

**BOROUGH OF ORWIGSBURG
SCHUYLKILL COUNTY, PENNSYLVANIA**

ORDINANCE NO. 353

AN ORDINANCE OF THE BOROUGH COUNCIL OF THE BOROUGH OF ORWIGSBURG, SCHUYLKILL COUNTY, PENNSYLVANIA, INCREASING THE INDEBTEDNESS OF THE BOROUGH OF ORWIGSBURG BY THE ISSUANCE OF A GUARANTY OF DEBT TO BE INCURRED BY THE MUNICIPAL AUTHORITY OF THE BOROUGH OF ORWIGSBURG FOR THE PURPOSE OF CONSTRUCTING OR EXPANDING THE SEWERAGE SYSTEM IN THE AMOUNT OF SIX MILLION, TWO HUNDRED TWENTY-THREE THOUSAND, SIX HUNDRED FORTY-FIVE (\$6,223,645.00) DOLLARS

WHEREAS, it is necessary that the indebtedness of the Borough of Orwigsburg, Schuylkill County, Pennsylvania (the "Borough") be increased for the following purpose: The guaranteeing of incurred debt by The Municipal Authority of the Borough of Orwigsburg (the "Authority"), with said debt to be used for the purpose of constructing or expanding the sewerage system; and

WHEREAS, the proposed increase of debt will not cause the limitations of the Borough's debt-incurring power, pursuant to constitutional and statutory authority, to be exceeded,

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Borough Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, and it is hereby ENACTED and ORDAINED by the authority of the same, as follows:

SECTION 1: The aggregate principal amount of the guaranty of the Borough proposed to be issued is in the amount of Six Million, Two Hundred Twenty-three Thousand, Six Hundred Forty-five (\$6,223,645.00) Dollars, same to be issued for the foregoing purposes

and same to be incurred as lease rental debt. The estimated useful life of the project is fifty (50) years.

SECTION 2: Said indebtedness shall be evidenced by (1) a Guaranty Agreement (the "Guaranty"), and (2) a letter of commitment from the Pennsylvania Infrastructure Investment Authority (PennVest") to The Municipal Authority of the Borough of Orwigsburg in the principal sum of Six Million, Two Hundred Twenty-three Thousand, Six Hundred Forty-five (\$6,223,645.00) Dollars dated and bearing interest, if required, from the earliest date of possible issue of the Guaranty under the statutory time requirements set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April 1978, being Act 52 of 1978 session, as amended (the Local Government Unit Debt Act) based upon the attached interest rate and maturity schedule: at annual rate of one percent for the first 77 months and 1.156 percent for the 180 months remaining on the term loan.

SECTION 3: The Borough hereby covenants that the Borough shall include the amounts payable in respect of its Guaranty for each fiscal year in which the sums may be payable with respect to the Project for that year in its budget, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of the Guaranty and the interest thereon on the dates and places and in the manner stated in the Guaranty according to the true intent and meaning thereof and for such proper budgeting, appropriation and payment, the full faith and credit and taxing power of the Borough is hereby irrevocably pledged. The amounts which the Borough hereby covenants to appropriate in each of the following fiscal years, based upon the Guaranty Agreement as contained herein are attached.

SECTION 4: The form of the Guaranty shall be substantially in the form attached hereto as Exhibit "A".

SECTION 5: The form of the Commitment Letter shall be substantially in the form attached hereto as Exhibit "B".

SECTION 6: Said Guaranty and Commitment Letter shall be executed in the name and under the corporate seal of the Borough by the President of the Borough Council of the Borough of Orwigsburg and attested by the Secretary of the Borough. The President and Secretary of the Orwigsburg Borough Council are hereby authorized and directed to prepare, verify and file the Debt Statement required by Section 410 of the Debt Act, and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt. The prior execution of the Commitment Letter by the President of the Borough Council and the Secretary be and hereby is ratified.

SECTION 7: The lease rental obligation evidenced by this Guaranty and Proposal in the amount of Six Million, Two Hundred Twenty-three Thousand, Six Hundred Forty-five (\$6,223,645.00) Dollars herein authorized is hereby issued to PennVest in accordance with the Guaranty and Proposal provided the said Guaranty is dated that day of delivery; and further provided that the proceedings have been approved by the Department of Community and Economic Development.

SECTION 8: The action of the proper officers in advertising of the summary of this Ordinance as required by law in the Pottsville Republican, a newspaper of general circulation in the Borough is ratified and confirmed. The advertisement in a newspaper of general circulation within the Borough of the enactment of this Ordinance is hereby directed within fifteen (15) days following the date of final enactment.

SECTION 9: In the event any provision, section, sentence, clause or part of this


Ordinance shall be held to be invalid, such invalidity shall not effect of impair any of the remaining provisions, sections, sentences, clauses or parts of this Ordinance, it being the intent of the Borough that the remainder of the Ordinance shall remain in full force and effect.

SECTION 10: All Ordinances and parts of Ordinances not in accordance with this Ordinance are hereby repealed insofar as the conflict herewith.

SECTION 11: This Ordinance shall be effective in accordance with Section 103 of the Local Government Unit Debt Act.

DULY ENACTED AND ORDAINED this 3RD day of April, 2002, by the Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, in lawful session, duly assembled.

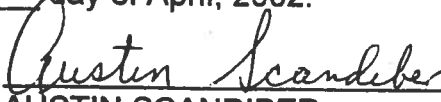
BOROUGH OF ORWIGSBURG
SCHUYLKILL COUNTY, PENNSYLVANIA

By: 
CHARLES J. STERNER
COUNCIL PRESIDENT

ATTEST:

 Borough Secy.
KATHLEEN M. CONSUGAR
BOROUGH SECRETARY

EXAMINED and APPROVED this 3RD day of April, 2002.


AUSTIN SCANDIBER
MAYOR