

SOUTH BEAVER TOWNSHIPORDINANCE NO. 48

AN ORDINANCE OF THE TOWNSHIP OF SOUTH BEAVER, COUNTY OF BEAVER AND COMMONWEALTH OF PENNSYLVANIA AUTHORIZING, PROVIDING FOR, THE INCURRENCE OF \$3,054,054.62 INDEBTNESS BY THE TOWNSHIP OF SOUTH BEAVER, AND IN CONJUNCTION THEREWITH DIRECTING THE GUARANTY BY THE TOWNSHIP OF SOUTH BEAVER OF TWELVE AND FIVE-TENTHS (12.5%) PERCENT OF TWO LOANS HAVING THE AGGREGATE TOTAL PRINCIPAL DEBT OF \$24,432,437.00, WITH ONE LOAN BEING FOR THREE YEARS IN THE AMOUNT OF \$4,432,437.00, AND THE SECOND LOAN BEING FOR TWENTY YEARS IN THE AMOUNT OF \$20,000,000.00 BY THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY, UNIO AND WITH THE CHIPPEWA TOWNSHIP SANITARY AUTHORITY, FOR THE PURPOSE OF THE LATTER TO REMODEL AND EXPAND ITS EXISTING PUBLIC SEWAGE SYSTEM WITHIN CHIPPEWA TOWNSHIP, INCLUDING BUT NOT LIMITED TO THE SEWAGE TREATMENT PLANT, AND TO EXPAND SAID PUBLIC SEWAGE SYSTEM BY NEW CONSTRUCTION IN PARTS OF BIG BEAVER BOROUGH AND SOUTH BEAVER TOWNSHIP, THE DEBT OF WHICH LOANS AND THE GUARANTY THEREOF AS HEREBY AUTHORIZED, ARE TO BE "SELF-LIQUIDATING DEBT" PAYABLE FROM THE REVENUES TO BE CHARGED, ASSESSED, LEVIED AND RECEIVED BY THE CHIPPEWA TOWNSHIP SANITARY AUTHORITY IN ITS OPERATION OF THE PUBLIC SEWAGE SYSTEM, AND WHICH DEBT OF SAID LOANS ARE "LEASE RENTAL DEBTS" UNDER AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT.

WHEREAS, pursuant to the direction, mandate and requirements of the Pennsylvania Department of Environmental Resources via its Bureau of Water Quality Management (hereinafter referred to as "DER"), under and per the authority of Act No. 537 of 1966, as amended, and regulations promulgated thereunder (hereinafter referred to as "Act 537"), Chippewa Township and the Chippewa Township Sanitary Authority, in conjunction with the joinder/approval by Big Beaver Borough and South Beaver Township in accordance with said DER mandate, have accomplished an Act 537 Plan Special Study, Chippewa Township Sewage Facilities Pre-Design Study, and prepared a Construction Design Plan now approved or to be approved as modified, by the DER, for repair and expansion of the public sewer system within Chippewa Township and further, the expansion of said public sewer system into parts of Big Beaver Borough and South Beaver Township (hereinafter referred to as the "System"), with the designed sewage treatment capacity of said System to provide public sewage treatment facilities to existing occupied structures and future development and construction of new or additional occupied structures within the System's designed service area;

WHEREAS, the Chippewa Township Sanitary Authority has made application to the Pennsylvania Infrastructure Investment Authority, (hereinafter referred to as "PENNVEST") to obtain loan funds for the purpose of construction of said DER mandated System, and the latter has approved the making of two loans in the amounts as above captioned, with guaranty of payment by Chippewa Township, Big Beaver Borough and South Beaver Township as hereinafter specified, all as detailed in the Commitment Letter of PENNVEST bearing the date of November 16,

1993, duly executed by the Chippewa Township Sanitary Authority and Chippewa Township on March 7, 1994, South Beaver Township on March 8, 1994 and Big Beaver Borough on March 8, 1994;

WHEREAS, in accordance to said Commitment Letter detailing provisions for the two PENNVEST loans with an aggregate total principal debt of \$24,432,437.00, comprised of a short term three (3) year loan in the amount of \$4,432,437.00 at and with interest thereon of 1% per annum, and a long term twenty (20) year loan in the amount of \$20,000,000.00 at 1% per annum for the first five years and 1.260% per annum for the remainder of the term, the consummation of which loans is conditioned as mentioned aforesaid upon the three municipalities of Chippewa Township, Big Beaver Borough and South Beaver Township being a guarantor for the Chippewa Township Sanitary Authority unto PENNVEST at a percentage or pro rata basis of the principal debt and interest as follows: Chippewa Township guaranteeing 81.7%; Big Beaver Borough guaranteeing 5.8%; and South Beaver Township guaranteeing 12.5%; and

WHEREAS, for the purpose of implementing, fulfilling and accomplishing the mandate of the DER per its letter dated March 20, 1992 unto the Board of Supervisors of South Beaver Township, for the furtherance of the August 24, 1993 agreement by and between the Chippewa Township Sanitary Authority and South Beaver Township, namely the Agreement Authorizing, Empowering and Providing for the Chippewa Township Sanitary Authority to Build, Own and Operate a Public Sanitary Sewer System within a Limited Area of South Beaver Township, and pursuant to and in furtherance of the intent and purposes of Resolution No. 4 of 1994 of the Board of Supervisors of South Beaver Township, a copy of which is hereto attached as Addendum No. II and made part of this Ordinance, along with the benefit resulting by the placement of the System within South Beaver Township Sewage District No. 1, it is deemed by the Board of Supervisors of South Beaver Township to be in the best interest of the Township of South Beaver, including but not limited to the residents and property owners of said Sewage District No. 1, for the Township of South Beaver to make and provide the guaranty unto PENNVEST for 12.5% of the amount of the loans to be made by PENNVEST unto the Chippewa Township Sanitary Authority.

NOW THEREFORE, BE IT ENACTED AND ORDAINED, and it is hereby enacted and ordained, by the Board of Supervisors of South Beaver Township pursuant to the provisions and authority existing under the Second Class Township Code, the General Municipal Code, the Municipal Authorities Act, Act 537, and the Local Government Unit Debt Act, the following:

Section 1. Subject to the approval of the Pennsylvania Department of Community Affairs, an indebtedness by and of the Township of South Beaver shall be incurred, increased and set, and is hereby approved, authorized and directed to be incurred by the Board of Supervisors of South Beaver Township in the

initial principal amount of Three Million Fifty-four Thousand Fifty-four and 62/100 (\$3,054,054.62) Dollars, an amount in excess of South Beaver Township's "borrowing base", the debt of which is, or is to be, a "nonelectorial self liquidating debt" in the nature of a "lease rental debt" pursuant to and in accordance to the provisions of the Local Government Unit Debt Act, and which debt amount is the aggregate total of Twelve and Five-tenths (12.5%) percent of the two loans to be incurred by the Chippewa Township Sanitary Authority with PENNVEST, namely:

A.) A short term \$4,432,437.00 principal debt loan, at and with 1% per annum interest payable thereon, to be amortized over a three (3) year period commencing on the date of Loan Closing by and between the Chippewa Township Sanitary Authority and PENNVEST, with interest only payments due on the first calendar day of each month during the first twenty-one months from and following said date of Loan Closing upon principal sums advanced by PENNVEST on said loan, and with principal and interest payments in fifteen consecutive monthly installments thereafter in the amount of \$297,469.60 payable on the first of each month to and including the last calendar month of the said three (3) year term, when all outstanding and all accrued and unpaid interest shall be due and payable, of which principal sum the guarantor amount applicable to South Beaver Township is Five Hundred Fifty-four Thousand Fifty-four and 62/100 (\$554,054.62) Dollars; and

B.) A long term \$20,000,000.00 principal debt loan, at and with 1% per cent per annum interest payable thereon for the first five years and 1.260% per annum interest payable thereon for the remaining fifteen years, to be amortized over a twenty (20) year period commencing on the date of Loan Closing by and between the Chippewa Township Sanitary Authority and PENNVEST, with interest only payments due on the first calendar day of each month during the first twenty-one months from and following said date of Loan Closing upon principal sums advanced by PENNVEST on said loan, and with principal and interest payments thereafter for two hundred nineteen consecutive monthly installments, of which the first thirty-nine months shall be comprised of approximate principal and interest payments in the amount of \$99,948.81 and the last one hundred eighty months shall be comprised of approximate principal and interest

payments in the amount of \$101,870.07, payable on the first of each month to and including the last calendar month of the said twenty (20) year term, when all outstanding and all accrued and unpaid interest shall be due and payable, of which principal sum the guarantor amount applicable to South Beaver Township is Two Million Five Hundred Thousand and No/100 (\$2,500,000.00) Dollars.

