

**TOWNSHIP OF WHITE,
Cambria County, Pennsylvania**

ORDINANCE NO. 2011-02

OF THE TOWNSHIP OF WHITE, CAMBRIA COUNTY, PENNSYLVANIA, INCURRING LEASE RENTAL DEBT TO BE EVIDENCED BY ITS GUARANTY OF A PROPORTIONATE SHARE (26%) OF TWO GUARANTEED SEWER PROJECT NOTES, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$9,463,300, OF THE GLENDALE VALLEY MUNICIPAL AUTHORITY, TO: (1) ACQUIRE AND CONSTRUCT PUBLIC SEWER SYSTEM FACILITIES, (2) CURRENTLY REFUND AND RETIRE THE AUTHORITY'S GUARANTEED SEWER PROJECT NOTE, SERIES OF 2008, AND (3) PAY RELATED EXPENSES; AUTHORIZING A GUARANTY AGREEMENT, BY AND AMONG THIS TOWNSHIP AND THE TOWNSHIP OF READE, CAMBRIA COUNTY, PENNSYLVANIA, SEVERALLY (NOT JOINTLY), AS GUARANTORS, THE AUTHORITY AND A LENDER CHOSEN BY THE AUTHORITY; SPECIFYING THE MAXIMUM AMOUNT OF THE GUARANTY OBLIGATION OF THIS TOWNSHIP UNDER THE TERMS OF THE GUARANTY AGREEMENT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT OF THE GUARANTY; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY; AND AUTHORIZING TOWNSHIP OFFICERS TO TAKE RELATED ACTION.

WHEREAS, the Township of White (the "Township"), Carbon County, Pennsylvania, is a political subdivision of the Commonwealth of Pennsylvania (the

“Commonwealth”) and is a “local government unit” as defined in the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”); and

WHEREAS, the Glendale Valley Municipal Authority (the “Authority”) is a municipality authority incorporated by the Township, and the Township of Reade (“Reade Township”), Cambria County, Pennsylvania, and existing under the Municipality Authorities Act of the Commonwealth (the “Authorities Act”); and

WHEREAS, the Authority is undertaking a capital project consisting of acquiring and constructing public sewer system facilities in and for portions of this Township and Reade Township (this Township and Reade Township being collectively referred to herein as the “Municipalities”), and paying related expenses (the “Sewer Project”); and

WHEREAS, the Authority heretofore lawfully incurred interim, short-term debt in connection with the Sewer Project; and

WHEREAS, such previous debt of the Authority consists of a Guaranteed Sewer Project Note, Series of 2008, in the maximum principal amount of \$1,600,000 (the “2008 Sewer Project Note”), dated August 28, 2008, between the Authority and First Commonwealth Bank, as lender, which was guaranteed, severally, by the Municipalities, and approved by the Department under Approval No. LRA-4781, dated July 14, 2008; and

WHEREAS, the Authority has determined to currently refund and retire the 2008 Sewer Project Note (the “Refunding Project”), and to provide additional financing for the Sewer Project, also on an interim basis, by issuing the Sewer Project Notes (hereinafter defined).

WHEREAS, this Township shall unconditionally guaranty its proportionate share (26%) of the Sewer Project Notes (hereinafter defined) for the benefit of the Bank (hereinafter defined) or other registered owner thereof.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of this Township, as follows:

SECTION 1. This Township requests that the Authority undertake and complete the Refunding Project and the Sewer Project.

SECTION 2. This Township determines to incur “lease rental debt”, as defined in the Debt Act, in connection with the Refunding Project and the Sewer Project.

SECTION 3. Such lease rental debt of this Township pursuant to the Debt Act shall be in the maximum principal amount of \$2,460,458, and shall be evidenced by this Township’s several (not joint) guaranty (26%) of obligations to be issued by the Authority under the Authorities Act consisting of its “Guaranteed Sewer Project Notes, Series of 2011”, in the maximum aggregate principal amount of \$9,463,300 (the “Sewer Project Notes”), which Sewer Project Notes shall have the benefit of, and shall be secured by, among other things, the several (not joint) obligations of the Municipalities (this Township to the extent of 26%, and Reade Township to the extent of 74%) pursuant to the Guaranty Agreement (hereinafter mentioned and identified).

SECTION 4. This Township specifies that a realistic, estimated, useful life of the Sewer Project being financed by the Sewer Project Notes is at least 40 years. The Refunding Project is permitted by Section 8241(b)(4) of the Debt Act (refunding for the first time a single maturity note to a later date). The principal payment dates, and maturity dates, of the Sewer Project

Notes are not in excess of one year after the estimated date of completion of construction of the Sewer Project.

