

AN ORDINANCE OF THE TOWNSHIP
OF CRANBERRY
(BUTLER COUNTY, PENNSYLVANIA)
ENACTED APRIL 2, 2020 AND NUMBERED ____

**FORMAL ACTION CONSTITUTING A DEBT ORDINANCE
UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT**

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN AN AGGREGATE PRINCIPAL AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000.00); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF, THE NOTE; FIXING THE FORM, INTEREST RATE, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; AUTHORIZING THE ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE NOTE; AUTHORIZING A FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE NOTE.

Special Counsel:

Dinsmore & Shohl LLP
1300 Six PPG Place
Pittsburgh, PA 15222

WHEREAS, the Board of Supervisors (the “Governing Body”) of the Township of Cranberry (the “Local Government Unit”) deems it advisable to borrow an aggregate principal sum of \$5,000,000.00 pursuant to the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq.* (the “Debt Act”), for the purposes described on **Exhibit P** hereto (the “Project”); and

WHEREAS, the Commonwealth of Pennsylvania Department of Transportation (“PennDOT”) has presented a Purchase Proposal (defined hereinafter), attached hereto as **Exhibit PC**, to purchase the note to be issued by the Local Government Unit in order to achieve the financing of the Local Government Unit’s Project.

NOW, THEREFORE, it is hereby ENACTED as follows:

Section 1. Definitions

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Ordinance, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Ordinance, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department of Community and Economic Development or by courts maintaining competent jurisdiction.

Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word “person,” in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

“Dated Date” means the date of delivery of the Note, expected to be June 1, 2020, or such other date that may be determined and fixed by PennDOT and the Local Government Unit, upon which interest will begin to accrue on amounts advanced under the Note.

“Department” has the meaning given to such term in Section 2 hereof.

“Designated Officers” has the meaning given to such term in Section 2 hereof.

“First Note Payment Date” means June 1, 2021, the date upon which interest on the Note is first payable, as may be further specified by PennDOT in accordance with the Purchase Proposal relating to the Note.

“Local Government Unit” means the Township of Cranberry, situated in the County of Butler, a township of the second class of the Commonwealth of Pennsylvania, duly organized and validly existing under the Constitution and laws of the Commonwealth, particularly the Second Class Township Code, Act of June 1, 1933, P.L. 103, as amended.

“Note” or “Obligation” means, collectively, the Local Government Unit’s Promissory Note, in an aggregate principal amount of \$5,000,000.00.

“Note Payment Date(s)” means, singularly or jointly, June 1 of each year during the term thereof, or as may be further specified by the Local Government Unit and PennDOT in accordance with the Purchase Proposal, commencing with the First Note Payment Date.

“Project” has the meaning given to such term in **Exhibit P** hereto.

“Purchase Proposal” means the Proposal for the Purchase of Note, set out in **Exhibit PC** hereto, dated January 30, 2020, as presented by PennDOT, and accepted by the Local Government Unit by execution and delivery of the same pursuant to Section 6 herein..

“Redemption Date(s)” means any date selected by the Local Government Unit, upon which the Local Government Unit shall prepay all, or any portion of, the outstanding principal amount of the Note, together with all interest then accrued and owing, in order to redeem and prepay the same, in accordance with Section 9(e) of the Loan Agreement (hereinafter defined).

“Redemption Price” means 100% of the principal amount of the Note being redeemed and prepaid.

Section 2. Authorization

The Local Government Unit hereby authorizes the incurrence, and the increase, of nonelectoral indebtedness in an aggregate principal amount of \$5,000,000.00, to be evidenced by the Note in substantially the form attached hereto as Exhibit B to the Loan Agreement (with such changes as the Designated Officers, hereinafter defined, shall approve), in order to pay the costs of the Project.

The Note will be dated the Dated Date, will bear interest at a fixed rate of 2.50% per annum (30/360 day year basis), payable on the Note Payment Dates, beginning with the First Note Payment Date, and will amortize, as to principal, in part, on each said Note Payment Date according to the schedule set out in **Exhibit DS** attached hereto.

The Note shall preserve to the Local Government Unit the right to prepay, at any time, in whole or in part (but if in part, then in integral multiples of \$1,000); at a redemption price of 100% of the principal amount being prepaid and redeemed, any amount outstanding hereunder, in all cases with interest accrued to the date of such prepayment and redemption.

Furthermore, the Note will be issued subject to, and the terms and conditions of payment, prepayment and security further delineated by and under a loan agreement (the “Loan Agreement”) incorporating the terms and conditions of the Purchase Proposal. The Loan Agreement, substantially in the form attached hereto as **Exhibit LA**, is hereby approved, and the same shall be executed and delivered, with such changes as the Designated Officers shall approve, upon the issuance and delivery of the Note, in exchange for the Purchase Price of said Note at the settlement thereof.