Section 2: Subject to the approval of the Pennsylvania Department of Community Affairs, the Board of Supervisors of South Beaver Township does hereby agree, consent and does commit the Township of South Beaver to be guarantor unto PENNVEST of and for the Chippewa Township Sanitary Authority for Twelve and Five-Tenths (12.5%) percent of the two loans to be granted by PENNVEST unto the Chippewa Township Sanitary Authority, which principal sum guaranty by the Township of South Beaver is to be and for the aggregate sum of Three Million Fifty-four Thousand and 62/100 (\$3,054,054.62) Dollars as aforesaid, being the total of the two 12.5% principal amounts set forth and detailed in subparagraphs A.) and B.) of Section 1 of this Ordinance, and further does hereby authorize, direct and empower the Chairman of the Board of Supervisors and the Secretary of the Township, in their official capacity to execute as duly authorized officers of and on behalf of the Township of South Beaver, with the Township of South Beaver as "Guarantor", pursuant and subject to the terms thereof, the CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT, as prepared by Lynch & Lynch, bond counsel for the Chippewa Township Sanitary Authority, a copy of which is hereto attached and made part hereof as Addendum No. I.

Section 3. Subject to the approval of the Pennsylvania Department of Community Affairs, the Board of Supervisors of South Beaver Township does hereby declare the debt hereby authorized as a "nonelectorial self liquidating debt" in the nature of a "lease rental debt" pursuant to and in accordance to the provisions of the Local Government Unit Debt Act, and the report issued, or to be issued, by the registered engineer of the Chippewa Township Sanitary Authority as to the system under and pursuant to Section 206 of the said Local Government Unit Debt Act is here incorporated by reference.



Section 4. The purpose of the two loans to the Chippewa Township Sanitary Authority from PENNVEST are for, and the loan proceeds of said loans are to be used by the Chippewa Township Sanitary Authority to accomplish remodeling and expanding the existing public sewage facilities within the Township of Chippewa, including but not limited to the sewage treatment plant, and for the construction and expansion of a public sewage system into basically all of Chippewa Township and into parts of Big Beaver Borough and South Beaver Township, to create and construct public sewage collection and treatment facilities to comply with the mandate of DER, i.e. the creation of the DER approved and mandated System comprised of capital improvements most of which shall or should have a useful life in excess of twenty (20) years, as to the operation of which, the Chippewa Township Sanitary Authority as an operating authority shall and/or should assess, levy and collect revenues from the users and benefactors of same to meet the direct and indirect costs of planning, design, administration, operation, maintenance and repair thereof, together with any other special assessments required, and also for it to obtain the necessary funds for payment of the debt service required to be met and paid unto PENNVEST for the subject loans procured by the Chippewa Township Sanitary Authority, as Borrower, for the construction thereof.

Section 5. For and in the purpose of fulfilling its pledge and guarantee as a Guarantor for the benefit of the Chippewa Township Sanitary Authority unto PENNVEST for twelve and five-tenths (12.5%) per cent of the loans and principal amounts thereof, together with interest and other costs, as detailed aforesaid, the Board of Supervisors of South Beaver Township, does hereby covenant, bind and commit the Township of South Beaver, subject to the approval of the Pennsylvania Department of Community Affairs as aforesaid, for and so long as the herein authorized CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT shall remain in effect:

A.) Pursuant to the provisions of the Local Government Unit Debt Act and the said CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT hereby authorized to be executed on behalf of the Township of South Beaver, the full and unconditional guaranty of the payment of twelve and five-

tenths (12.5%) percent of each and every payment of the principal of, and interest on, the two said loans detailed in subparagraphs A.) and B.) of Section 1 hereof, as and when each monthly payment is and/or are due;

B.) Include amounts in the annual fiscal budget of South Beaver Township sufficient to pay such sums that may be due and payable by the Township of South Beaver unto PENNVEST in accordance to the terms, conditions and provisions of the said CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT;

C.) Levy, assess, appropriate and collect such amounts in its general revenues and/or by and through special revenues permissible and allowed pursuant to the Second Class Township Code, being the Act No. 69 of 1933, as amended, including but not limited to Section 902 [53 P.S. 65902]; Section 905, Subsection A, Clause 7, and/or also Subsection C as to South Beaver Township Sewage District No. 1 [53 P.S. §65905 (A)(7) and (C)]; and Section 702, clause XXX [53 P.S. 65730] and its related statutory provisions; the General Municipal Code provisions, including but not limited to Act No. 402 of 1935, as amended, [53 P.S. §§2231 to 2234]; and/or pursuant to and in accordance to any other requirements or laws, statutory or otherwise, of the legislature or courts of the Commonwealth of Pennsylvania, in sufficient amount for the timely payment of the amounts due and payable by the Township of South Beaver pursuant to said CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT;

D.) To duly and punctually pay or cause to be paid unto PENNVEST from such revenues, the amounts payable in respect of and to the extent of the Township of South Beaver's obligation and effect provided in, under and pursuant to the said CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT; and

E.) For the fulfillment of the foregoing, the full faith, credit, general and special taxing powers, all as aforesaid, of the Township of South Beaver are hereby pledged to and for the benefit of PENNVEST to the extent of twelve and five-tenths (12.5%) percent of the said two loans to be or being entered into by the Chippewa Township Sanitary Authority with PENNVEST, in and for satisfaction of the obligations, duties and responsibilities of South

Beaver Township as Guarantor per the terms, provisions and covenants set forth and contained in said CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT hereby authorized to be made.

Section 6. In the event of default by the Chippewa Township Sanitary Authority with respect to the repayment of its said two loans and receipt of written notice from PENNVEST that the said Chippewa Township Sanitary Authority has defaulted in making any payment in full or timely, and/or upon receipt of written notice from the Chippewa Township Sanitary Authority pursuant to Section 5 of the herein authorized CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT, the Township of South Beaver shall and will timely, or immediately if applicable, make and deliver payment unto PENNVEST of its applicable twelve and five-tenths (12.5%) percent prorata portion of any delinquent principal and interest payment then due PENNVEST, and shall if necessary make arrangement with PENNVEST to timely and appropriately make payment of a twelve and five-tenths (12.5%) percent of any and all future monthly payments due so long as said Chippewa Township Sanitary Authority remains in a state of financial inability and default, which default payments if required to be made by South Beaver Township as Guarantor on account of principal and interest as to the two respective loans, i.e. the three (3) year term \$4,422,437.00 loan and the twenty (20) year \$20,000,000.00 loan, shall not exceed twelve and five-tenths (12.5%) percent of the monthly sums as set forth and detailed on Exhibit "A" of the CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT hereto attached as Addendum No. I.

Section 7. For the purpose of assuring that the revenues to be assessed, levied and collected by the Chippewa Township Sanitary Authority are sufficient to operate and finance the System, and/or to collect any sums due South Beaver Township as Guarantor, and/or as a special assessment to be charged and collected by the Chippewa Township Sanitary Authority so as to recoup unto the general fund of South Beaver Township pre-operation of the System expenditures made by the Township of South Beaver, or hereafter made, for the limited benefit of the properties situate within the South Beaver Township Sewage

District No. 1, the Board of Supervisors of South Beaver Township, and/or its designated and appointed representatives are hereby authorized and directed to examine the books, records and method of operation of the said Chippewa Township Sanitary Authority, and take any action deemed necessary and proper, including but not limited to filing appropriate proceedings in any Court of competent jurisdiction, at law or in equity, in mandamus or otherwise, to compel due and proper operation and maintenance of the System, and to assess and collect sufficient revenues, to pay the operation and maintenance expense of the System together with the principal and interest debt on said loans from and by PENNVEST, and to hold harmless the Township of South Beaver, and/or to recoup any funds heretofore or hereafter required to be disbursed by South Beaver Township for the development of the System and/or under and pursuant to the Guaranty Agreement herein authorized.