SECTION 5. This Township, and together with Reade Township, severally, as guarantors, shall enter into a Guaranty Agreement, to be dated the date of the Sewer Project Notes (the "Guaranty Agreement"), with the Authority and Manufacturers and Traders Trust Company (the "Bank"), as lender under the terms of a Loan Agreement, to be dated the date of the Sewer Project Notes (the "Loan Agreement"), between the Authority and the Bank, with respect to the Sewer Project and the Sewer Project Notes. Under the terms of the Guaranty Agreement, the Municipalities each shall severally (but not jointly) guaranty (White Township - 26%; Reade Township - 74%), for the benefit of the Bank and any subsequent registered owners, from time to time, of the Sewer Project Notes, full and prompt payment of principal of the Sewer Project Notes, in the maximum principal amount of \$9,463,300, together with interest at the maximum rate provided for therein, or such shall be due and payable.

The Guaranty Agreement shall be for the life of the Sewer Project Notes and shall set forth terms, conditions, provisions, covenants and agreements to be observed by the Township, the Authority and the Bank in relation to the Sewer Project Notes.

SECTION 6. The Guaranty Agreement shall be substantially in the form presented to this meeting, which form is approved. A copy of the Guaranty Agreement shall be filed with the Secretary of this Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

SECTION 7. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary, respectively, of this Township, as appropriate, are authorized and directed to prepare, to certify and to file with the Department of Community and Economic Development (the “Department”) of the Commonwealth the debt statement, as such phrase is defined in the Debt Act, required by Section 8110 of the Debt Act, on behalf of this Township.

The Chairman or Vice Chairman of the Board of Supervisors and the Secretary, respectively, of this Township are authorized and directed to prepare and to execute an appropriate borrowing base certificate for this Township to be appended to such debt statement, as required by Section 8110 of the Debt Act.

SECTION 8. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary, respectively, of this Township, as appropriate, are authorized and directed to prepare and to file with the Department appropriate statements required by Section 8026 of the Debt Act that are necessary to qualify all or any portion of the lease rental debt of this Township that is subject to exclusion as self-liquidating debt for exclusion from the appropriate debt limit as self-liquidating debt.

SECTION 9. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary, respectively, of the Township, as appropriate, are authorized and directed to execute, to attest and to deliver the Guaranty Agreement, on behalf of this Township, in accordance with the Debt Act.

SECTION 10. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary, respectively, of this Township, as appropriate, are authorized and directed to make

application to the Department for approval with respect to the Guaranty Agreement, as required by Section 8111 of the Debt Act; and, in connection with such application, this Township shall pay or shall cause to be paid to the Department the filing fee required by the Debt Act, the payment of which filing fee is authorized and approved.

SECTION 11. The maximum guaranty obligations of this Township with respect to the Sewer Project Notes, as set forth in the Guaranty Agreement, are set forth in Exhibit A which is attached hereto and made part hereof. The phrase “Fiscal Year”, as provided in the Guaranty Agreement, shall mean the fiscal year of the Township.

SECTION 12. The guaranty obligations of this Township, as set forth in Section 11, shall be payable from the tax and other general revenues of this Township.

SECTION 13. This Township shall covenant in the Guaranty Agreement and does hereby covenant to and with the Authority and with the Bank, and any subsequent registered owners, as appropriate, from time to time, of the Sewer Project Notes, that this Township: (1) shall include the amounts payable in respect to the Guaranty Agreement, for each Fiscal Year in which such sums are payable, in its budget for that Fiscal Year; (2) shall appropriate such amounts from its general revenues for the payment of such guaranty; and (3) shall duly and punctually pay or cause to be paid from its sinking fund (hereinafter referred to) or any other of its revenues or funds the amount payable in respect of such guaranty, at the dates and places and in the manner provided in the Guaranty Agreement, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment in respect of such guaranty, this Township shall and does

pledge, irrevocably, its full faith, credit and taxing power. The foregoing covenants of this Township shall be enforceable specifically.

For the purposes of complying with the foregoing covenant, this Township covenants that it shall budget its several portion (26%) of the amounts set forth in Exhibit A which is attached hereto and made part hereof, such amounts being the maximum amounts payable with respect to the Sewer Project Notes for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Bank such amounts; subject, however, to provisions of the Guaranty Agreement with respect to credit for certain sums that shall be available for such amounts payable, all as more fully set forth in the Guaranty Agreement.

This Township also shall covenant in the Guaranty Agreement and does hereby covenant that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required under the Guaranty Agreement, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or otherwise to satisfy its obligations under the Guaranty Agreement, it shall include any amounts so payable by it in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay or shall cause to be paid its obligations incurred under the Guaranty Agreement, in the manner therein stated, according to the true intent and meaning thereof.

This Township hereby establishes a "sinking fund", as such phrase is defined in the Debt Act, with respect to its obligations under the Guaranty Agreement, and the Bank is hereby

appointed “sinking fund depository” as such phrase is defined in the Debt Act, to the extent necessary with respect to obligations of this Township under the Guaranty Agreement.

SECTION 14. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary, respectively, of this Township, as appropriate, are authorized and directed to 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 under the Guaranty Agreement.

SECTION 15. 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 16. This Ordinance shall become effective in accordance with provisions of Section 8003 of the Debt Act.

SECTION 17. 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 Township that such remainder shall be and shall remain in full force and effect.

