TOWNSHIP OF OHIO

ORDINANCE NO. 134

AN ORDINANCE OF THE TOWNSHIP OF OHIO, COUNTY OF ALLEGHENY AND THE COMMONWEALTH OF PENNSYLVANIA AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP OF OHIO TO ENTER INTO AN AGREEMENT BETWEEN THE AUTHORITY FOR IMPROVEMENTS IN MUNICIPALITIES OF ALLEGHENY COUNTY, THE OHIO TOWNSHIP SANITARY AUTHORITY AND THE TOWNSHIP OF OHIO ACKNOWLEDGING THAT THE AGREEMENT DATED MARCH 15, 1971 BETWEEN THE TOWNSHIP OF OHIO AND THE AUTHORITY FOR IMPROVEMENTS IN MUNICIPALITIES OF ALLEGHENY COUNTY IS A VALID AND SUBSISTING OBLIGATION OF THE TOWNSHIP, THAT THE TOWNSHIP IS EMPOWERED TO PAY ITS DEBT UNDER SAID AGREEMENT, AND AGREEING TO INDEMNIFY AND GUARANTEE THE PAYMENT OF THE LOAN IN FULL IN A TOTAL AGGREGATE AMOUNT INCLUDING PRINCIPAL, INTEREST, DELINQUENT INTEREST OF $152,800.00 BY THE OHIO TOWNSHIP SANITARY AUTHORITY TO THE AUTHORITY FOR IMPROVEMENTS IN MUNICIPALITIES OF ALLEGHENY COUNTY.

WHEREAS, the Authority for Improvements in Municipalities of Allegheny County, hereinafter called "AIM" and the Township of Ohio, hereinafter called "Township" entered into an agreement for a loan from AIM to the Township in the amount of $110,000.00 at a cost of no interest for the length of the project, which project was to enable the Township of Ohio to carry out that portion of Bear Run Drainage Basin Sewer System in accordance with plans and specifications prepared by Green Engineering Company; and

WHEREAS, there now exists the Ohio Township Sanitary Authority, hereinafter called "Authority" as a beneficiary of the aforementioned contract between AIM and the Township; and

WHEREAS, the original contract of March 15, 1971, called for payments at no interest in five years, but in the event the payment was not made back within five years, then interest was to be due and payable upon the said obligation from the Township to AIM at the County rate of interest until the amount was paid in full; and

WHEREAS, the Township has not made any payments on the principal up to the present date on the said contract of March 15, 1971; and

WHEREAS, the Township has received benefits from the said contract and is willing to indemnify and guarantee the repayment of the original loan of March 15, 1971 by the Ohio Township Sanitary Authority, and the changes to the Agreement marked Exhibit "A" and attached hereto, which changes are brought about by this Addendum; and

WHEREAS, all payments are due and owing at the present time; and

WHEREAS, the County rate of interest charged for such loans at the time this loan was made was 3% per year. The rates of interest

involved in the payments due under the original contract of March 15, 1971, were the following:

A.	First installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 39% as of October 1, 1984, which amounts to	$ 8,580.00
	for a total of	$30,580.00
B.	Second installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 36% as of October 1, 1985, which amounts to	$ 7,920.00
	for a total of	$29,920.00
C.	Third installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 33% as of October 1, 1986, which amounts to	$ 7,260.00
	for a total of	$29,260.00
D.	Fourth installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 30% as of October 1, 1987, which amounts to	$ 6,600.00
	for a total of	$28,600.00
E.	Fifth installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 27% as of October 1, 1988, which amounts to	$ 5,280.00
	for a total of	$27,280.00

and

WHEREAS, the Township does not have sufficient funds to make paybacks in accordance with the figures listed above; and

WHEREAS, the Authority is subject to charging rates established by the Authority; and

NOW, THEREFORE, be it enacted and ordained by the Township of Ohio, County of Allegheny, Pennsylvania and it is hereby enacted and ordained by the authority of the same as follows:

1. The Township agrees to indemnify and guarantee the payment by the Authority to AIM of the loan in the amount of $110,000.00 at the rate of 3% per year from the year 1976 up to and including the completion of the Payback Addendum to the Agreement dated March 15, 1971.

