibit A. The payment schedule contemplates that the principal and interest shall be payable in 240 monthly payments at a fixed rate of 1.0% per annum for the first 5 years and 1.743% thereafter to maturity. Payment is estimated to begin in September 2018. Said figures are based upon the Engineer's Report provided to the Township by Bankson Engineers, Inc. dated October 17, 2016 and attached hereto as Exhibit B.

SECTION 6. The Township, as guarantor, shall enter into a Guaranty Agreement (the "Guaranty Agreement"), with the Authority and Pennvest, as lender and purchaser of the Debt Obligation, under terms and provisions of which Guaranty Agreement this Township shall severally (but not jointly) guaranty 51.27% of all sums due under the Debt Obligation, unconditionally, for the benefit of Pennvest and any other holder, from time to time, of the Debt Obligation, full and prompt payment of Debt Obligation to the extent provided in the Guaranty Agreement, as such shall be due and payable with respect to the Debt Obligation. The Guaranty Agreement shall be for the life of the Debt Obligation and shall set forth the terms, conditions, provisions, covenants, and agreements to be observed by the Township, the Authority and Pennvest in relation to the Project. Said Guaranty Agreement Attached hereto as Exhibit C.

SECTION 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 the Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

SECTION 8. The Township, in accordance with §8104 of the Debt Act, shall covenant in the Guaranty Agreement and does hereby covenant to and with the Authority and Pennvest and such other holder, from time to time, of the Debt Obligation that this

Township: (i) shall include the Debt Service payable in respect of its several guaranty pursuant to the Guaranty Agreement, for each Fiscal Year 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 of such several guaranty; and (iii) shall duly and punctually pay or cause to be paid from its sinking fund (hereinafter mentioned and identified) or any other of its revenues or funds the amount payable in respect of such several guaranty, at the dates and in the manner stated in the Guaranty Agreement, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment in respect of such several guaranty, the Township 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, the Township covenants that it shall budget its proportionate share of the amounts set forth in Exhibit A for the Fiscal Years in which such amounts are payable, and shall appropriate and shall be willing to pay to Pennvest such amounts; subject, however, to provisions of the Guaranty Agreement. It shall be the intent and purpose of the Guaranty Agreement that the Township shall be required to pay over to Pennvest only that portion of such Debt Obligation that cannot be paid from other funds available for the purpose, as set forth in the Guaranty Agreement.

SECTION 9. The Township hereby creates and establishes a “sinking fund”, as such phrase is defined or applied in the Debt Act, with respect to its several guaranty obligations under the Guaranty Agreement.

SECTION 10. The Chairman of the Board of Supervisors and the Secretary, respectively, of the Township as appropriate, are authorized and directed to prepare and to file appropriate statements required by the Debt Act that are necessary to qualify all or any portion of the lease rental debt that is subject to exclusion as self-liquidating debt for exclusion from the appropriate debt limit as self-liquidating debt.

SECTION 11. Proper officers and agents of this Borough, as appropriate, 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 the Township under the Guaranty Agreement.

SECTION 12. The Chairman of the Board of Supervisors and the Secretary, respectively, of the Township, as appropriate, are authorized and directed to make application to the Department for approval with respect to the Guaranty Agreement, as required by §8111(b) of the Debt Act; and, in connection with such application, the Township shall pay or shall cause to be paid to the Department the filing fee as required by §8203 of the Debt Act, the payment of which filing fee is authorized and approved.

SECTION 13. The Ordinance shall become effective in accordance with the Debt Act.


SECTION 14. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

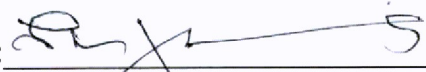
SECTION 15. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Township that such remainder shall be and shall remain in full force and effect.

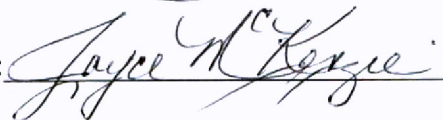
ORDAINED AND ENACTED THIS 15th day of February, 2017.

ATTEST:

TOWNSHIP OF INDEPENDENCE

By: 
Secretary

By: 
Chairman

By: 

By: 