

ORDINANCE NO. 1-86  
BOROUGH OF HARRISVILLE  
BUTLER COUNTY, PENNSYLVANIA

AN ORDINANCE AUTHORIZING THE BOROUGH OF HARRISVILLE TO INCUR LEASE RENTAL DEBT IN CONNECTION WITH THE ISSUANCE OF THE PINE-HARRISVILLE AUTHORITY GUARANTEED SEWER REVENUE BONDS, SERIES OF 1986, BY ENTERING INTO AN AGREEMENT OF LEASE WITH SAID AUTHORITY, CONSENTING TO THE ASSIGNMENT OF THE AGREEMENT OF LEASE, BY ENTERING INTO A GUARANTY AGREEMENT WITH THE AUTHORITY AND ITS TRUSTEE, AUTHORIZING ALL FILINGS REQUIRED BY THE LOCAL GOVERNMENT UNIT DEBT ACT AND THE PERFORMING OF ALL ACTS NECESSARY AND PROPER UNDER SAID ACT AND THE BOROUGH CODE.

WHEREAS, the Borough of Harrisville has requested Pine-Harrisville Authority (the "Authority") to undertake the acquisition, construction and financing of certain sewerage facilities referred to in the Agreement of Lease-I hereinafter mentioned as part of the Authority's Sewer System; and

WHEREAS, the Authority has agreed to undertake said acquisition, construction and financing and to lease said facilities to the Borough;

NOW, THEREFORE, be it ordained and enacted by the Council of the Borough of Harrisville and it is hereby ordained and enacted by the authority of the same:

Section 1. That the Borough determines that the sewerage facilities as set forth in the plans and specifications prepared by Schneider Consulting Engineers, Bridgeville, Pennsylvania (the "Project") have a realistic estimated useful life of fifty (50) years.

Section 2. That \$742,095.00 is the aggregate principal amount of bonds of the Authority which will be secured by the lease rentals provided for in the Agreement of Lease-I dated as of January 1, 1986 (the "Agreement of Lease-I"), between the Authority, as Lessor, and the Borough, as Lessee,

covering the Project and by the guaranty by the Borough of the debt service for the Authority's bonds provided for in the Guaranty Agreement-I dated as of January 1, 1986 (the "Guaranty Agreement-I"), by and among the Authority, the Borough and First Seneca Bank, as Trustee for the Authority's bonds.

Section 3. That the debt to be incurred is lease rental debt, as that term is defined in the Local Government Unit Debt Act, as amended (the "Act").

Section 4. That the President of Council and the Borough Secretary are hereby authorized and directed to prepare a Borrowing Base Certificate pursuant to Section 102(c)(3) of the Act and the Borough Secretary is hereby authorized and directed to prepare, certify and file the Debt Statement required by Section 410 of the Act.

Section 5. That the form of the Agreement of Lease-I covering the Project and providing for the payment of rentals by the Borough, which rentals are set forth in the Schedule A attached hereto and made a part hereof, out of the receipts and revenues derived from the Authority's Sewer System, which includes the Project, and other current revenues of the Borough, presented to and discussed at this meeting is approved by this Council and ordered filed with the records and minutes of the Borough.

Section 6. That the President of Council is hereby authorized and directed to execute and deliver the said Agreement of Lease-I for and on behalf of the Borough and the Borough Secretary shall attest the same and affix thereto the corporate seal of the Borough. The President of Council is further authorized and directed to execute the usual form of acknowledgment acknowledging said Agreement of Lease to be the act and deed of the Borough.

Section 7. Council consents to the assignment by the Authority of its rights under the Agreement of Lease-1 to First Seneca Bank, Trustee as aforesaid.

Section 8. That the form of the Guaranty Agreement-1, providing for the guarantee by the Borough from its tax and other general revenues of the payment of the principal of and interest and premium, if any, on the aforesaid bonds of the Authority as set forth in Schedule B attached hereto and made a part hereof, presented to and discussed at this meeting is approved by this Council and ordered filed with the records and minutes of the Borough.

Section 9. That the President of Council is hereby authorized and directed to execute and deliver said Guaranty Agreement-1 for and upon behalf of the Borough and the Borough Secretary shall attest the same and affix thereto the corporate seal of the Borough.