2. The proper Township officers are hereby authorized and directed to enter into a Payback Addendum to the Agreement of March 15, 1971 between AIM, the Authority and the Township. A copy of the Payback Addendum is attached hereto and made a part hereof as Exhibit "A".

3. The Township is hereby authorized and directed to furnish to AIM a certified copy of an Ordinance and Resolution and the legal opinion of its Solicitor that the obligations under the Payback Addendum are valid and subsisting obligations of the Township

and that the Township is empowered to pay this debt under the Payback Addendum and will in fact do all that is necessary to pay its debts in accordance with Payback Addendum.

4. The loan is repayable in principal as well as interest at 3%, as well as delinquent interest in the amount of $16,400.00 payable at the rate of $1,093.34 (or $1,093.33) per year.

5. The Township is authorized and directed to cooperate with the Authority and to do all that is necessary to aid the Authority in the performance of the Addendum Agreement and further indemnifies and guarantees the Payback Addendum on behalf of the Authority and in favor of AIM.

6. The Payback Addendum to Agreement of March 15, 1971 is hereby declared to be a general obligation of the Township of Ohio and that Township shall duly and punctually pay or cause to be paid the principal of the note and the interest thereon at the dates and places and the manner stated therein if the Ohio Township Sanitary Authority fails to pay same according to the true intent and meaning of the Payback Addendum to Agreement of March 15, 1971 and the full faith, credit and taxing power of the Township of Ohio is hereby irrevocably pledged.

7. All Ordinances or parts of Ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED into law this 11th day of March, 1985.

ATTEST:

BY Judith L Kording
~~Joseph J. Start,~~ Secretary
Judith L Kording Asst.

TOWNSHIP OF OHIO

John B. McDonald
John B. McDonald, Chairman

APPROVED AS TO LEGAL FORM:

Joseph E Vogrin III
Joseph E. Vogrin, III, Solicitor

PAYBACK ADDENDUM TO AGREEMENT OF MARCH 15, 1971

THIS PAYBACK ADDENDUM dated this 1st day of October, 1984, is an Addendum to the original Agreement of March 15, 1971, herein attached and marked Exhibit "A", by and between THE AUTHORITY FOR IMPROVEMENTS IN MUNICIPALITIES OF ALLEGHENY COUNTY, a municipal authority formed under the Municipality Authorities Act of 1945 (Act of May 2, 1945, P.L. 382), hereinafter called "AIM", party of the first part,

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The TOWNSHIP OF OHIO, a political subdivision of the Commonwealth of Pennsylvania, hereinafter called "Township", party of the second part,

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The OHIO TOWNSHIP SANITARY AUTHORITY, a political subdivision of the Township of Ohio and a political subdivision of the Commonwealth of Pennsylvania, hereinafter called "Authority", party of the third part.

Exhibit "A"

W I T N E S S E T H

WHEREAS, AIM and the Township entered into an Agreement for a loan from AIM to the Township in the amount of $110,000.00 at a cost of no interest for the length of the project, which project was to enable the Township of Ohio to carry out that portion of Bear Run Drainage Basin Sewer System in accordance with plans and specifications prepared by Green Engineering Company; and

WHEREAS, a portion of the said project was completed on the 9th day of August, 1971; and

WHEREAS, there now exists the Ohio Township Sanitary Authority as a beneficiary of the aforementioned contract between AIM and the Township; and

WHEREAS, the original contract of March 15, 1971, called for payments at no interest in five years, but in the event the payment was not made back within five years, then interest was to be due and payable upon the said obligation from the Township to AIM at the County rate of interest until the amount was paid in full; and

WHEREAS, the Township has not made any payments on the principal up to the present date on the said contract of March 15, 1971; and

WHEREAS, the Authority has received benefits from the said contract and is willing to indemnify and guarantee the original loan of March 15, 1971, and the changes to the Agreement marked Exhibit "A" and attached hereto, which changes are brought about by this Addendum; and

WHEREAS, all of the parties to this Addendum wish to enter into, on the part of AIM and the Authority, an extension and addendum to the original contract, and on the part of the Township an indemnity and guarantee contract in favor of AIM for the present Addendum; and

WHEREAS, all payments are due and owing at the present time; and

WHEREAS, the County rate of interest charged for such loans at the time this loan was made was 3% per year. The rates of interest involved in the payments due under the original contract of March 15, 1971, were the following:

A.	First installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 39% as of October 1, 1984, which amounts to	$ 8,580.00
	for a total of	$30,580.00
B.	Second installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 36% as of October 1, 1985, which amounts to	$ 7,920.00
	for a total of	$29,920.00

C.	Third installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 33% as of October 1, 1986, which amounts to	$ 7,260.00
	for a total of	$29,260.00
D.	Fourth installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 30% as of October 1, 1987, which amounts to	$ 6,600.00
	for a total of	$28,600.00
E.	Fifth installment of principal of	$22,000.00
	with a penalty rate at 3% per year which is 27% as of October 1, 1988, which amounts to	$ 5,280.00
	for a total of	$27,280.00

and

WHEREAS, the Township does not have sufficient funds to make paybacks in accordance with the figures listed above; and

WHEREAS, the Authority is subject to charging rates established by the Authority; and

WHEREAS, all of the parties to this Agreement have agreed to a new 15 year Agreement to dispose of the loan in full and final settlement.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants herein contained, agree as follows:

1. The Authority agrees to pay AIM $110,000.00 at the rate of 3% per year from the year 1976 up to and including the completion of this Agreement.

2. The Township agrees to indemnify and guarantee the payment of the Authority to AIM.

3. AIM agrees to accept payment on advice of its Solicitor to secure the said funds back over a 15 year period on the assertions that maximum available payments will be made through rate adjustments and there is no other way of making the said payments under the original Agreement of March 15, 1971, without using a 15 year contract and without the indemnification and guarantee of the Township.

4. The Township covenants and agrees to adopt and furnish to AIM a certified copy of an Ordinance and Resolution and the Legal Opinion of its Solicitor that the obligations made hereunder are valid and subsisting obligations of the Township, and that the Township is empowered to pay its debt under this Agreement and will in fact do all that is necessary to pay its debts in accordance with this Agreement.

5. The Authority covenants and agrees to adopt and furnish to AIM a certified copy of a Resolution passed at its meeting, as well as the Legal Opinion of its Solicitor, that the obligations made hereunder as to the Authority are valid and subsisting obligations of the Authority, and that the Authority is empowered to enter into

such obligations under this Agreement and will in fact do all that is necessary to perform such obligations in accordance with this Agreement.

6. The Township and the Authority further agree that the Ordinance, Resolution, Certificate of Indebtedness and Solicitor's Opinion shall provide that the loan is repayable in principal as well as interest at 3%, as well as delinquent interest in the amount of $16,400.00 payable at the rate of $1,093.34 (or $1,093.33) per year.

7. The Township agrees to cooperate with the Authority and to do all that is necessary to aid the Authority in the performance of this Agreement, and further indemnifies and guarantees this Agreement on behalf of the Authority and in favor of AIM.

8. The payment schedule of this Addendum to the Agreement of March 15, 1971, is as follows:

(a)	First installment of	$ 7,333.34
	plus interest of	3,300.00
	plus percentage of delinquent interest of	1,093.34
	for a total payment of	$11,726.68
	due before the 1st day of October, 1985	
(b)	Second installment of	$ 7,333.34
	plus interest of	3,080.00
	plus percentage of delinquent interest of	1,093.34
	for a total payment of	$11,506.68
	due before the 1st day of October, 1986	

(c)	Third installment of	$ 7,333.34
	plus interest of	2,960.00
	plus percentage of delinquent interest of	1,093.34
	for a total payment of	$11,286.68
	due before the 1st day of October, 1987	
(d)	Fourth installment of	$ 7,333.34
	plus interest of	2,640.00
	plus percentage of delinquent interest of	1,093.34
	for a total payment of	$11,066.68
	due before the 1st day of October, 1988	
(e)	Fifth installment of	$ 7,333.34
	plus interest of	2,420.00
	plus percentage of delinquent interest of	1,093.34
	for a total payment of	$10,846.68
	due before the 1st day of October, 1989	
(f)	Sixth installment of	$ 7,333.33
	plus interest of	2,200.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$10,626.66
	due before the 1st day of October, 1990	

(g)	Seventh installment of	$ 7,333.33
	plus interest of	1,980.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$10,406.66
	due before the 1st day of October, 1991	
(h)	Eighth installment of	$ 7,333.33
	plus interest of	1,076.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$10,186.66
	due before the 1st day of October, 1992	
(i)	Ninth installment of	$ 7,333.33
	plus interest of	1,540.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 9,966.66
	due before the 1st day of October, 1993	
(j)	Tenth installment of	$ 7,333.33
	plus interest of	1,320.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 9,746.66
	due before the 1st day of October, 1994	

