

ORDINANCE NO. 329

AN ORDINANCE OF FREEPORT BOROUGH, ARMSTRONG COUNTY, PENNSYLVANIA, AUTHORIZING THE ISSUANCE OF A NOTE TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY TO FINANCE PLANS, SPECIFICATIONS AND CONSTRUCTION TO THE WASTEWATER TREATMENT PLANT.

BE IT ENACTED AND ORDAINED by the Freeport Borough Council, Armstrong County, PA, and it is hereby enacted and ordained by the authority of same.

1. The project for which the debt is to be incurred is for the planning, engineering and construction of a Wastewater Treatment Plant Flood Prevention Improvements with an estimated useful life of 50 years, as more fully set forth in the attached construction contract.

2. The principal debt or note to be issued to the Pennsylvania Infrastructure Investment Authority is \$253,948.00.

3. The debt to be incurred is nonelectoral.

4. The Borough Council shall authorize and direct the President of Council and Borough Secretary, and their successors, to prepare and certify as follows, to file the debt statement required by 53 P.S. 6780-160, to execute and deliver the note to the Pennsylvania Infrastructure Investment Authority and to take other necessary action as such designation may be changed from time to time, thereafter to be issued on February 23, 1996.

5. The note issued will be a guaranteed revenue note and the borough shall execute a pledge of its full faith, credit and taxing powers, along with pledge of gross revenues and receipts and certain covenants with the principal and interest installments beginning on January 26, 1997 and ending on December 26, 2016 and shall be in the amount of \$253,948.00 payable to the order of the Pennsylvania Infrastructure Investment Authority at 22 South Third Street, Harrisburg, PA 17101.

6. The guaranteed revenue note to be issued shall be in the substantive form, as attached hereto and made a part hereof, including account security agreement and the loan agreement.

7. The note issued shall be dated February 23, 1996 and shall bear the rate of interest of 1% for the first five years and 1.39% for the final 15 years and be payable in installments

of \$1,167.89 for the first five years and \$1,201.67 for the final 15 years and shall provide for a pledge and a security interest lien on the gross receipts and revenue generated or produced from the system to the extent permitted by law.

8. The note shall be sold at a private sale as the borough shall determine and by resolution, the private sale by negotiation is in the best interests of the borough.

9. The borough, pursuant to 53 P.S. §6780-451, shall create a sinking fund and maintain said fund until the note is paid in full. The sinking fund shall be, at desirable levels, maintained with a bank located and lawfully conducting a banking business in the Commonwealth of Pennsylvania and appoint from time to time as sinking fund deposits, notes and rentals from the use of the project for the security of revenue or guaranteed revenue shall be deposited as and when received and the borough council is authorized to contract with one or more banks for services as a sinking fund depository.

10. The guaranteed revenue note shall provide for such revenues or notes to be received from the project as may be desirable and said pledge shall be perfected as a security interest against all creditors of the borough and third parties. For the purpose of such filing, the sinking fund depository may act as a representative of the note holder and in that capacity execute and file the financing statement and any continuation or termination statement as secured party.

11. This nonelectoral debt evidenced by the note and related loan documents shall be deemed to have been incurred upon the final enactment of this ordinance.

ORDAINED AND ENACTED in to law by the Borough Council of the Borough of Freeport in lawful session assembled this 8th day of January, 1996.

ATTEST:

BOROUGH OF FREEPORT

Shane Lavotto
Secretary

By: James M. Deauffo
President of Council

Seal

Approved this 12 day of JANUARY, 1996.

By: Robert Quavotti
Mayor