Section 10. That the Borough covenants with the holders from time to time of the Authority's bonds that it (i) shall include the amount of debt service as set forth in said Schedule B for each fiscal year in which such amounts are payable in its budget for that year, (ii) shall appropriate such amounts from its sewer revenues and, if necessary, its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from said revenues or any of its funds, the amount payable in respect of its guaranty, at the dates and places and in the manner stated in the Guaranty Agreement-1, according to the true intent and meaning thereof. For such budgeting, appropriation and payment in respect of its guaranty of the bonds of the Authority, it hereby pledges its full faith, credit and taxing power.



Schedule A  
Schedule of Rental Payments

The Borough shall pay to the Authority as rentals under the Agreement of Lease on each December 15 and June 15, beginning June 15, 1987, to and including December 15, 2010, the sum of (a) \$1,000 and (b) an amount equal to 55% of the lesser of (i) the average annual debt service requirements on bonds attributable to that portion of the Sewer System leased to the Borough pursuant to the Agreement of Lease-I or (ii) the current debt service requirements on such bonds, outstanding under the Indenture, after taking into consideration moneys on hand in the Authority's Debt Service Fund.

Schedule B

Schedule of Principal and Interest Payments  
62.10% of the following:

<u>Fiscal Year</u>	<u>January 1</u>	<u>July 1</u>	<u>Total</u>
1986	\$	\$ 56,523.75	\$ 56,523.75
1987	56,523.75	56,523.75	113,047.50
1988	71,523.75	55,998.75	127,522.50
1989	70,998.75	55,455.00	126,453.75
1990	75,455.00	54,705.00	130,160.00
1991	74,705.00	53,930.00	128,635.00
1992	73,930.00	53,130.00	127,060.00
1993	78,130.00	52,098.75	130,228.75
1994	77,098.75	51,035.25	128,135.00
1995	76,036.25	49,942.50	125,978.75
1996	79,942.50	48,592.50	128,535.00
1997	83,592.50	46,982.50	130,575.00
1998	81,982.50	45,337.50	127,320.00
1999	85,337.50	43,387.50	128,725.00
2000	88,387.50	41,193.75	129,581.25
2001	86,293.75	39,000.00	125,193.75
2002	89,000.00	36,562.50	125,562.50
2003	91,562.50	33,881.25	125,443.75
2004	93,881.25	30,956.25	124,837.50
2005	95,956.25	27,787.50	123,743.75
2006	102,787.50	24,131.25	126,918.75
2007	104,131.25	20,231.25	124,362.50
2008	110,231.25	15,843.75	126,075.00
2009	115,843.75	10,968.75	126,812.50
2010	115,968.75	5,850.00	121,818.75
2011	125,850.00		125,850.00

R 1/20/86

CERTIFICATE

I, the undersigned, Secretary of the Borough of Harrisville, Butler County, Pennsylvania, do hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly enacted by the affirmative vote of a majority of all the members of the Council of the Borough at a meeting thereof held on the 9th day of January, 1986, at which a quorum was present, after due notice to the members and to the public and which was at all times open to the public; that the same was duly recorded; and that a Summary thereof was published as required by law in a newspaper of general circulation circulating in the Borough; that a notice of its passage has been directed to be advertised in such a newspaper; that this Ordinance has not been amended or repealed as of the date hereof; that the total number of members of Council of the Borough is seven and that the vote upon said Ordinance was called and duly recorded upon the minutes of the Council with the members voting in the following manner:

	<u>Vote</u>
<u>Dennis Blom</u>	<u>Yes</u>
<u>A. D. Brandon</u>	<u>Yes</u>
<u>Russell L. Dunlap</u>	<u>Yes</u>
<u>Francis Janaszek</u>	<u>Absent</u>
<u>Paul Lowers</u>	<u>Yes</u>
<u>Frank G. Sabin</u>	<u>Yes</u>
<u>John D. Stirling</u>	<u>Yes</u>

Witness my hand and the seal of the Borough of Harrisville this *9th* day of *January*, 1986.

(SEAL)

*Linda J. Wagner*  
Borough Secretary