

BOROUGH OF ORWIGSBURG
COUNTY OF SCHUYLKILL
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 420

Adopted April 22, 2015

“ORDINANCE

OF THE BOROUGH COUNCIL OF THIS BOROUGH AUTHORIZING AND DIRECTING ISSUANCE OF THE BOROUGH’S BONDS IN ONE OR MORE SERIES (COLLECTIVELY, THE “BONDS”), WHICH BONDS SHALL BE IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SEVEN MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND (\$7,485,000.00) DOLLARS, PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"), WITH THE PROCEEDS OF THE BONDS, TOGETHER WITH INTEREST EARNED THEREON, TO BE USED AS FOLLOWS: (1) TO FUND THE DESIGN, ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF ALTERATIONS, ADDITIONS, RENOVATIONS AND IMPROVEMENTS TO PUBLIC SEWER SYSTEM OF THE BOROUGH, (2) TO CURRENTLY REFUND THIS BOROUGH’S GUARANTEED REVENUE NOTE TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY (“PENNVEST”), DATED JUNE 27, 2006, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$6,107,411.00, AS AMENDED, (3) TO CURRENTLY REFUND THE PROMISSORY NOTES OF THE MUNICIPAL AUTHORITY OF THE BOROUGH OF ORWIGSBURG TO PENNVEST, RESPECTIVELY DATED AUGUST 17, 1999, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$250,000.00, AS AMENDED, AND DATED MAY 16, 2002, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$6,223,645.00, AS AMENDED, AND (4) TO PAY CERTAIN COSTS AND EXPENSES RELATED TO THE ISSUANCE OF THE BONDS; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THIS BOROUGH; PROVIDING THAT THE BONDS, WHEN ISSUED, SHALL BE GENERAL OBLIGATION BONDS OF THIS BOROUGH; THAT THE BONDS SHALL BE FULLY REGISTERED IN BOOK-ENTRY ONLY FORM; DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED; DETERMINING THAT SAID BONDS SHALL BE SOLD AT PRIVATE SALE AND THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTEREST OF THIS BOROUGH; ACCEPTING A PROPOSAL FOR PURCHASE OF SAID BONDS AND AWARDING SUCH BONDS AND SETTING FORTH RELATED PROVISIONS; FIXING THE SUBSTANTIAL FORM, DATE, INTEREST RATE, INTEREST PAYMENT DATES, DATE AND PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, AND ANY TAX-FREE PROVISIONS OF EACH SUCH BOND; AUTHORIZING AND DIRECTING EXECUTION, ATTESTATION AND AUTHENTICATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE, AS APPLICABLE, TO EACH SUCH BOND AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS BOROUGH IN SUPPORT THEREOF; SETTING FORTH THE DEBT SERVICE RELATED TO SUCH BONDS; CREATING A SINKING FUND IN CONNECTION WITH SUCH BONDS AS REQUIRED BY SUCH ACT; APPOINTING A SINKING FUND DEPOSITORY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF THE BOROUGH’S OBLIGATIONS IN

CONNECTION WITH SUCH BONDS, WHEN DUE; AUTHORIZING AND DIRECTING APPROPRIATE OFFICIALS OF THIS BOROUGH TO PREPARE AND FILE THE DEBT STATEMENT, BORROWING BASE CERTIFICATE AND OTHER APPROPRIATE DOCUMENTS AS REQUIRED BY SUCH ACT; DIRECTING SPECIFIED OFFICERS OF THIS BOROUGH TO EXECUTE AND DELIVER THE BONDS AND TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THIS BOROUGH; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF SUCH BONDS; DESIGNATING SUCH BONDS AS QUALIFIED TAX EXEMPT OBLIGATIONS OF THIS BOROUGH UNDER THE INTERNAL REVENUE CODE AND MAKING CERTAIN CERTIFICATIONS CONSISTENT THEREWITH; DIRECTING THE PAYMENT FROM THE PROCEEDS OF THE BONDS; MAKING THE BONDS SUBJECT TO SUCH ACT, THE BOROUGH CODE AND OTHER APPLICABLE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA; AUTHORIZING THE UNDERTAKING OF CERTAIN CONTINUING DISCLOSURE; PROVIDING FOR ALL OTHER NECESSARY AND APPROPRIATE ACTION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.”

