

BOROUGH OF CLYMER
INDIANA COUNTY, PENNSYLVANIA
ORDINANCE NO. 198

AUTHORIZING THE INCURRING OF DEBT; BRIEFLY DESCRIBING THE PROJECT FOR WHICH THE DEBT IS TO BE INCURRED AS A WATER SYSTEM AND A SANITARY SEWAGE TRANSPORTATION AND TREATMENT SYSTEM TO SERVE THE BOROUGH OF CLYMER AND STATING A REALISTIC ESTIMATED USEFUL LIFE THEREOF; STATING THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS TO BE SECURED BY A GUARANTY AGREEMENT AND THAT THE DEBT IS TO BE INCURRED AS NON-ELECTORAL DEBT AS DEFINED IN THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT; STATING THE ANNUAL AMOUNTS OF PRINCIPAL AND INTEREST COVENANTED TO BE PAID UNDER THE GUARANTY AGREEMENT; AUTHORIZING AND DIRECTING THE PRESIDENT AND THE SECRETARY OF THE BOROUGH COUNCIL TO CERTIFY AND FILE THE DEBT STATEMENT REQUIRED BY SECTION 410 OF SAID ACT; APPROVING THE APPOINTMENT BY THE CLYMER BOROUGH MUNICIPAL AUTHORITY OF BANKSON ENGINEERS, INC. AS CONSULTING ENGINEER FOR THE PROJECT; APPROVING IN ACCORDANCE WITH SECTION 206(a) OF THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT AND AUTHORIZING AND DIRECTING THE FILING THEREOF AND THE PREPARATION AND FILING OF ANY OTHER STATEMENTS AND REPORTS REQUIRED TO QUALIFY THE DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING; AUTHORIZING THE PRESIDENT AND THE SECRETARY OF THE BOROUGH COUNCIL TO EXECUTE A GUARANTY AGREEMENT BY, BETWEEN AND AMONG THE BOROUGH, CLYMER BOROUGH MUNICIPAL AUTHORITY, AND NATIONAL BANK OF THE COMMONWEALTH, TRUSTEE; AUTHORIZING THE BUDGETING, APPROPRIATION AND PAYMENT OF PRINCIPAL AND INTEREST ON THE SERIES A BONDS AS PROVIDED IN THE GUARANTY AGREEMENT, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE BOROUGH FOR THE PAYMENT THEREOF; AUTHORIZING THE OFFICIALS OF THE BOROUGH TO TAKE OTHER APPROPRIATE ACTION; AND REPEALING ALL ORDINANCES INCONSISTENT HEREWITH

WHEREAS, the Clymer Borough Municipal Authority ("Authority"), a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania, particularly the Municipality Authorities Act of 1945, P. L. 382, as amended, was created by the action of the Borough of Clymer, Indiana County, Pennsylvania; and

WHEREAS, the Authority has determined to acquire and renovate a water system and to construct and operate a sanitary sewage transportation and treatment system (the "Project") to serve primarily the residents of the Borough of Clymer; and

WHEREAS, in order to provide the funds necessary to pay the cost of acquisition, construction, financing and operation of the Project, the Authority has determined to issue its Guaranteed Water and Sewer Revenue Bonds, Series A in the principal amount of \$1,900,500 ("Series A Bonds"), to be issued under and secured by a trust indenture between the Authority and National Bank of the Commonwealth, as Trustee ("Trustee"); and

WHEREAS, in order to facilitate the issuance of the Series A Bonds on advantageous and economical terms, and to induce the Authority to issue the Series A Bonds and finance, acquire and construct the Project, the Borough intends to enter into an agreement ("Guaranty Agreement") with the Authority and the Trustee providing for the unconditional guarantee of payment of principal of and interest on the Series A Bonds by the Borough according to the terms of the Guaranty Agreement and the pledge of the Borough's full faith, credit and taxing power to the discharge of its obligations under such Agreement; and

WHEREAS, the execution and delivery of the Guaranty Agreement constitutes the incurring of non-electoral debt by the Borough within the meaning of the Act of the General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, Act No. 185, as amended, known as the Local Government Unit Debt Act ("Act 185"); and

WHEREAS, Bankson Engineers, Inc. has prepared and submitted to the Borough Council a Report prepared in accordance with Section 206(a)(1) of Act 185 in order to qualify the debt of the Borough incurred pursuant to the Guaranty Agreement as self-liquidating debt under Act 185 and to exclude such debt from the appropriate debt limits of the Borough;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the
 Borough Council of the Borough of Clymer, located in the County of
 Indiana and Commonwealth of Pennsylvania; and IT IS HEREBY ORDAINED
 AND ENACTED by the Authority of the same, as follows:

Section 1. The Borough does hereby approve the financing of the acquisition and construction of the Project. The realistic estimated useful life of the Project is at least 40 years.