.k)	Eleventh installment of	$ 7,333.33
	plus interest of	1,100.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 9,526.66
	due before the 1st day of October, 1995	
(l)	Twelfth installment of	$ 7,333.33
	plus interest of	880.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 9,306.66
	due before the 1st day of October, 1996	
(m)	Thirteenth installment of	$ 7,333.33
	plus interest of	660.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 9,086.66
	due before the 1st day of October, 1997	
(n)	Fourteenth installment of	$ 7,333.33
	plus interest of	440.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 8,866.66
	due before the 1st day of October, 1998	

(o)	Fifteenth installment of	$ 7,333.33
	plus interest of	220.00
	plus percentage of delinquent interest of	1,093.33
	for a total payment of	$ 8,646.66
	due before the 1st day of October, 1999	

9. It is further agreed between the parties that, in the event the Authority issues bonds in excess of the then outstanding principal and interest balance due AIM, the full amount of principal and interest due 7 days after the bond money is issued, shall be accelerated and paid immediately to AIM.

In the event any payment is not made on or before the due date, interest for that payment will be increased to 9% as a penalty interest.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date aforesaid intending to be legally bound hereby pursuant to Resolutions adopted by the respective governing bodies authorizing the same to be made and done.

ATTEST:

THE AUTHORITY FOR IMPROVEMENTS IN MUNICIPALITIES OF ALLEGHENY COUNTY

BY_____
Sally D. Lupovitz, Secretary

BY_____
Edward E. Stevens, Chairman

_____
John J. Hickton, Solicitor

ATTEST:

BY Judith L. Kording
~~Joseph J. Start~~, Township
Judith L. Kording Asst. Secretary

TOWNSHIP OF OHIO

BY
John B. McDonald, Chairman
Board of Supervisors

Joseph E. Vogrin III
Joseph E. Vogrin, III, Solicitor

ATTEST:

BY Leonard J. Oyler
Leonard Oyler, Secretary

OHIO TOWNSHIP SANITARY AUTHORITY

BY Thomas R. Jordan
Thomas Jordan, Chairman

Joseph E. Vogrin III
Joseph E. Vogrin, III, Solicitor

[illegible]

THIS AGREEMENT [illegible] [illegible] [illegible]

by and between THE AUTHORITY [illegible] IN MUNICIPALITIES OF ALLEGHENY COUNTY, a municipal authority formed under the Municipality Authorities Act of 1945 (Act of May 2, 1945, P.L. 382), hereinafter called "AIM", party of the first part,

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TOWNSHIP OF OHIO, a political subdivision of the Commonwealth of Pennsylvania, hereinafter called "Township", party of the second part.

W I T N E S S E T H:

THAT, WHEREAS, AIM was organized by the County pursuant to the Municipality Authorities Act aforesaid, for the purpose of rendering [illegible] the cities, boroughs, townships and authorities of Allegheny County; and

WHEREAS, AIM has been incorporated as a General Authority, its Articles of Incorporation having been approved and filed in the Department of State of the Commonwealth of Pennsylvania on the 17th day of June, 1969; and

WHEREAS, the Township of Ohio has made application to the Authority for a loan to enable it to carry out a project identified as a portion of the Bear Run Drainage Basin Sewer System in accordance with plans and specifications prepared by Green Engineering Company; and

WHEREAS, the Board of County Commissioners and the Board of AIM have reviewed the project [illegible] of the opinion that the loan should be granted for the reason that it will permit the Township to grow, generating new tax revenues, and for the reason that the Township has been unable to secure satisfactory financing for the project, and the Board of County Commissioners has recommended that AIM make a loan to the Township for this project in the amount of $110,000.00, subject to the conditions expressed herein; and

WHEREAS, the Township did, under date of December 13, 1969, enter into a contract with R. J. Schneider Construction, Inc., for construction of

Exhibit "A"

[illegible] Sewer System in the amount of [illegible], subject to [illegible] conditions; and