WHEREAS, the Borough of Orwigsburg, Schuylkill County, Pennsylvania (the “Borough”), is a Borough existing under laws of the Commonwealth of Pennsylvania (the “Commonwealth”) and is a Local Government Unit, as defined in the Local Government Unit Debt Act, Act No. 185 of 1972, as reenacted, amended and revised by Act No. 177 of 1996, approved December 19, 1996, 53 Pa.C.S.A. Section 8001 et seq., as amended, of the Commonwealth (the “Act”); and

WHEREAS, this Borough, pursuant to powers vested in it by the Act has determined to undertake the Project (hereinafter defined); and

WHEREAS, this Borough has determined to authorize issuance of not to exceed \$7,485,000.00 aggregate principal amount of several series of bonds (the “Bonds”), the proceeds of which are to be used as follows: (1) to fund the design, acquisition, construction, furnishing and equipping of alterations, additions, renovations and improvements to public sewer system of the Borough, (2) to currently refund this Borough’s Guaranteed Revenue Note to the Pennsylvania Infrastructure Investment Authority (“PENNVEST”), dated June 27, 2006, in the original principal amount of \$6,107,411.00, as amended, which is guaranteed by the Borough, including a pledge of the Borough’s full faith, credit and taxing power (the “Refunded Borough Note”), (3) to currently refund the Promissory Notes of The Municipal Authority of the Borough of Orwigsburg to PENNVEST, respectively dated August 17, 1999, in the original principal amount of \$250,000.00, as amended, and dated May 16, 2002, in the original principal amount of \$6,223,645.00, as amended (the “Refunded Authority Notes”)(the Refunded Borough Note and the Refunded Authority Notes collectively referred to herein as the “Refunded Notes”), and (4) to pay certain costs and expenses related to the issuance of the Bonds (collectively referred to herein as the “Project”); and

WHEREAS, this Borough desires to authorize and take any and all actions required to refund the Refunded Notes and to otherwise complete the Project; and

WHEREAS, this Borough has determined to accept the proposal of RBC Capital Markets, LLC (the "Purchaser"), for the purchase of the Bonds; and

WHEREAS, this Borough has determined to authorize and to approve all of such actions as shall be necessary and appropriate to facilitate the acceptance and delivery of the Purchase Proposal, the issuance of the Bonds, and the undertaking of the Project, including, without limitation, the redemption of the Refunded Notes.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Borough Council of Borough, as follows:

1. Pursuant to the provisions of this Ordinance, the Borough Council hereby authorizes and directs the issuance of its General Obligation Bonds, in one or more series, in the aggregate principal amount not to exceed Seven Million Four Hundred Eighty-Five Thousand Dollars (\$7,485,000.00) (the "Bonds").

2. The Bonds shall be fully registered bonds, in book-entry only form and, when issued, will be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC"). Additional provisions regarding DTC and the book-entry form of registration shall be incorporated into the documents evidencing and governing the issuance of the Bonds.

3. The Borough Council hereby determines that the proceeds of the Bonds, together with interest earned thereon, are to be used as follows: (1) to fund the design, acquisition, construction, furnishing and equipping of alterations, additions, renovations and improvements to public sewer system of the Borough, (2) to currently refund this Borough's Guaranteed Revenue Note to the Pennsylvania Infrastructure Investment Authority ("PENNVEST"), dated June 27, 2006, in the original principal amount of \$6,107,411.00, as amended (the "Refunded Borough Note"), (3) to currently refund the Promissory Notes of The Municipal Authority of the Borough of Orwigsburg (the "Authority") to PENNVEST, respectively dated August 17, 1999, in the original principal amount of \$250,000.00, as amended, and dated May 16, 2002, in the original principal amount of \$6,223,645.00, as amended (the "Refunded Authority Notes") (the Refunded Borough Note and the Refunded Authority Notes collectively referred to herein as the "Refunded Notes"), and (4) to pay certain costs and expenses related to the issuance of the Bonds (collectively referred to herein as the "Project"). The period of useful life of the Project improvements for which the Bonds are to be issued is estimated to be in excess of thirty (30) years. It is hereby certified that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of the Project shall mature prior to the end of the useful life of the Project.