Section 2. The Borough determines to incur debt, as such term is defined by Act 185, as non-electoral debt, as such phrase is defined in Act 185, in connection with the Project.

Section 3. The Guaranty Agreement by, between and among the Borough, the Authority and the Trustee in the form presented to this meeting with such changes therein as may be made by the President of the Borough Council is hereby approved. The Mayor is hereby authorized and directed to execute said Guaranty Agreement in the name and on behalf of the Borough and to acknowledge same to be the act and deed of the Borough, and the Secretary of the Borough Council is hereby authorized and directed to affix the seal of the Borough to the said Guaranty Agreement and to deliver copies of same to the Authority and to the Trustee. The annual amount of principal and interest covenanted to be paid by the Borough under the Guaranty Agreement is as follows:

\$1,900,000
 CLYMER BOROUGH MUNICIPAL AUTHORITY
 Indiana County, Pennsylvania
Guaranteed Water and Sewer Revenue Bonds, Series A

DATED: December 1, 1977

DUE: December 1

BEST SERVICE SCHEDULE

PERIOD ENDING	PRINCIPAL	ANNUAL RATE %	INTEREST	TOTAL
1 12/ 1/1978			\$120,870.00	\$120,870.00
2 12/ 1/1979	\$5,000.00	5.000	\$120,870.00	\$125,870.00
3 12/ 1/1980	\$5,000.00	5.250	\$120,620.00	\$125,620.00
4 12/ 1/1981	\$5,000.00	5.400	\$120,357.50	\$125,357.50
5 12/ 1/1982	\$5,000.00	5.500	\$120,087.50	\$125,087.50
6 12/ 1/1983	\$5,000.00	5.600	\$119,812.50	\$124,812.50
7 12/ 1/1984	\$600,000.00	5.600	\$119,532.50	\$719,532.50
8 12/ 1/1985	\$10,000.00	5.750	\$85,932.50	\$95,932.50
9 12/ 1/1986	\$15,000.00	5.900	\$85,357.50	\$100,357.50
10 12/ 1/1987	\$15,000.00	6.000	\$84,472.50	\$99,472.50
11 12/ 1/1988	\$15,000.00	6.500	\$83,572.50	\$98,572.50
12 12/ 1/1989	\$15,000.00	6.500	\$82,597.50	\$97,597.50
13 12/ 1/1990	\$15,000.00	6.500	\$81,622.50	\$96,622.50
14 12/ 1/1991	\$15,000.00	6.500	\$80,647.50	\$95,647.50
15 12/ 1/1992	\$15,000.00	6.500	\$79,672.50	\$94,672.50

16	12/ 1/1993	\$20,000.00	6.500	\$78,697.50	\$98,697.50
17	12/ 1/1994	\$20,000.00	6.500	\$77,397.50	\$97,397.50
18	12/ 1/1995	\$25,000.00	6.500	\$76,097.50	\$101,097.50
19	12/ 1/1996	\$25,000.00	6.500	\$74,472.50	\$99,472.50
20	12/ 1/1997	\$25,000.00	6,500	\$72,847.50	\$97,847.50
21	12/ 1/1998	\$25,000.00	6.700	\$71,222.50	\$96,222.50
22	12/ 1/1999	\$30,000.00	6.700	\$69,547.50	\$99,547.50
23	12/ 1/2000	\$30,000.00	6.700	\$67,537.50	\$97,537.50
24	12/ 1/2001	\$30,000.00	6.700	\$65,527.50	\$95,527.50
25	12/ 1/2002	\$30,000.00	6.700	\$63,517.50	\$93,517.50
26	12/ 1/2003	\$40,000.00	6.700	\$61,507.50	\$101,507.50
27	12/ 1/2004	\$40,000.00	6.700	\$59,827.50	\$98,827.50
28	12/ 1/2005	\$40,000.00	6.700	\$56,147.50	\$96,147.50
29	12/ 1/2006	\$45,000.00	6.700	\$53,467.50	\$98,467.50
30	12/ 1/2007	\$45,000.00	6.700	\$50,452.50	\$95,452.50
31	12/ 1/2008	\$55,000.00	6.875	\$47,437.50	\$102,437.50
32	12/ 1/2009	\$55,000.00	6.875	\$43,656.25	\$98,656.25
33	12/ 1/2010	\$55,000.00	6.875	\$39,875.00	\$94,875.00
34	12/ 1/2011	\$60,000.00	6.875	\$36,093.75	\$96,093.75
35	12/ 1/2012	\$65,000.00	6.875	\$31,968.75	\$96,968.75
36	12/ 1/2013	\$70,000.00	6.875	\$27,500.00	\$97,500.00
37	12/ 1/2014	\$75,000.00	6.875	\$22,687.50	\$97,687.50
38	12/ 1/2015	\$80,000.00	6.875	\$17,531.25	\$97,531.25
39	12/ 1/2016	\$85,000.00	6.875	\$12,031.25	\$97,031.25
40	12/ 1/2017	\$90,000.00	6.875	\$6,187.50	\$96,187.50
TOTAL		\$1,900,000.00		\$2,788,261.25	\$4,688,261.25