SECTION 18. All ordinances or parts of ordinances that are inconsistent herewith shall be and the same expressly are repealed.

DULY ENACTED AND ORDAINED, this 12th day of September, 2011, by the

Board of Supervisors of this Township, in lawful session duly assembled.

TOWNSHIP OF WHITE,
Cambria County, Pennsylvania

By: *James F. Kuth*
(Vice) Chairman of the Board
of Supervisors

ATTEST:

Tray A. Plessinger
Secretary

(SEAL)

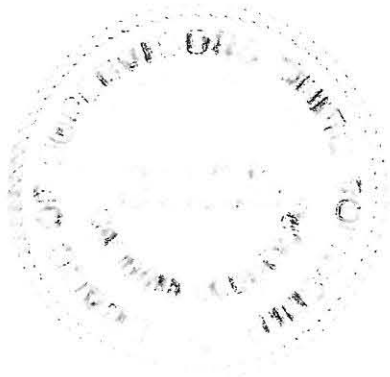


EXHIBIT "A"

The maximum Debt Service, as such phrase is defined in the Guaranty Agreement referred to in the Ordinance to which this Exhibit "A" is attached, on the Note (in the maximum principal amount of \$9,463,300), as such term is defined in the Ordinance to which this Exhibit "A" is attached, to be issued by Glendale Valley Municipal Authority, is as follows:

SEE FOLLOWING PAGES^{1,2}

¹ Assumes the following: (i) that both Sewer Project Notes (the "Notes") are issued to the Bank on October 14, 2011, in the maximum principal amount of \$9,463,300, and bear interest at a maximum rate of 6.0%, per annum, (ii) interest only payments are due on the Notes on March 1, June 1, September 1 and December 1 of each year, beginning December 1, 2011, and (iii) the Notes mature in full on October 14, 2014.

² To be shared on a several (and not joint) basis by the Municipalities as follows:

Reade Township – 74%
White Township – 26%.

Glendale Valley Municipal Authority 2011 Guaranteed Sewer Project Notes

Compound Period: Quarterly

Nominal Annual Rate: 6.000 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	10/14/2011	9,463,300.00	1		
2	Payment	12/01/2011	Interest Only	12	Quarterly	09/01/2014
3	Payment	10/14/2014	9,530,191.27	1		

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	10/14/2011				9,463,300.00
1	12/01/2011	74,669.33	74,669.33	0.00	9,463,300.00
2011 Totals		74,669.33	74,669.33	0.00	
2	03/01/2012	141,949.50	141,949.50	0.00	9,463,300.00
3	06/01/2012	141,949.50	141,949.50	0.00	9,463,300.00
4	09/01/2012	141,949.50	141,949.50	0.00	9,463,300.00
5	12/01/2012	141,949.50	141,949.50	0.00	9,463,300.00
2012 Totals		567,798.00	567,798.00	0.00	
6	03/01/2013	141,949.50	141,949.50	0.00	9,463,300.00
7	06/01/2013	141,949.50	141,949.50	0.00	9,463,300.00

8	09/01/2013	141,949.50	141,949.50	0.00	9,463,300.00
9	12/01/2013	141,949.50	141,949.50	0.00	9,463,300.00
2013 Totals		567,798.00	567,798.00	0.00	
10	03/01/2014	141,949.50	141,949.50	0.00	9,463,300.00
11	06/01/2014	141,949.50	141,949.50	0.00	9,463,300.00
12	09/01/2014	141,949.50	141,949.50	0.00	9,463,300.00
13	10/14/2014	9,530,191.27	66,891.27	9,463,300.00	0.00
2014 Totals		9,956,039.77	492,739.77	9,463,300.00	
Grand Totals		11,166,305.10	1,703,005.10	9,463,300.00	

CERTIFICATE

I, the undersigned, Secretary of the Township of White, Cambria County, Pennsylvania (the "Township") certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by the Board of Supervisors of the Township, in accordance with law, at a meeting duly held on September 12, 2011, at which meeting a quorum was present; said Ordinance has been certified and recorded by me, as Secretary of the Township, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. 2011-02; presently, the total number of members of the Board of Supervisors of the Township is three (3); the vote of the members of the Board of Supervisors of the Township, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as Secretary, as follows:

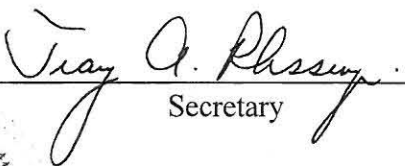
James F. Luther	-	YEA	
Neal E. Maneval	-	YEA	
Tracy A. Plessinger	-	YEA	;

said Ordinance has been advertised (both before and after enactment), as required by law, in a proper newspaper of general circulation in the Township; and said Ordinance has not been amended, altered or repealed as of the date of this Certificate.

I further certify that the Board of Supervisors of the Township; met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7, by advertising said meeting, by posting prominently a notice of said meeting at the principal office of the Township or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township this 12th day of September, 2011.

(SEAL)


Secretary