4. The Borough Council has determined that a private sale by negotiation is in the best financial interest of this Borough, and does hereby accept the proposal of the Purchaser (the "Proposal"), for the purchase of the Bonds in accordance with the terms and

conditions of this Ordinance and the Proposal, dated April 22, 2015 at a dollar price of \$7,438,227.85 (such amount representing a net original issue premium of \$18,721.60, minus an underwriter's discount of \$65,493.75), together with accrued interest, if any, from the date of the Bonds to the date of delivery of the Bonds. The further terms and conditions of the Bonds, including without limitation the interest rates, the interest payment dates, maturity dates and redemption provisions, are set forth in the Purchase Proposal. The President or Vice-President of the Borough is hereby authorized and directed to accept and to execute the Proposal in the name and on behalf of this Borough, and the Secretary of this Borough is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to the Borough Council and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The amounts of the debt service applicable to the Bonds for each fiscal year of this Borough in which sums are payable shall be as stated on Schedule 1 hereto.

5. This Borough shall execute, issue, deliver and sell the Bonds. The Bonds shall be in substantially the form, bear the interest rates, contain the interest payment dates, maturity dates, payment rate, date and place of payment of principal and interest, tax-free provisions, and redemption provisions and have such other terms and provisions as provided in the Purchase Proposal.

6. The Bonds shall be general obligation bonds of the Borough, and shall be nonelectoral debt, secured by the Borough's irrevocable pledge of its full faith, credit and taxing power.

7. This Borough covenants with the registered owners of the Bonds that it will, subject to statutory restrictions and limitations, include the amount of the debt service to be paid on the Bonds for each fiscal year in which such sums are payable in its budget for that year and will, subject to statutory restrictions and limitations, appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid from the Sinking Fund (hereinafter defined), or other revenues or funds of the Borough, the principal of and interest on the Bonds on the dates, at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment the Borough, subject to statutory restrictions and limitations, pledges its full faith, credit and taxing power, provided such power would be subject to the provisions set forth in Pennsylvania Act No. 1 of the Special Session of 2006, effective June 27, 2006 (the "Taxpayer Relief Act"). As provided in Act, the foregoing covenant shall be specifically enforceable.

8. This Borough covenants to and with the purchasers of the Bonds that it will make no use of the proceeds of the Bonds which, if such use reasonably had been expected on the date of issue of the Bonds, would have caused the Bonds to be arbitrage bonds; and this Borough further covenants to comply with the requirements of Section 148 of the Code (including the rebate provisions), and with appropriate regulations implementing said Section 148 if and to the extent applicable, during the term of the Bonds, and further covenants to comply with all other requirements of the Code if and to the extent applicable to maintain continuously the Federal income tax exemption of interest on the Bonds.

9. This Borough hereby designates each of the Bonds as a "qualified tax exempt obligation", as defined in and for purposes of Section 265(b) of the Code. With respect to obligations issued during the calendar year 2013, the reasonably anticipated amount of tax exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which have been or will be issued by the Borough during the 2015 calendar year does not exceed, in the aggregate, \$10,000,000.00. For purposes of the proceeding sentence, the term "Borough" includes this Borough, as well as all entities and aggregation of issuers set forth in Section 265(b)(3)(E) of the Code.

10. In accordance with Section 8241(b)(1) of the Act, the purpose of the refunding of the Refunded Notes is to reduce the total debt service over the life of the series.

11. This Borough shall execute a Continuing Disclosure Agreement in order to comply with Securities and Exchange Commission Rule 15c2-12 and the Borough hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement as required by applicable law. The Continuing Disclosure Agreement shall be substantially in the form and with such changes therein as may be made and approved as provided herein. Upon execution and delivery of the Continuing Disclosure Agreement, a copy of the Continuing Disclosure Agreement shall be delivered to the Secretary of this Borough and shall be attached to this Ordinance and made a part hereof by this reference.

12. The appropriate officers of this Borough are authorized and directed to execute, to attest, to seal, to acknowledge and to deliver, as applicable, the Continuing Disclosure Agreement in the form and with any changes therein as such officers of this Borough executing the same may approve, their execution and delivery thereof to constitute conclusive evidence of such approval.