Section 8. The Chairman of the Board of Supervisors and Secretary of the Township of South Beaver are hereby authorized, empowered and direct to take any required, necessary and/or appropriate action to implement the provisions of this Ordinance, and to sign any document necessary for and in accordance herewith, including but not limited to the payment of any filing fees and the preparation and signing of any and all debt statements as required by Section 410 of the Local Government Unit Debt Act, the preparation and filing of any statements required of Article II of the Local Government Unit Debt Act necessary to qualify this debt guarantee for exclusion from the debt limitation of South Beaver Township as a self-liquidating debt, and/or any other certifications or other required filings or submission of documents to and with the Pennsylvania Department of Community Affairs as to the authorizing and entering into by South Beaver Township, the aforesaid CHIPPEWA TOWNSHIP SANITARY AUTHORITY - 1994 PENNVEST GUARANTY AGREEMENT.

Section 9. In the event any provision, section, clause, sentence or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part hereof not specifically declared invalid by a court of competent jurisdiction; it is the

intent of the Board of Supervisors of the Township of South Beaver that the remainder parts, portions, sections, sentences and provisions of this Ordinance shall be and shall remain in full force and effect.

Section 10. This Ordinance and provisions hereof shall be valid and effective for all purposes on the fifth day after the second advertisement, in accordance and pursuant to Section 103 of the Local Government Unit Debt Act.

DULY ENACTED AND ADOPTED this 12<sup>th</sup> day of July, 1994.

BOARD OF SUPERVISORS  
OF SOUTH BEAVER TOWNSHIP

Attest:

Carol Miller  
Secretary

Charles W. Griffith  
Supervisor

David Skaner  
Supervisor

Robert S Long  
Supervisor

**CHIPPEWA TOWNSHIP SANITARY AUTHORITY**

**1994 PENNVEST GUARANTY AGREEMENT**

**THIS 1994 PENNVEST GUARANTY AGREEMENT**, made and entered into as of August 1, 1994, for reference purposes only, by and among **TOWNSHIP OF CHIPPEWA, TOWNSHIP OF SOUTH BEAVER AND BOROUGH OF BIG BEAVER**, all municipal corporations organized and existing under the laws of the Commonwealth of Pennsylvania (collectively, the "Guarantors");

**CHIPPEWA TOWNSHIP SANITARY AUTHORITY**, a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania (the "Borrower"); and

**PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY**, a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania with an office in 22 South Third Street, Harrisburg, Pennsylvania 17101 (the "Authority"), as lender under a loan agreement of even date herewith.

**W I T N E S S E T H**

**WIHEREAS**, the Borrower has determined to undertake the construction of a certain sewer system within the meaning of the Pennsylvania Infrastructure Investment Authority Act of 1988, located in areas of the Township of Chippewa, the Township of South Beaver, and the Borough of Big Beaver, all located in Beaver County, Pennsylvania (the "System");

**WHEREAS**, in order to finance the costs of said construction project (the "Project"), the Borrower has determined to secure a loan (the "Loan") from the Authority in the amount of Twenty Four Million Four Hundred Thirty Two Thousand Four Hundred Thirty Seven Dollars (\$24,432,437.00) evidenced by two promissory notes of the Borrower totalling said principal amount;

**WIHEREAS**, the Borrower has of this date properly executed or hereafter will execute two promissory notes in the forms of guaranteed sewer revenue notes (hereinafter individually and collectively referred to as "Note"), a loan agreement ("Loan Agreement"), and other documents (collectively referred to as the "Loan Documents"), for the purposes of securing the Loan;



WHEREAS, under the terms of the Loan Documents, the Borrower has pledged its full faith and credit to repay the Loan in accordance with the terms and conditions of the Loan Documents, from the gross receipts and revenues generated from the use of the System and to the extent necessary, from any and all gross receipts and revenues; and

WHEREAS, as further security for the repayment of the Loan in accordance with the terms and conditions of the Loan Documents, the Guarantors, the Borrower and the Authority intend to enter into this agreement ("1994 Pennvest Guaranty Agreement"), as authorized by the Pennsylvania Local Government Unit Debt Act, as amended and reenacted 53 P. S. Sections 6780-1 et seq., ("Debt Act"), providing for the full and unconditional guarantee of repayment of the principal and interest of the Loan in accordance with the terms and conditions of the Loan Documents, and the pledge by the Guarantors of their full faith, credit and taxing power to discharge all of their obligations (each to the extent of their proportionate share) under this 1994 Pennvest Guaranty Agreement.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. Pursuant to the provisions of the Debt Act and this 1994 Pennvest Guaranty Agreement, the Guarantors hereby fully and unconditionally guarantee (each to the extent of their proportionate share as set forth in Exhibit "A" attached hereto - namely, for the Township of Chippewa - 81.7% (maximum share of principal of the Loan - \$19,961,300), for the Township of South Beaver - 12.5% (maximum share of principal of the Loan - \$3,054,055), and for the Borough of Big Beaver - 5.8% (maximum share of principal of the Loan - \$1,417,082)) the payment, as and when due, of the full amount of each and every payment of the principal of, and interest on, the Loan. In clarification, the Borrower and the Guarantors hereby agree that to the extent any portion of the principal and interest on the Loan cannot be paid by the Borrower and said Guarantors are called upon under this 1994 Pennvest Guaranty Agreement to make payment, the allocation of the payments to be made by each of the respective Guarantors shall be in accordance with the proportionate unpaid amounts owed by the delinquent customers located within the municipal limits of each of said Guarantors, as divided by the total unpaid amounts owed by the delinquent customers of the Borrower, in each case, up to the maximum amount of the respective guarantees set forth hereinbefore.

Section 2. In order to carry out the provisions of Section 1 hereof, the Guarantors covenant with the Borrower and the Authority that they shall (each to the extent of their proportionate share):

(a) Include amounts payable hereunder for each fiscal year in which such sums are payable in their budget for such year;

(b) Appropriate such amount from their general revenues for the payment of the amounts payable hereunder; and

(c) Duly and punctually pay or cause to be paid from such revenues, to the extent of their obligations hereunder; the amounts payable in respect hereof, at the dates and places and in the manner stated in Section 4 hereof, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment, the Guarantors hereby pledges their full faith, credit and taxing power. This covenant shall be specifically enforceable, subject, as to the enforceability of remedies, to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. Nothing in this Section shall be construed to give the Guarantors any taxing power not granted by another provision of law. The Guarantors agree that this covenant may be enforced against them by the Authority or their assigns or successors as provided in the Debt Act.

Section 3. The Authority agrees to cause all sums received pursuant to this 1994 Pennvest Guaranty Agreement to be applied to payment of the principal of, and interest on, the Loan as provided in the Loan Documents.

Section 4. It is intended by the parties hereto that the Guarantors shall be required to pay to the Authority only that portion represented by the Guarantor's proportionate share of the principal of, and interest on, the Loan due in any fiscal year as cannot be paid from funds applicable thereto, paid by the Borrower to, or held by, the Authority pursuant to the Loan Documents, including moneys set aside for such purposes from the proceeds of the Loan for the payment of interest during construction or from the operation of the System. Therefore, the Guarantors shall be entitled, under this 1994 Pennvest Guaranty Agreement, in each fiscal year (to the extent of their proportionate share), to a total credit equal to the amounts transferred by the Borrower to the Authority or otherwise available to the Authority for application to payment of principal of, and interest on, the Loan in accordance with the



terms of the Loan Documents. Accordingly, not less than fifteen (15) days prior to any interest or principal and interest payment date ("Payment Date") with respect to the Loan, the Borrower shall notify the Guarantors hereunder of any deficiency in moneys paid or to be paid to the Authority for payment of principal of and/or interest on the Loan on the next following Payment Date, and the Guarantors shall forthwith pay over to the Authority (to the extent of their proportionate share), not later than the day prior to such Payment Date, the amount required to make up such deficiency.