WHEREAS, in addition to the interceptor project costs, the [illegible] is required to pay a connection and service fee to the Fox Township Authority and McCandless Township Authority in the amount of $72,[illegible] so that sewerage from Ohio Township may be transported through their respective interceptors into the interceptors of Alcosan, and additional costs have also been incurred for rights-of-way and engineering work and plans and specifications; and

WHEREAS, the construction of the initial phase of the program has now been completed and the Board of Supervisors of Ohio Township has authorized the preparation of plans and specifications for the balance of the system for the project, with construction planned during 1972, at which time an authority will be organized and revenue bonds sold which shall include the repayment of the obligation incurred by the [illegible]. In the alternative, [illegible] bonds have been heretofore issued for the current project but the same [illegible] been financed by a bank loan. The Board of Supervisors has agreed to repay this loan out of a combination of user revenues and general tax revenues of the Township.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants herein contained, agree as follows:

1. AIM agrees to make a loan to the Township of Ohio and does hereby appropriate the sum of $110,[illegible], interest free, in aid of a project, the construction of which has not been completed [illegible] the Bair Run [illegible] under the contract above identified.

2. AIM agrees to pay the aforesaid sum to the Township subject to the conditions expressed herein upon receipt of the monthly certificates [illegible] certifications of the amounts due.

AIM also agrees to pay the balance of the loan authorized under this Agreement to the Township upon receipt of a Certificate signed and sealed by the proper officers of the Township setting forth the amount due as the valid and subsisting obligation of the Township incurred in the preparation of plans and specifications and rights-of-way or other necessary

[illegible] in connection with the [illegible] of the sanitary sewers [illegible] Bear Run Watershed.

3. The parties [illegible] that as a [illegible] eligibility to receive any payments authorized hereunder, the Township of Ohio agrees

(a) To file with AIM a copy of the plan of construction and specifications for the project together with a copy of the contract let for the project to the lowest responsible bidder in accordance with the applicable law.

(b) Through its engineer or other agents or employees, in compliance with rules and regulations applicable thereto, to certify to AIM monthly the quantities of material and labor erected, constructed or completed under the terms of the contract.

(c) That AIM from time to time, may through its agents or employees, make such tests of materials deemed advisable, and inspect the work during construction or thereafter.

(d) That AIM, through its agents or employees, shall have the right to make regular audits of the Township and engineering records pertaining to the project.

(e) That AIM is authorized to erect one or more signs at the construction site that the project is being constructed with the assistance of AIM funds.

(f) To file with AIM a certified copy of the Resolution requesting the loan and authorizing execution of this Agreement.

(g) The Township of Ohio agrees to deposit all checks for the said loan in the municipal treasury and to disburse the funds to the contractor, or those entitled, by proper action of the governing body.

4. The Township of Ohio covenants and agrees to adopt and furnish to AIM a certified copy of the ordinance or resolution and the legal opinion of its Solicitor that the borrowing made hereunder is a valid and subsisting obligation of the Township of Ohio under the borrowing laws of the Commonwealth of Pennsylvania. The Township also agrees to furnish a certificate of indebtedness in compliance with applicable laws.

[illegible] Township [illegible] further agrees that the ordinance or resolution and certificate of indebtedness shall provide that the loan is repayable no later than five (5) years, without interest, from date of [illegible] of this Agreement as follows:

36% (a) First installment of $[illegible] 7920 on or before October 1, 197[illegible]

33% (b) $[illegible] on or before October 1, 197[illegible]; and 7260

30% (c) $[illegible] on or before October 1, 1973; and 6600

27% (d) $[illegible] on or before October 1, 197[illegible]; and 5940

24% (e) $[illegible] on or before October 1, 1975. 5280

In event payment is not made on or before the due date, interest will be due and payable upon said obligation at the County interest rate until paid in full

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date aforesaid intending to be legally bound hereby, pursuant to resolutions adopted by the respective governing bodies authorizing the same to be made and [illegible].

ATTEST:

[signature]

TOWNSHIP [illegible]

BY: [signature]

ATTEST:

[signature]

THE AUTHORITY FOR IMPROVEMENTS IN MUNICIPALITIES OF ALLEGHENY COUNTY

BY: [signature]
John L. McMahon, Chairman

APPROVED AS TO FORM:

[signature]
Gay E. [illegible], Solicitor for The Authority for Improvements in Municipalities of Allegheny County