13. This Borough determines to currently refund the Refunded Notes in accordance with the provisions thereof. This Borough further determines that the appropriate officers of this Borough shall take all actions necessary to provide proper notice to any holders of the Refunded Notes of the current refunding thereof. An appropriate portion of the proceeds of the Bonds shall be tendered to the Authority or other appropriate person to retire the Refunded Authority Notes in the manner set forth in the documents authorizing and securing the Refunded Authority Notes.

14. The appropriate officers of this Borough are authorized and directed to proceed promptly with the undertakings herein contemplated and deemed to be necessary or appropriate and to take any and all actions necessary or desirable to effect, among other things: the issuance and sale of the Bonds and the completion of the Project.

15. The appropriate officers of this Borough are authorized and directed to deliver the Bonds, upon execution, attestation and authentication thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval pursuant to Section 8204 of the Act, or has been deemed to have been given its approval pursuant to Section 8206 of the Act.

16. The appropriate officers of this Borough are authorized and directed to execute and to deliver such other documents, agreements, instruments and certificates and to comply with the requirements of Sections 103 and 141 through 150 of the Code, and with any regulations applicable thereto.

17. There shall be created, pursuant to Section 8221 of the Act, separate sinking funds for each series of Bonds ("Sinking Funds"), which Sinking Funds shall be administered in accordance with applicable provisions of the Act.

18. Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, shall be the Sinking Funds depository ("Sinking Funds Depository") in connection with the Sinking Funds for the Bonds and proper officers of the Borough are authorized and directed to contract therewith for its services as Sinking Funds Depository, for the Bonds.

19. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Borough, is not in excess of any limitation imposed by the Act upon the incurring of debt by this Borough.

20. The appropriate officers of this Borough are authorized and directed: (a) to prepare, to verify or execute and to file the debt statement, borrowing base certificate and other appropriate documents, as required by Section 8110 of the Act; (b) to prepare or have prepared and to file, as required and if necessary, with the Department of Community and Economic Development (the "Department") of the Commonwealth, statements required by Sections 8024 or 8026 of the Act which are necessary to qualify any lease rental debt or nonelectoral debt of the Borough, which is subject to exclusion as subsidized debt or self-liquidating debt, for exclusion from the appropriate debt limit of the Borough; (c) to prepare, execute and file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection therewith; and (e) to take other required, necessary and/or appropriate action.

21. The appropriate officers of this Borough are authorized to pay, or cause to be paid, the costs of issuance of the Bonds, in accordance with the Purchase Proposal, on the date of issuance of the Bonds.

22. This Borough hereby authorizes the Purchaser to prepare and to distribute a Preliminary Official Statement and an Official Statement in connection with the marketing and sale of each series of Bonds. The appropriate officers of this Borough are authorized and directed to execute the final Official Statement on behalf of this Borough.

23. This Borough appoints Cerullo, Datte & Burke, P.C., a professional corporation, of Pottsville, Pennsylvania, or its successor in interest, as Bond Counsel in connection with the issuance of the Bonds.

24. This Borough approves, ratifies, and confirms all action heretofore taken by officers and other persons on behalf of this Borough in connection with the undertakings herein contemplated and authorizes payment of the costs of issuance of each series of Bonds at

Closing as may be directed in a Closing Statement for each series of Bonds executed and delivered by the Borough Council President and attested by the Secretary of this Borough.

25. The Bonds shall be executed in the name of and in behalf of the Borough by the facsimile signatures of the appropriate officers of this Borough and attested by the facsimile signature of the Secretary of the Borough Council; and a facsimile of the official seal of the Borough shall be affixed thereunto; and said officers are authorized and directed to execute and to attest the Bonds. The Paying Agent, by a duly authorized officer, hereby is authorized, requested and directed to authenticate the Bonds by execution of the Certificate of Authentication endorsed on the Bonds.

26. This Borough covenants to and with the holders, from time to time, of the Bonds, pursuant to this Ordinance, that this Borough shall include the amount of the debt service for each fiscal year of this Borough in which sums are payable in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of the Bonds and the applicable interest thereon on the dates and at the places and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Borough shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Borough shall be enforceable specifically and this Ordinance shall constitute, for the purposes of this Covenant, both an agreement with the bondholders in accordance with the terms of the Act and a security agreement between this Borough and the bondholders, creating a security interest in favor of the bondholders in this Borough's taxes and revenues pledged hereunder, in accordance with the Pennsylvania Uniform Commercial Code.