Section 5. In order for the Guarantors to provide in their budgets for payments due pursuant to this 1994 Pennvest Guaranty Agreement, Borrower shall, at least thirty (30) days before the beginning of each fiscal year of the Guarantors, beginning with the fiscal year commencing on January 1, 1995, cause to be delivered to the Guarantors an estimate, prepared and certified by the Borrower's Consulting Engineers, of the proceeds to be received by the Borrower from the operation of the System as well as other revenues and receipts which are anticipated to be available for payment of principal of and/or interest on the Loan on each Payment Date in such fiscal year and of any other moneys available to the Borrower or Authority for such purpose.

Section 6. The maximum amounts of principal of, and interest on, the Loan guaranteed by the Guarantors are as set forth in Exhibit A, attached hereto and made a part thereof.

Section 7. The obligations of the Guarantors hereunder (each to the extent of their proportionate share) are absolute, full and unconditional and shall remain in full force and effect until the Borrower shall have fully and satisfactorily discharged all of their obligations under the Loan Documents, irrespective of the genuineness, validity, regularity, or enforceability of the Loan Documents, or of any termination thereof, and shall not be affected or impaired in any way by reason of:

(a) Any failure of the Borrower or the Authority to retain or preserve any rights against any person (including, in the case of the Authority, the Borrower) or in any property, the inaccuracy of any estimates delivered to the Guarantors hereunder or of the calculation of the principal of, and interest on, the Loan;

(b) The invalidity of any such rights which the Borrower or the Authority may attempt to obtain;

(c) The lack of prior enforcement by the Borrower or the Authority of any rights against any person (including, in the case of the Authority, the Borrower) or in any property; or

(d) The dissolution of the Borrower or of the Authority.

Nor shall the obligation of the Guarantors hereunder be affected in any way by any compromise, settlement, release, revival, extension, indulgence, change in or modification of any of the obligations or liabilities of the Borrower under the Loan Documents (including, but not limited to, any modification, limitation, or discharge arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceeding for relief of debts under federal or state law hereinafter initiated by or against the Borrower), or any redelivery, repossession, surrender or destruction of the System located therein, in whole or in part. The Guarantors hereby waive any right to require, and the benefit of all laws now or hereafter in effect giving such Guarantors the right to require, any such prior enforcement as referred to in (c) above, and the Guarantors agrees that any delay in enforcing or failure to enforce any such rights shall not in any way affect their liability hereunder; and the Guarantors hereby waive all rights and benefits which might accrue by reason of any of the aforesaid bankruptcy, arrangement, reorganization, or similar proceedings and agrees that their liabilities hereunder for the obligations of the Borrower under the Loan Documents shall not be affected by any modification, limitation or discharge of the liabilities of the Borrower that may result from any such proceedings.

Section 8. The Guarantors further agree to pay to the Authority (each to the extent of their proportionate share), on demand, all costs and expenses, legal or otherwise (including counsel fees), which may be incurred in the enforcement of the Loan Documents or the liability of the Borrower hereunder. No delay in making demand on the Borrower for performance of any obligation hereunder shall prejudice the right to enforce such performance.

Section 9. It is understood and agreed that the obligations of the Guarantors to make payments hereunder shall be absolute and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach of the Borrower of any obligation to it whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to it by the Borrower.



Section 10. If in any fiscal year, the total principal of, and interest on, the Loan due in such year shall be in excess of the total credits to which the Guarantors are entitled under Section 4 hereof and the Guarantors have accordingly paid over to the Authority such amount or amounts as are at that time required to fully discharge the obligations of the Guarantors in such fiscal year under this 1994 Pennvest Guaranty Agreement, then the Borrower agrees to reimburse the Guarantors (each to the extent of their proportionate share) from any of its moneys available for that purpose for the amounts so paid to the Authority; provided, however, that the Borrower's Consulting Engineers shall first have certified that Borrowers moneys intended to be used for such reimbursement will not be required within twelve (12) months to operate or make needed repairs to the System or for capital additions thereto necessary for the proper and efficient operation of the System. In lieu of reimbursement thereof, the Borrower at its option may assign to each respective Guarantor, for their collection, receipt and in satisfaction thereof, all of its right, title and interest in and to the municipal liens filed against the properties located within the municipal limits of each of said respective Guarantors which are then presently delinquent in their payments to the Borrower for services provided or fees owed, together with all rights, title and interest of the Borrower needed for the assignee Guarantor to file and collect in the name of the Borrower, liens, issued notices of termination of services, discontinue services to a delinquent customer, file lawsuits and sue for sums due with interest, penalty and all costs, and/or to take any and all other action due and proper that the Borrower could have properly done as to said delinquent account prior to the assignment or after the assignment thereof.

Section 11. The Borrower agrees (a) to diligently and efficiently operate the System in a prudent and businesslike manner and, in connection therewith, to file the necessary reports and documents and take all necessary actions to assure the continued operation of the System, all in a timely manner, and (b) to provide for the proper and timely assessment of rates to the users, customers or those benefited by the operation of the System, sufficient to pay operating costs thereof and the Borrower's obligations under the Loan Documents, and to provide for the collection of such rates, and, further, to reimburse the Guarantors as set forth in Section 10 above any sums previously paid by the Guarantors to the Authority pursuant to this 1994 Pennvest Guaranty Agreement.

Section 12. The Guarantors shall take all necessary actions to secure the approval of the Department of Community Affairs ("DCA") or its successor department, board or

commission, to enter into this 1994 Pennvest Guaranty Agreement, pursuant to requirements set forth in the Local Government Unit Debt Act, 53 P.S. Section 6780-161(a).

Section 13. The Borrower shall cause to be delivered to the Guarantors copies of all such budgets, financial reports and other certificates and documents with respect to the operation of the System, including any amounts due and payable to the Authority pursuant to the terms of the Loan Documents, and shall permit the Guarantors reasonable access to the accounts and all records of the Borrower.

Section 14. This 1994 Pennvest Guaranty Agreement shall inure to the benefit of and shall be binding upon the Borrower and the Authority and their respective successors and assigns, and the Authority shall have the right to enforce this 1994 Pennvest Guaranty Agreement as provided in law or in equity for the benefit of their successors or assigns from time to time, if it so chooses.

Section 15. Except as otherwise provided in the Loan Agreement, subsequent to the initial disbursement of proceeds under the Loan Documents and prior to payment or provision for payment of the Loan in full; this 1994 Pennvest Guaranty Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interest of the Authority without the prior written consent of the Authority.

Section 16. This 1994 Pennvest Guaranty Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 17. If any clause, provision or section of this 1994 Pennvest Guaranty Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections thereof, and this 1994 Pennvest Guaranty Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this 1994 Pennvest Guaranty Agreement is held to be in violation of law, then such agreement or obligation of the parties, as the case may be, to the full extent permitted by law.

Section 18. The laws of the Commonwealth of Pennsylvania shall govern the construction of this 1994 Pennvest Guaranty Agreement.

Section 19. The Authority agrees that, at the written request of any of the Guarantors, the Authority will review the need to continue this 1994 Pennvest Guaranty Agreement after

three consecutive years of operation of the System. After the submission of a favorable record of System operation satisfactory to the Authority, the Authority may release the Guarantors from this 1994 Pennvest Guaranty Agreement.