To the above total should be added \$500 principal amount of the Authority's \$100 term Bonds maturing 12/1/79 bearing interest at the rate of 5.00%.

Section 4. The Mayor and the Secretary of the Borough Council are authorized and directed to prepare, verify and file the debt statement required by Section 410 of Act 185.

Section 5. The Consulting Engineer shall be a qualified registered engineer, registered as such in the Commonwealth of Pennsylvania as appointed from time to time by the Authority. The appointment by the Authority of Bankson Engineers, Inc., appointed for the purpose of preparing reports necessary to exclude all or a portion of the non-electoral debt incurred hereby as self-liquidating debt pursuant to Section 206 of Act 185, be and it hereby is approved.

Section 6. The Report of Bankson Engineers, Inc., prepared in accordance with Section 206(a)(1) of Act 185 and submitted to this meeting, is hereby approved. The President and the Secretary of Borough Council and the Consulting Engineer are authorized and directed to prepare and file originally and annually thereafter, as required, any documents or statements required under Article II of Act 185 which are necessary to qualify all or any portion of the debt authorized to be incurred for exclusion from the Borough's non-electoral debt limit as self-liquidating debt.

Section 7. The Borough hereby authorizes, directs and covenants the budgeting, appropriation and payment of the principal of and interest on the Series A Bonds as provided in the Guaranty Agreement and for such budgeting, appropriation and payment the Borough pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable (subject, as to the enforcement of remedies, to any applicable bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors rights).

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Section 8. The proper officers of the Borough are authorized and directed to make application to the Department of Community Affairs of the Commonwealth (the "Department") for approval with respect to the Guaranty Agreement, as required by Section 411 of Act 185; and, in connection with such application, said Borough shall pay to the Department the filing fee as required by Section 803 of Act 185, the payment of which filing fee is authorized and approved.

Section 9. The proper officers of the Borough are hereby authorized, empowered and directed on behalf of the Borough to execute any and all papers and instruments and to do and cause to be done any and all acts and things necessary and proper for the purpose of carrying out the provisions of this Ordinance.

Section 10. Reference in this Ordinance to specified officers of this Borough shall include and shall be construed to include, if and as applicable, their respective successors in office.

Section 11. This Ordinance shall become effective in accordance with the provisions of Act 185.

Section 12. In the event any provision, section, sentence, clause or other 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.

Section 13. All other ordinances or parts of ordinances which are inconsistent herewith shall be, and the same are hereby expressly repealed.

ORDAINED AND ENACTED into an ordinance and passed by the Borough Council of the Borough of Clymer this 31st day of October, 1977.

Attest:

C. L. Longwell
Borough Secretary

By Norman J. Peterson
Mayor

[BOROUGH SEAL]

CERTIFIED COPY OF ORDINANCE
OF THE
BOROUGH OF CLYMER

I, *C. F. Langmuir*, do hereby certify as follows:

- (1) I am the duly appointed, qualified and acting Secretary of the Borough of Clymer.
- (2) The annexed Ordinance has been duly enacted by the Borough Council of the Borough of Clymer and has been recorded and published to the extent, if any, required.
- (3) The annexed Ordinance is in full force and effect as of the date of this certificate.
- (4) The annexed Ordinance is the most recent Ordinance enacted by the Borough Council of the Borough of Clymer with reference to the subject matter thereof.

IN WITNESS WHEREOF, I have hereunto placed my hand and the seal of the Borough of Clymer on this 31st day of October, 1977.

C. F. Langmuir
Borough Secretary

[BOROUGH SEAL]