27. This Ordinance is adopted pursuant to the Act, The Borough Code, Act No. 581 of 1966, approved February 1, 1966, and reenacted by Act No. 43 of 2012, approved May 17, 2012, 53 P.S. Section 45101 *et seq.*, as amended, of the Commonwealth (the "Borough Code"), and the laws and the Constitution of the Commonwealth of Pennsylvania and all of the mandatory provisions of the Act, the Borough Code and said laws and Constitution applicable to the Bonds and these proceedings shall apply hereunder whether or not explicitly stated herein and are specifically incorporated herein by reference. The Borough hereby determines and declares that each and every matter and thing provided for herein is necessary and desirable to carry out and effect the public purposes of this Borough in accordance with such laws.

28. This Borough covenants to provide such continuing disclosure, at such times, in such manner and of such nature as is described in the Official Statement prepared and executed in connection with the sale of the Bonds and to execute and deliver such agreements and certificates with respect to continuing disclosure as are described in the Official Statement.

29. The appropriate officers of this Borough are authorized to take all other necessary and appropriate action consistent herewith.

30. For purposes of interpretation of this Ordinance, the phrase "appropriate officers of this Borough" includes, without limitation, the President, Vice-President, Secretary and Treasurer of Borough Council and the Borough Manager of the Borough.

31. 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 this Borough that such remainder shall be and shall remain in full force and effect.

32. All ordinances or parts of ordinances inconsistent herewith expressly are repealed.

33. This Ordinance shall become effective in accordance with Section 8003(c) of the Act.

DULY ADOPTED, this 22nd day of April, 2015, by the Borough Council of the Borough of Orwigsburg, in lawful session duly assembled.

BOROUGH OF ORWIGSBURG

ATTEST:


Secretary

By:


President of Council

APPROVED:


Mayor

SCHEDULE 1

**BOND DEBT SERVICE
Borough of Orwigsburg**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2015	295,000	0.250%	51,862.35	346,862.35	
12/31/2015					346,862.35
04/01/2016			70,892.51	70,892.51	
10/01/2016	545,000	0.650%	70,892.51	615,892.51	
12/31/2016					686,785.02
04/01/2017			69,121.26	69,121.26	
10/01/2017	550,000	1.000%	69,121.26	619,121.26	
12/31/2017					688,242.52
04/01/2018			66,371.26	66,371.26	
10/01/2018	555,000	2.000%	66,371.26	621,371.26	
12/31/2018					687,742.52
04/01/2019			60,821.26	60,821.26	
10/01/2019	565,000	2.000%	60,821.26	625,821.26	
12/31/2019					686,642.52
04/01/2020			55,171.26	55,171.26	
10/01/2020	565,000	2.000%	55,171.26	620,171.26	
12/31/2020					675,342.52
04/01/2021			49,521.26	49,521.26	
10/01/2021	575,000	2.000%	49,521.26	624,521.26	
12/31/2021					674,042.52
04/01/2022			43,771.26	43,771.26	
10/01/2022	585,000	2.000%	43,771.26	628,771.26	
12/31/2022					672,542.52
04/01/2023			37,921.26	37,921.26	
10/01/2023	545,000	2.000%	37,921.26	582,921.26	
12/31/2023					620,842.52
04/01/2024			32,471.26	32,471.26	
10/01/2024	630,000	2.125%	32,471.26	662,471.26	
12/31/2024					694,942.52
04/01/2025			25,777.50	25,777.50	
10/01/2025	645,000	2.300%	25,777.50	670,777.50	
12/31/2025					696,555.00
04/01/2026			18,360.00	18,360.00	
10/01/2026	665,000	2.400%	18,360.00	683,360.00	
12/31/2026					701,720.00
04/01/2027			10,380.00	10,380.00	
10/01/2027	335,000	2.600%	10,380.00	345,380.00	
12/31/2027					355,760.00
04/01/2028			6,025.00	6,025.00	
10/01/2028	340,000	2.750%	6,025.00	346,025.00	
12/31/2028					352,050.00
04/01/2029			1,350.00	1,350.00	
10/01/2029	90,000	3.000%	1,350.00	91,350.00	
12/31/2029					92,700.00
	7,485,000		1,147,772.53	8,632,772.53	8,632,772.53