IN WITNESS WHEREOF, the parties have caused this 1994 Pennvest Guaranty Agreement to be executed by their proper officers and their corporate seals to be affixed hereto and attested each as of the date and year first above written:

**TOWNSHIP OF CHIPPEWA**

ATTEST:

\_\_\_\_\_  
Township Secretary

\_\_\_\_\_  
Chairman, Board of Supervisors

(SEAL)

**TOWNSHIP OF SOUTH BEAVER**

ATTEST:

\_\_\_\_\_  
Township Secretary

\_\_\_\_\_  
Chairman, Board of Supervisors

(SEAL)

**BOROUGH OF BIG BEAVER**

ATTEST:

\_\_\_\_\_  
Borough Secretary

\_\_\_\_\_  
President of Borough Council

(SEAL)

**CHIPPEWA TOWNSHIP SANITARY  
AUTHORITY**

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman

(SEAL)

EXHIBIT A

1994 PENNVEST GUARANTY AGREEMENT, DATED  
 AUGUST 1, 1994, FOR REFERENCE PURPOSES ONLY,  
 BETWEEN CHIPPEWA TOWNSHIP SANITARY AUTHORITY,  
 AS THE BORROWER, AND TOWNSHIP OF CHIPPEWA,  
 TOWNSHIP OF SOUTH BEAVER, AND BOROUGH OF BIG BEAVER,  
 AS GUARANTORS, FOR THE BENEFIT OF THE  
 PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ("PENNVEST")

ALLOCATION OF PROPORTIONATE SHARES

Township of Chippewa -	81.7%
Township of South Beaver -	12.5%
Borough of Big Beaver -	<u>5.8%</u>
TOTAL:	100%

MATURITY SCHEDULE - PENNVEST LONG TERM NOTE

<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>MATURITY (AUGUST 1)</u>
\$20,000,000	1.00% for first five (5) years and 1.260% for next fifteen (15) years	2014

\* \* \* \* \*



**EXHIBIT A**  
Continued

**PENNVEST LONG TERM NOTE -**  
**DEBT SERVICE SCHEDULE AND GUARANTEED PAYMENTS SCHEDULE**

PMT #	BEG BAL	PAYMNT	INTEREST	PRINCIPAL	END BAL
1	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
2	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
3	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
4	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
5	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
6	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
7	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
8	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
9	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
10	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
11	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
12	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
13	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
14	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
15	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
16	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
17	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
18	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
19	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
20	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
21	20,000,000.00	16,666.67	16,666.67	0.00	20,000,000.00
22	20,000,000.00	99,948.81	16,666.67	83,282.14	19,916,717.86
23	19,916,717.86	99,948.81	16,597.26	83,351.55	19,833,366.31
24	19,833,366.31	99,948.81	16,527.81	83,421.00	19,749,945.31
25	19,749,945.31	99,948.81	16,458.29	83,490.52	19,666,454.79
26	19,666,454.79	99,948.81	16,388.71	83,560.10	19,582,894.69
27	19,582,894.69	99,948.81	16,319.08	83,629.73	19,499,264.96
28	19,499,264.96	99,948.81	16,249.39	83,699.42	19,415,565.54
29	19,415,565.54	99,948.81	16,179.64	83,769.17	19,331,796.37
30	19,331,796.37	99,948.81	16,109.83	83,838.98	19,247,957.39
31	19,247,957.39	99,948.81	16,039.96	83,908.85	19,164,048.54
32	19,164,048.54	99,948.81	15,970.04	83,978.77	19,080,069.77
33	19,080,069.77	99,948.81	15,900.06	84,048.75	18,996,021.02
34	18,996,021.02	99,948.81	15,830.02	84,118.79	18,911,902.23
35	18,911,902.23	99,948.81	15,759.92	84,188.89	18,827,713.34
36	18,827,713.34	99,948.81	15,689.76	84,259.05	18,743,454.29
37	18,743,454.29	99,948.81	15,619.55	84,329.26	18,659,125.03
38	18,659,125.03	99,948.81	15,549.27	84,399.54	18,574,725.49
39	18,574,725.49	99,948.81	15,478.94	84,469.87	18,490,255.62
40	18,490,255.62	99,948.81	15,408.55	84,540.26	18,405,715.36
41	18,405,715.36	99,948.81	15,338.10	84,610.71	18,321,104.65
42	18,321,104.65	99,948.81	15,267.59	84,681.22	18,236,423.43
43	18,236,423.43	99,948.81	15,197.02	84,751.79	18,151,671.64
44	18,151,671.64	99,948.81	15,126.39	84,822.42	18,066,949.22
45	18,066,849.22	99,948.81	15,055.71	84,893.10	17,981,956.12

## EXHIBIT A

Continued

44	17,981,956.12	99,948.81	14,984.96	84,963.85	17,896,992.27
47	17,896,992.27	99,948.81	14,914.16	85,034.65	17,811,957.62
48	17,811,957.62	99,948.81	14,843.30	85,105.51	17,726,852.11
49	17,726,852.11	99,948.81	14,772.38	85,176.43	17,641,675.68
50	17,641,675.68	99,948.81	14,701.40	85,247.41	17,556,428.27
51	17,556,428.27	99,948.81	14,630.36	85,318.45	17,471,109.82
52	17,471,109.82	99,948.81	14,559.26	85,389.55	17,385,720.27
53	17,385,720.27	99,948.81	14,488.10	85,460.71	17,300,259.56
54	17,300,259.56	99,948.81	14,416.88	85,531.93	17,214,727.63
55	17,214,727.63	99,948.81	14,345.61	85,603.20	17,129,124.43
56	17,129,124.43	99,948.81	14,274.27	85,674.54	17,043,449.89
57	17,043,449.89	99,948.81	14,202.87	85,745.94	16,957,703.95
58	16,957,703.95	99,948.81	14,131.42	85,817.39	16,871,886.56
59	16,871,886.56	99,948.81	14,059.91	85,888.90	16,785,997.66
60	16,785,997.66	99,948.81	13,988.33	85,960.48	16,700,037.18
61	16,700,037.18	101,870.07	17,535.04	84,335.03	16,615,702.15
62	16,615,702.15	101,870.07	17,464.49	84,423.58	16,531,278.57
63	16,531,278.57	101,870.07	17,357.84	84,512.23	16,446,766.34
64	16,446,766.34	101,870.07	17,269.10	84,600.97	16,362,165.37
65	16,362,165.37	101,870.07	17,180.27	84,689.80	16,277,475.57
66	16,277,475.57	101,870.07	17,091.35	84,778.72	16,192,696.85
67	16,192,696.85	101,870.07	17,002.33	84,867.74	16,107,829.11
68	16,107,829.11	101,870.07	16,913.22	84,956.85	16,022,872.26
69	16,022,872.26	101,870.07	16,824.02	85,046.05	15,937,826.71
70	15,937,826.21	101,870.07	16,734.72	85,135.35	15,852,690.86
71	15,852,690.86	101,870.07	16,645.33	85,224.74	15,767,466.12
72	15,767,466.12	101,870.07	16,555.84	85,314.23	15,682,151.89
73	15,682,151.89	101,870.07	16,466.26	85,403.81	15,596,748.08
74	15,596,748.08	101,870.07	16,376.59	85,493.48	15,511,254.60
75	15,511,254.60	101,870.07	16,286.82	85,583.25	15,425,671.35
76	15,425,671.35	101,870.07	16,196.95	85,673.12	15,339,998.23
77	15,339,998.23	101,870.07	16,107.00	85,763.07	15,254,235.16
78	15,254,235.16	101,870.07	16,016.95	85,853.12	15,168,382.04
79	15,168,382.04	101,870.07	15,926.80	85,943.27	15,082,438.77
80	15,082,438.77	101,870.07	15,836.56	86,033.51	14,996,405.26
81	14,996,405.26	101,870.07	15,746.23	86,123.84	14,910,281.42
82	14,910,281.42	101,870.07	15,655.80	86,214.27	14,824,867.15
83	14,824,067.15	101,870.07	15,565.27	86,304.80	14,737,762.35
84	14,737,762.35	101,870.07	15,474.65	86,395.42	14,651,366.93
85	14,651,366.93	101,870.07	15,383.94	86,486.13	14,564,880.80
86	14,564,880.80	101,870.07	15,293.12	86,576.95	14,478,303.85
87	14,478,303.85	101,870.07	15,202.22	86,667.85	14,391,636.80
88	14,391,636.80	101,870.07	15,111.22	86,758.85	14,304,877.15
89	14,304,877.15	101,870.07	15,020.12	86,849.95	14,218,027.20
90	14,218,027.20	101,870.07	14,928.93	86,941.14	14,131,086.06
91	14,131,026.06	101,870.07	14,837.64	87,032.43	14,044,053.63
92	14,044,053.63	101,870.07	14,746.26	87,123.81	13,956,929.82
93	13,956,929.82	101,870.07	14,654.78	87,215.29	13,869,714.53
94	13,869,714.53	101,870.07	14,563.20	87,306.87	13,782,407.66
95	13,782,407.66	101,870.07	14,471.53	87,398.54	13,695,009.12
96	13,695,009.12	101,870.07	14,379.76	87,490.31	13,607,518.81
97	13,607,518.81	101,870.07	14,287.89	87,582.18	13,519,934.63
98	13,519,936.63	101,870.07	14,195.93	87,674.14	13,432,262.49
99	13,432,262.49	101,870.07	14,103.88	87,766.19	13,344,496.30
100	13,344,496.30	101,870.07	14,011.72	87,858.35	13,256,637.95
101	13,256,637.95	101,870.07	13,919.47	87,950.60	13,168,687.35