The Local Government Unit hereby authorizes and directs the Governing Body (including individual members thereof) and the Township Secretary/Manager, or their duly elected and acting successors (the “Designated Officers”), to execute and deliver the Note, the Loan Agreement and all such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including the filing of proceedings with the Pennsylvania Department of Community and Economic Development (the “Department”) to enable the Department to certify its approval to issue, sell and deliver the Note. The Designated Officers are hereby further authorized and directed comply with and perform all the terms and conditions of the Loan Agreement and the Note.

The Designated Officers are hereby authorized and directed to prepare such materials and make such filings, applications and solicitations that are necessary to obtain appropriate approvals for the issuance of the Note and the matters contemplated hereby.

Section 3. Preparation of Debt Statement

As required by §8110 of the Act, any member of the Governing Body and the Township Secretary/Manager of the Local Government Unit are authorized to prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate.

Section 4. Security and Payment of the Note

The Note shall be a general obligation of the Local Government Unit to the extent permitted by law. The Local Government Unit hereby covenants with PennDOT and with subsequent holders, from time to time, of the Note that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service, and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates, at the place and in the manner stated therein according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Note, the Local Government Unit hereby pledges its full faith, credit and taxing power. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget and collect taxes and other revenues adequate to fulfill the foregoing covenant. The maximum amounts of debt service which are payable in respect of the Note are set forth in **Exhibit DS** attached hereto.

The Local Government Unit authorizes the creation (in its name and identified by reference to the Note), of a Sinking Fund for the payment of the Note with _____, which is a bank lawfully conducting business in the Commonwealth of Pennsylvania, and does further covenant to maintain such Sinking Fund, in accordance with the Local Government Unit Debt Act, until the Note is paid in full. The Local Government Unit shall serve as its own paying agent and shall well and timely pay, from the Sinking Fund, the full amounts of all principal of and interest owing on the Note, as and when due and payable, until the Note is paid in full. Finally, the Local Government Unit shall serve as registrar in respect of the Note, according to the provisions of the Act in compliance with current industry standards and practices.

Section 5. [RESERVED]

Section 6. Award

The Local Government Unit hereby: (1) determines that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit; and (2) authorizes the Chairman or Vice-Chairman of the Board of Supervisors and the Township Secretary/Manager (or their appropriate successors acting by reason of absence or other incapacity), in their sole discretion, to award the sale of the Note to PennDOT, by means of the execution, and delivery to PennDOT, of the Purchase Proposal. The execution and delivery of the Purchase Proposal is hereby ratified and confirmed.

Section 7. Expeditious Settlement.

The Local Government Unit hereby authorizes and directs the Designated Officers, Special Counsel or Solicitor to undertake and perform all actions on behalf of the Local Government Unit necessary and proper to the expeditious settlement of the sale of the Note.

The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all the ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required under, or reasonably contemplated by, the Purchase Proposal, including without limitation, retention of professionals, and execution and delivery of any certificates, orders, security agreements, mortgages and other similar documents and agreements that may be necessary, in the opinion of PennDOT, Special Counsel or Solicitor, for settlement of the sale of the Note.

Section 8. Note Ordinance a Contract

Upon the Local Government Unit's execution of a Purchase Proposal relating to the Note, this Ordinance, with the Note themselves, and the Loan Agreement relating thereto, as and when the same are executed and delivered, shall be deemed to be a contract with PennDOT.

DULY ENACTED on April 2, 2020.

TOWNSHIP OF CRANBERRY

Chairman, Board of Supervisors

Attest:

Township Manager/Secretary

DESCRIPTION OF PROJECT

“Project” (a) providing the Local Government Unit with the funds required for various capital projects of the Local Government Unit, including, but not limited to, (i) constructing a ramp and new local road system from Interstate 79N to Cranberry Drive, (ii) constructing a grade separated crossing under State Route 228 and (iii) constructing a roundabout and other traffic control, safety and stormwater systems within Cranberry Springs; and (b) the payment of costs of issuance of the Note. The realistically estimated useful life of the capital assets financed by the proceeds of the Note is, on a weighted average basis, in excess of twenty (20) years.

EXHIBIT P

DEBT SERVICE PAYMENT SCHEDULE

EXHIBIT DS

FORM OF LOAN AGREEMENT
(INCLUDING FORM OF NOTE)

EXHIBIT LA

PURCHASE PROPOSAL

EXHIBIT PC

C E R T I F I C A T E

I, the undersigned, a Designated Officer of the named Local Government Unit, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly adopted by the affirmative vote of the majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof; that due notice of such meeting was given and the meeting was at all times open to the public; that such Ordinance was duly recorded; that this Ordinance is still in full force and effect as of the date hereof; that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body; and that the members of the Governing Body voted in the manner following:

	Yes	No	Abstain	Absent
Richard M. Hadley	_____	_____	_____	_____
Michael Manipole	_____	_____	_____	_____
Bruce Hezlep	_____	_____	_____	_____
Bruce Mazzoni	_____	_____	_____	_____
John P. Skorupan	_____	_____	_____	_____

WITNESS my hand and seal of the Local Government Unit this _____ day of _____,
2020.

TOWNSHIP OF CRANBERRY

[SEAL]

Township Secretary/Manager