

**BERWICK TOWNSHIP,
Adams County, Pennsylvania**

ORDINANCE NO. 2025-04

AN ORDINANCE INCREASING THE INDEBTEDNESS OF BERWICK TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA (THE "TOWNSHIP") BY AUTHORIZING AND DIRECTING THE ISSUANCE OF A GUARANTEED SEWER REVENUE NOTE, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,626,218.00 (THE "PENNVEST NOTE"), AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. C.S. § 8001 *ET SEQ.*, AS AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF PROVIDING FUNDS FOR A CAPITAL PROJECT CONSISTING OF IMPROVEMENTS TO THE SEWER SYSTEM TREATMENT PLANT AND PAYING RELATED COSTS, FEES AND EXPENSES (THE "PROJECT"); DETERMINING THAT SAID PENNVEST NOTE SHALL BE SOLD AT PRIVATE SALE BY NEGOTIATION; DETERMINING THAT SAID PENNVEST NOTE SHALL BE NONELECTORAL DEBT OF THIS TOWNSHIP; SPECIFYING THE REALISTIC USEFUL LIFE OF SAID PROJECT; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE TOWNSHIP (A) TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS REQUIRED BY THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, AND (B) TO PREPARE AND TO FILE ANY STATEMENTS REQUIRED BY SAID ACT THAT ARE NECESSARY TO QUALIFY ALL OR ANY PORTION OF THE DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING DEBT, AND (C) TO EXECUTE, TO ATTEST, AND TO DELIVER, AS APPROPRIATE, ANY REQUIRED LOAN DOCUMENTS, BETWEEN THIS TOWNSHIP AND THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY; APPROVING THE FORM, MAXIMUM AMOUNTS AND SOURCES OF PAYMENT OF SAID PENNVEST NOTE, SECURED BY A LIEN ON SEWER SYSTEM REVENUES OF THE TOWNSHIP AND PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THIS TOWNSHIP; CREATING A SINKING FUND IN CONNECTION WITH SUCH PENNVEST NOTE AS PROVIDED IN THE ACT; APPOINTING A SINKING FUND DEPOSITORY; REPEALING AND REPLACING ORDINANCE NO. 2025-03 AND PROVIDING FOR REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, Berwick Township (the "Township") is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under provisions of the "Local Government Unit Debt Act", 53 Pa. C.S. Chs. 80-82 (the "Act"); and

WHEREAS, Berwick Township owns, operates, and maintains a sewer system treatment facility and collection system (the "Sewer System") with all appurtenances, rights of ways, land and improvements associated thereto for rendering sewer service in portions of this Township; and

WHEREAS, This Township has approved a capital project consisting of improvements to the sewer system treatment plant (the "Project"); and

WHEREAS, This Township has obtained cost estimates with respect to the Project from actual bids and from professional estimates by its engineers indicating the sum of \$1,626,218.00 will be needed to complete the Project; and

WHEREAS, The Board of Supervisors of this Township has determined to incur nonelectoral debt by issuance of a Guaranteed Sewer Revenue Note in a principal amount not to exceed \$1,626,218.00 (the "PENNVEST NOTE"), in accordance with the provisions of the Act, with proceeds from the sale thereof, as well as any other grant funds received or from funds on hand, to be applied towards the payment of costs and expenses of the Project and related costs and expenses, including costs and expenses of issuance of the PENNVEST NOTE; and

WHEREAS, the Board of Supervisors of this Township determined that private sale of the PENNVEST NOTE by negotiation is in the best interest of the Township; and

WHEREAS, the Pennsylvania Infrastructure Investment Authority ("PENNVEST") has provided a commitment (funding offer) for the purchase of the PENNVEST NOTE (the "Commitment"); and

WHEREAS, the Board of Supervisors of this Township desires to accept the Commitment, sell the PENNVEST NOTE to PENNVEST, incur the nonelectoral debt, as set forth herein and pursuant to the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of the Township of Berwick, Adams County, Pennsylvania, as follows:

ARTICLE I

SECTION 1. The above recitals are incorporated herein by reference.

SECTION 2. The Board of Supervisors of the Township of Berwick authorizes and directs proper Township officials to undertake and complete the Project.

SECTION 3. This Township authorizes and directs the issuance of a guaranteed sewer revenue note, pursuant to this Ordinance and the Act, in a maximum principal amount of \$1,626,218.00, to be designated generally as "PENNVEST Guaranteed Sewer Revenue Note", to provide funds which, together with other available funds, will be applied toward the costs of the Project, including costs of issuance of the PENNVEST NOTE.

SECTION 4. This Township specifies that the realistic estimated useful life of the Project, including the existing facilities, will be at least thirty (30) years.

SECTION 5. This Township accepts the Funding Offer of PENNVEST to purchase the PENNVEST NOTE, as may be amended, at par. The Funding Offer is attached hereto as Exhibit A. The PENNVEST NOTE shall be substantially in the form attached hereto as Exhibit B. The PENNVEST NOTE will be dated as of the date of its delivery, will bear interest at the rate of 1.743% per annum for years 1 through 5 and 2.179% for years 6 through maturity, and will be payable (or will be subject to redemption or will mature) as provided in Exhibit "B". If, prior to closing on the sale of the PENNVEST NOTE, PENNVEST reduces its Commitment because of a reduction in estimated project costs the principal amount of the PENNVEST NOTE shall be reduced. In such case, the Township shall file an alternative debt schedule with the Department of Community and Economic Development ("DCED").