## EXHIBIT A

Continued

102	13,168,687.35	101,870.07	13,827.12	88,042.95	13,080,644.40
103	13,080,644.40	101,870.07	13,734.68	88,135.39	12,992,509.01
104	12,992,509.01	101,870.07	13,642.13	88,227.94	12,904,281.07
105	12,904,281.07	101,870.07	13,549.50	88,320.57	12,815,960.50
106	12,815,960.50	101,870.07	13,456.76	88,413.31	12,727,547.19
107	12,727,547.19	101,870.07	13,363.92	88,506.15	12,639,041.04
108	12,639,041.04	101,870.07	13,270.99	88,599.08	12,550,441.96
109	12,550,441.96	101,870.07	13,177.96	88,692.11	12,461,749.85
110	12,461,749.85	101,870.07	13,084.84	88,785.23	12,372,964.62
111	12,372,964.62	101,870.07	12,991.61	88,878.46	12,284,086.16
112	12,284,086.16	101,870.07	12,898.29	88,971.78	12,195,114.38
113	12,195,114.38	101,870.07	12,804.87	89,065.20	12,106,049.18
114	12,106,049.18	101,870.07	12,711.35	89,158.72	12,016,890.46
115	12,016,890.46	101,870.07	12,617.73	89,252.34	11,927,638.12
116	11,927,638.12	101,870.07	12,524.02	89,346.05	11,838,292.07
117	11,838,292.07	101,870.07	12,430.21	89,439.86	11,748,852.21
118	11,748,852.21	101,870.07	12,336.29	89,533.78	11,659,318.43
119	11,659,318.43	101,870.07	12,242.28	89,627.79	11,569,690.64
120	11,569,690.64	101,870.07	12,148.18	89,721.89	11,479,969.75
121	11,479,968.75	101,870.07	12,053.97	89,816.10	11,390,152.65
122	11,390,152.65	101,870.07	11,959.66	89,910.41	11,300,242.24
123	11,300,242.24	101,870.07	11,865.25	90,004.82	11,210,237.42
124	11,210,237.42	101,870.07	11,770.75	90,099.32	11,120,138.10
125	11,120,138.10	101,870.07	11,676.15	90,193.92	11,029,944.18
126	11,029,944.18	101,870.07	11,581.44	90,288.63	10,939,655.55
127	10,939,655.55	101,870.07	11,486.64	90,383.43	10,849,272.12
128	10,849,272.12	101,870.07	11,391.74	90,478.33	10,758,793.79
129	10,758,793.79	101,870.07	11,296.73	90,573.34	10,668,220.45
130	10,668,220.45	101,870.07	11,201.63	90,668.44	10,577,552.01
131	10,577,552.01	101,870.07	11,106.43	90,763.64	10,486,788.37
132	10,486,788.37	101,870.07	11,011.13	90,858.94	10,395,929.43
133	10,395,929.43	101,870.07	10,915.73	90,954.34	10,304,975.05
134	10,304,975.09	101,870.07	10,820.22	91,049.85	10,213,925.24
135	10,213,925.24	101,870.07	10,724.62	91,145.45	10,122,779.79
136	10,122,779.79	101,870.07	10,628.92	91,241.15	10,031,538.64
137	10,031,538.64	101,870.07	10,533.12	91,336.95	9,940,201.69
138	9,940,201.69	101,870.07	10,437.21	91,432.86	9,848,768.83
139	9,848,768.83	101,870.07	10,341.21	91,528.86	9,757,239.97
140	9,757,239.97	101,870.07	10,245.10	91,624.97	9,665,615.00
141	9,665,615.00	101,870.07	10,148.90	91,721.17	9,573,893.83
142	9,573,893.83	101,870.07	10,052.59	91,817.48	9,482,076.35
143	9,482,076.35	101,870.07	9,956.18	91,913.89	9,390,162.46
144	9,390,162.46	101,870.07	9,859.67	92,010.40	9,298,152.06
145	9,298,152.06	101,870.07	9,763.06	92,107.01	9,206,045.05
146	9,206,045.05	101,870.07	9,666.35	92,203.72	9,113,841.33
147	9,113,841.33	101,870.07	9,569.53	92,300.54	9,021,540.79
148	9,021,540.79	101,870.07	9,472.62	92,397.45	8,929,243.34
149	8,929,143.34	101,870.07	9,375.60	92,494.47	8,836,648.87
150	8,836,648.87	101,970.07	9,278.48	92,591.59	8,744,357.28
151	8,744,057.28	101,870.07	9,181.26	92,688.81	8,651,368.47
152	8,651,368.47	101,970.07	9,083.94	92,786.13	8,558,582.34
153	8,558,582.34	101,870.07	8,986.51	92,883.56	8,465,698.78
154	8,465,698.78	101,970.07	8,888.98	92,981.09	8,372,717.69
155	8,372,717.69	101,870.07	8,791.35	93,078.72	8,279,628.97
156	8,279,628.97	101,870.07	8,693.62	93,176.45	8,186,462.52
157	8,186,462.52	101,870.07	8,595.79	93,274.28	8,093,188.24

## EXHIBIT A

Continued

158	8,093,188.24	101,870.07	8,497.85	93,372.22	7,979,816.82
159	7,999,816.82	101,870.07	8,399.81	93,470.26	7,906,345.76
160	7,906,345.76	101,870.07	8,301.66	93,568.41	7,812,777.35
161	7,812,777.35	101,870.07	8,203.42	93,666.65	7,719,110.70
162	7,719,110.70	101,870.07	8,105.87	93,765.00	7,625,345.70
163	7,625,345.70	101,870.07	8,006.61	93,863.44	7,531,482.24
164	7,531,482.24	101,870.07	7,908.06	93,962.01	7,437,520.23
165	7,437,520.23	101,870.07	7,809.40	94,060.67	7,343,459.56
166	7,343,459.56	101,870.07	7,710.63	94,159.44	7,249,300.12
167	7,249,300.12	101,870.07	7,611.77	94,258.30	7,155,041.82
168	7,155,041.82	101,870.07	7,512.79	94,357.28	7,060,684.54
169	7,060,684.54	101,870.07	7,413.72	94,456.35	6,966,228.19
170	6,966,228.19	101,870.07	7,314.54	94,555.53	6,871,672.66
171	6,871,672.66	101,870.07	7,215.26	94,654.81	6,777,017.85
172	6,777,017.85	101,870.07	7,115.87	94,754.20	6,682,263.65
173	6,682,263.65	101,870.07	7,016.38	94,853.69	6,587,409.96
174	6,587,409.96	101,870.07	6,916.78	94,953.29	6,492,456.67
175	6,492,456.67	101,870.07	6,817.08	95,052.99	6,397,403.68
176	6,397,403.68	101,870.07	6,717.27	95,152.80	6,302,250.88
177	6,302,250.88	101,870.07	6,617.36	95,252.71	6,206,998.17
178	6,206,998.17	101,870.07	6,517.35	95,352.72	6,111,645.45
179	6,111,645.45	101,870.07	6,417.23	95,452.84	6,016,192.61
180	6,016,192.61	101,870.07	6,317.00	95,553.07	5,920,639.54
181	5,920,639.54	101,870.07	6,216.67	95,653.40	5,824,986.14
182	5,824,986.14	101,870.07	6,116.24	95,753.83	5,729,232.31
183	5,729,232.31	101,870.07	6,015.69	95,854.38	5,633,377.93
184	5,633,377.93	101,870.07	5,915.05	95,955.02	5,537,422.91
185	5,537,422.91	101,870.07	5,814.29	96,055.78	5,441,367.13
186	5,441,367.13	101,870.07	5,713.44	96,156.63	5,345,210.50
187	5,345,210.50	101,870.07	5,612.47	96,257.60	5,248,952.90
188	5,248,952.90	101,870.07	5,511.40	96,358.67	5,152,594.23
189	5,152,594.23	101,870.07	5,410.22	96,459.85	5,056,134.38
190	5,056,134.38	101,870.07	5,308.94	96,561.13	4,959,573.25
191	4,959,573.25	101,870.07	5,207.55	96,662.52	4,862,910.73
192	4,862,910.73	101,870.07	5,106.06	96,764.01	4,766,146.72
193	4,766,146.72	101,870.07	5,004.45	96,865.62	4,669,281.10
194	4,669,281.10	101,870.07	4,902.75	96,967.32	4,572,313.78
195	4,572,313.78	101,870.07	4,800.93	97,069.14	4,475,244.64
196	4,475,244.64	101,870.07	4,699.01	97,171.06	4,378,073.58
197	4,378,073.58	101,870.07	4,596.98	97,273.09	4,280,800.49
198	4,280,800.49	101,870.07	4,494.94	97,375.23	4,183,425.24
199	4,183,425.24	101,870.07	4,392.60	97,477.47	4,085,947.79
200	4,085,947.79	101,870.07	4,290.25	97,579.82	3,988,367.97
201	3,988,367.97	101,870.07	4,187.79	97,682.28	3,890,685.69
202	3,890,685.69	101,870.07	4,085.22	97,784.85	3,792,900.84
203	3,792,900.84	101,870.07	3,982.55	97,887.52	3,695,013.32
204	3,695,013.32	101,870.07	3,879.76	97,990.31	3,597,023.01
205	3,597,023.01	101,870.07	3,776.87	98,093.20	3,498,929.81
206	3,498,929.81	101,870.07	3,673.88	98,196.19	3,400,733.62
207	3,400,733.62	101,870.07	3,570.77	98,299.30	3,302,434.32
208	3,302,434.32	101,870.07	3,467.56	98,402.51	3,204,031.81
209	3,204,031.81	101,870.07	3,364.23	98,505.24	3,105,525.97
210	3,105,525.97	101,870.07	3,260.80	98,609.27	3,006,916.70
211	3,006,916.70	101,870.07	3,157.26	98,712.81	2,908,203.89
212	2,908,203.89	101,870.07	3,053.61	98,816.46	2,809,387.43
213	2,809,387.43	101,870.07	2,949.86	98,920.21	2,710,467.22

**EXHIBIT A**

Continued

214	2,710,467.22	101,870.07	2,845.99	99,024.00	2,611,443.14
215	2,611,443.14	101,870.07	2,742.02	99,128.05	2,512,315.09
216	2,512,315.09	101,870.07	2,637.93	99,232.14	2,413,082.95
217	2,413,082.95	101,870.07	2,533.74	99,336.33	2,313,746.62
218	2,313,746.62	101,870.07	2,429.43	99,440.64	2,214,305.98
219	2,214,305.98	101,870.07	2,325.02	99,545.05	2,114,760.93
220	2,114,760.93	101,870.07	2,220.50	99,649.57	2,015,111.36
221	2,015,111.36	101,870.07	2,115.87	99,754.20	1,915,357.16
222	1,915,357.16	101,870.07	2,011.13	99,858.94	1,815,498.22
223	1,815,498.22	101,870.07	1,906.27	99,963.80	1,715,534.42
224	1,715,534.42	101,870.07	1,801.31	100,068.76	1,615,465.66
225	1,615,465.66	101,870.07	1,696.24	100,173.83	1,515,291.83
226	1,515,291.83	101,870.07	1,591.06	100,279.01	1,415,012.82
227	1,415,012.82	101,870.07	1,485.76	100,384.31	1,314,628.51
228	1,314,628.51	101,870.07	1,380.36	100,489.71	1,214,138.80
229	1,214,138.80	101,870.07	1,274.85	100,595.22	1,113,543.58
230	1,113,543.58	101,870.07	1,169.22	100,700.85	1,012,842.73
231	1,012,842.73	101,870.07	1,063.48	100,806.59	912,036.14
232	912,036.14	101,870.07	957.64	100,912.43	811,123.71
233	811,123.71	101,870.07	851.68	101,018.39	710,105.32
234	710,105.32	101,870.07	745.61	101,124.46	608,980.86
235	608,980.86	101,870.07	639.43	101,230.64	507,750.22
236	507,750.22	101,870.07	533.14	101,336.93	406,413.29
237	406,413.29	101,870.07	426.73	101,443.34	304,969.95
238	304,969.95	101,870.07	320.22	101,549.85	203,420.10
239	203,420.10	101,870.07	213.59	101,656.48	101,763.62
240	101,763.62	101,870.07	106.45	101,763.62	(0.00)

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22,584,616.26    2,584,616.26    20,000,000.00

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32611

**MATURITY SCHEDULE - PENNVEST SHORT TERM NOTE**

<b><u>PRINCIPAL AMOUNT</u></b>	<b><u>INTEREST RATE</u></b>	<b><u>MATURITY (AUGUST 1)</u></b>
\$4,432,437	1.00% for three (3) years	1997

\* \* \* \* \*

**PENNVEST SHORT TERM NOTE -  
DEBT SERVICE SCHEDULE AND GUARANTEED PAYMENTS SCHEDULE**

<u>PMT #</u>	<u>BEG BAL</u>	<u>PAYMENT</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>END BAL</u>
1	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
2	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
3	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
4	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
5	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
6	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
7	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
8	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
9	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
10	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
11	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
12	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
13	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
14	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
15	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
16	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
17	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
18	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
19	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
20	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
21	4,432,437.00	3,693.70	3,693.70	0.00	4,432,437.00
22	4,432,437.00	297,469.60	3,693.70	293,775.90	4,138,661.10
23	4,138,661.10	297,469.60	3,448.88	294,020.72	3,844,640.38
24	3,844,640.38	297,469.60	3,203.87	294,265.73	3,550,374.65
25	3,550,374.65	297,469.60	2,958.65	294,510.95	3,255,863.70
26	3,255,863.70	297,469.60	2,713.22	294,756.38	2,961,107.32
27	2,961,107.32	297,469.60	2,467.59	295,002.01	2,666,105.31
28	2,666,105.31	297,469.60	2,221.75	295,247.85	2,370,857.46
29	2,370,857.46	297,469.60	1,975.71	295,493.89	2,075,363.57
30	2,075,363.57	297,469.60	1,729.47	295,740.13	1,779,623.44
31	1,779,623.44	297,469.60	1,483.02	295,986.58	1,483,636.86
32	1,483,636.86	297,469.60	1,236.36	296,233.24	1,187,403.62
33	1,187,403.62	297,469.60	989.50	296,480.10	890,923.52
34	890,923.52	297,469.60	742.44	296,727.16	594,196.36
35	594,196.36	297,469.60	495.16	296,974.44	297,221.92
36	297,221.92	297,469.60	247.68	297,221.92	0.00
		4,535,611.70	107,174.70	4,432,437.00	



ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS that, intending to be legally bound hereby, and for due consideration given to **CHIPPEWA TOWNSHIP SANITARY AUTHORITY** (the "Borrower"), by **PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY**, the receipt of which is hereby acknowledged, said Borrower has assigned, transferred, set over and pledged, all its right, title and interest in, to and under the foregoing 1994 Pennvest Guaranty Agreement and in and to any moneys payable by the **TOWNSHIP OF CHIPPEWA, TOWNSHIP OF SOUTH BEAVER, AND BOROUGH OF BIG BEAVER** (the "Guarantors") to said Borrower thereunder to the **PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY** ("Pennvest"), as the Lender under the 1994 Pennvest Loan with Pennvest.