The Debt Service Schedule for the PENNVEST NOTE is structured so that interest only, is paid monthly for a period of up to three years, with principal amortization commencing: (1) three months after the estimated date of completion of the Project, or (2) the first day of the calendar month following actual completion of the Project, or (3) three years from the date of settlement, or (4) such other date as specified. Notwithstanding the foregoing, principal amortization on the PENNVEST NOTE shall not be deferred beyond the later of two (2) years from the date of settlement or one (1) year after completion of the Project in accordance with Section 8142(c) of the Act. As of the date of this Ordinance, the projected estimated date of completion of the Project is January 27, 2027.

The Township reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty. The principal and interest of the PENNVEST NOTE shall be payable at the office of the sinking fund depository selected for the PENNVEST NOTE as hereinafter provided.

SECTION 6. The PENNVEST NOTE shall have the benefit of and be secured by the Township's sewer system revenues and general revenues of the Township, and pledging the full faith, credit, and taxing power of this Township. The Township hereby covenants that it shall include the amount of debt service on the PENNVEST NOTE for each fiscal year in which such sums are payable in its budget for that year; 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 PENNVEST NOTE and the interest thereon on the dates and places and in the manner stated in the PENNVEST NOTE, and for such budgeting, appropriation, and payment, the full faith, credit, and taxing power of the Township of Berwick is irrevocably pledged.

The Township will pay the amounts due under the terms of the PENNVEST NOTE from the pledged revenues of the Sewer System. Any deficiency in the pledged revenues to pay all sums due under the PENNVEST NOTE shall become a general obligation of the Township, secured by the full faith, credit, and taxing power of this Township.

The Township will maintain or increase its rates, rents, charges and fees in connection with operation of the Sewer System so that the Sewer System's gross revenues will be sufficient to cover annual debt service, operating expense, and all other costs arising from ownership and operation of the Sewer System, except the Township shall not be required to increase rents, rates, tolls and charges to a level which in the opinion of the registered professional engineering advising the Township, will result in a decrease in gross revenues over what would have been received at a somewhat lower rate level.

SECTION 7. The maximum annual aggregate principal payments applicable to the PENNVEST NOTE are set forth in Exhibit B.

SECTION 8. The Township does hereby create, and orders to be established (in its name and identified by reference to the PENNVEST NOTE), a sinking fund (the "Sinking Fund") for the payment of the PENNVEST NOTE. Traditions Bank (a division of ACNB Bank) is appointed as the Sinking Fund Depository for the PENNVEST NOTE. The proper officers of the Township are authorized and directed to engage Traditions Bank for its services as Sinking Fund Depository and establishing the sinking fund, which shall be maintained until the PENNVEST NOTE is paid in full. The Township may, from time to time, appoint a successor Sinking Fund Depository to fill a vacancy or for any other reason.

SECTION 9. The Chairman or Vice Chairman of the Board of Supervisors of the

Township of Berwick and the Secretary of the Township, as appropriate, are authorized and directed to prepare, to certify and to file with DCED the debt statement, as such phrase is defined in the Act, required by Section 8110 of the Act, on behalf of this Municipality and the borrowing base certificate for this Municipality to be appended to such debt statement, as required by the Act.

SECTION 10. The Chairman or Vice Chairman of the Board of Supervisors of the Township of Berwick and the Secretary of this Township, as appropriate, are authorized and directed to prepare and to file appropriate statements required by the Act to qualify all or any portion of the debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 11. The Chairman or Vice Chairman of the Board of Supervisors of the Township of Berwick and the Secretary of this Township, as appropriate, are authorized and directed to make application to DCED for approval of the debt proceeding related to the issuance of the PENNVEST NOTE.

SECTION 12. Following DCED approval, the Chairman or Vice Chairman of the Board of Supervisors of the Township of Berwick and the Secretary of this Township, as appropriate, are authorized and directed to execute, attest and deliver the PENNVEST NOTE to PENNVEST, along with any other documents necessary to effectuate issuance of the PENNVEST NOTE, and to otherwise execute all documents and to do all other acts as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of this Township as it relates to the Project or the issuance of the PENNVEST NOTE.

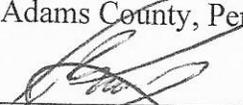
SECTION 13. Reference in this Ordinance to specified officers of this Township shall include and shall be construed to include, if and as applicable, their respective successors in office.

SECTION 14. This Ordinance shall become effective in accordance with the provisions of the Act.

SECTION 15. 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 Municipality that such remainder shall be and shall remain in full force and effect.

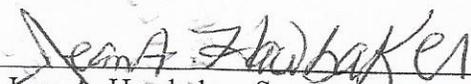
SECTION 16. All ordinances or parts of ordinances that are inconsistent herewith shall be and the same expressly are repealed.

TOWNSHIP OF BERWICK,
Adams County, Pennsylvania



Peter L. Socks, Jr., Chairman of the
Township Board of Supervisors

ATTEST:



Jean A. Hawbaker, Secretary

(SEAL)