The Borrower hereby directs the said Guarantors, which are the other parties to said 1994 Pennvest Guaranty Agreement, to pay directly to Pennvest, all moneys payable under said 1994 Pennvest Guaranty Agreement by said Guarantors to said Borrower.

**IN WITNESS WHEREOF, CHIPPEWA TOWNSHIP SANITARY AUTHORITY** has caused this Assignment to be executed on its behalf by its Chairman or Vice Chairman and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary.

**CHIPPEWA TOWNSHIP SANITARY  
AUTHORITY**

(AUTHORITY SEAL)

Attest:

By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

Accepted as of this August 24, 1994.

**PENNSYLVANIA INFRASTRUCTURE  
INVESTMENT AUTHORITY**

By \_\_\_\_\_  
Executive Director

SOUTH BEAVER TOWNSHIP  
RESOLUTION NO. 4 of 1994

WHEREAS, pursuant to the direction, mandate and requirements of the Pennsylvania Department of Environmental Resources via its Bureau of Water Quality Management (hereinafter referred to as "DER"), under and per the authority of Act No. 537 of 1966, as amended, and regulations promulgated thereunder (hereinafter referred to as "Act 537"), Chippewa Township and the Chippewa Township Sanitary Authority, have accomplished an Act 537 Plan Special Study, Chippewa Township Sewage Facilities Pre-Design Study, and prepared a Construction Design Plan now approved by the DER, for repair and expansion of the public sewer system within Chippewa Township and further, the expansion of said public sewer system into parts of Big Beaver Borough and South Beaver Township (hereinafter referred to as the "System"), with the designed sewage treatment capacity of said System to provide public sewage treatment facilities to existing occupied structures and future development and construction of new or additional occupied structures within the System's designed service area;

WHEREAS, the Chippewa Township Sanitary Authority has made application to the Pennsylvania Infrastructure Investment Authority, (hereinafter referred to as "PENNVEST") for the purpose of construction of said System;

WHEREAS, in order to partially finance the construction of said System, PENNVEST has approved and offered the making of two Loans unto the Chippewa Township Sanitary Authority as Borrower per a Commitment Letter bearing the typed dated of "November 16, 1993", a copy of which is hereto attached and made part hereof, detailing provisions for two loans with an aggregate total principal debt of \$24,432,437.00, comprised of a short term three (3) year loan in the amount of \$4,432,437.00 and a long term twenty (20) year loan in the amount of \$20,000,000.00, the consummation of which loans is conditioned upon the three municipalities of Chippewa Township, Big Beaver Borough and South

Beaver Township being a guarantor for the Chippewa Township Sanitary Authority unto PENNVEST of a percentage or pro rata basis of the principal debt and interest as follows: Chippewa Township guaranteeing 81.7%; Big Beaver Borough guaranteeing 5.8%; and South Beaver Township guaranteeing 12.5%; and

WHEREAS, for the purpose of implementing the mandate of the DER per its letter dated March 20, 1992 unto the Board of Supervisors of South Beaver Township, and pursuant to the August 24, 1993 agreement by and between the Chippewa Township Sanitary Authority and South Beaver Township, namely the Agreement Authorizing, Empowering and Providing for the Chippewa Township Sanitary Authority to Build, Own and Operate a Public Sanitary Sewer System within a Limited Area of South Beaver Township, the Board of Supervisors make and approve the following:

THEREFORE, BE IT RESOLVED AND DECLARED by the Board of Supervisors of South Beaver Township pursuant to the provisions and authority existing under the Second Class Township Code, the General Municipal Code, the Municipal Authorities Act, Act 537, and the Local Government Unit Debt Act, the following:

(1) A public or community sanitary sewage district is hereby created as to that limited portion of South Beaver Township comprising the watershed area within the territorial boundaries of South Beaver Township as depicted and portrayed on Map Figure 16 labeled "Conveyance System Design", of the June 1992 Chippewa Township Sewage Facilities Pre-Design Study booklet prepared by Killam Associates, which limited portion or area is so marked and shaded in "yellow" on the copy of said map hereto attached and made part hereof, and such community sanitary sewage district is and hereafter shall be known as the "South Beaver Township Sewage District No. 1";



(2) The terms, conditions and provisions of the PENNVEST Commitment Letter bearing the typed dated of "November 16, 1993", a copy of which is hereto attached and made part hereof, are approved and accepted, and the Chairman of the Board of Supervisors of South Beaver Township, and Secretary of South Beaver Township, in their official capacity on behalf of South Beaver Township, are hereby authorized and directed to execute same, and in due course and process, the Township of South Beaver shall:

(a) Process with the Pennsylvania Department of Community Affairs per the requirements of the Local Government Unit Debt Act, the adoption of an ordinance or ordinances and such additional resolutions as necessary to authorize and empower the Township of South Beaver to make and enter into a Guaranty Agreement by and between PENNVEST as lender, the Chippewa Township Sanitary Authority as borrower, and South Beaver Township as guarantor of 12.5% of the aforesaid debt and interest thereon, i.e. an aggregate total of \$3,054,054.63 principal debt which is in excess 250% of the borrowing base limitations of South Beaver Township, as a "nonelectorial self liquidating debt" guaranty or as an "electorial debt" guaranty, (which guaranty per the terminology or jargon of the Local Government Unit Debt Act will be referred to or classified as a "lease rental debt" by the Department of Community Affairs) and provide for a tax, levy or assess as to the properties within South Beaver Township served and/or benefitted by the System in such sufficient sum as necessary to provide funds in such and any sum required to be paid unto PENNVEST by South Beaver Township as guarantor;

(b) Upon the 12.5% sum guaranty by South Beaver Township as required by PENNVEST qualifying and receiving the approval and clearance of the Pennsylvania Department of Community Affairs as an excluded "self-liquidating debt" guaranty or "electorial debt" guaranty per the provisions of the Local Government Unit Debt Act, the Chairman of the Board of Supervisors of South Beaver Township, and Secretary of South Beaver Township, in their official capacity on behalf of South Beaver Township, are hereby authorized and

empowered on behalf of South Beaver Township to execute a Guaranty Agreement, in form and containing provisions approved by the Solicitor of South Beaver Township, by and between the Chippewa Township Sanitary Authority, PENNVEST and South Beaver Township.

(3) Upon the Chippewa Township Sanitary Authority receiving construction bids for the System and determining that the construction and implementation of the System is feasible with construction funds available as detailed in the PENNVEST Commitment Letter bearing the typed dated of "November 16, 1993", a copy of which is hereto attached and made part hereof, the Township of South Beaver shall in due and timely course adopt and enact such ordinances and resolutions as may be additionally necessary to:

(a) Authorize and empower the Chippewa Township Sanitary Authority to have full power and privileges to enter into said South Beaver Township Sewage District No. 1 to implement, own, construct, operate, maintain, administer the construction, operation and maintenance thereof, and in the ownership and operation thereof, to collect sewerage rate charges for construction, installation, user rate fees and/or special assessment fees or charges as to the System;

(b) Require and compel per provisions of the Second Class Township Code, connection to the sewer lines to be constructed within South Beaver Township Sewer District No. 1, all properties having principal buildings thereon within one hundred fifty (150) feet of the sewer lines of the System initially to be constructed or to be constructed and added to in the future as sewer line extensions or additions to the System within said Sewer District No. 1; and

(c) Comply with the aforesaid mandate of the DER to South Beaver Township, and to provide for due and proper implementation and administration of the System together with Chippewa Township, Big Beaver Borough and/or the Chippewa Township Sanitary Authority, within said South Beaver Township Sewer District No. 1

or otherwise, to implement such enabling powers, authorizations or requirements as may and/or shall be necessary in accordance to and with the provisions of the General Municipal Code [Act No. 180 of 1972, as amended] (53 P.S. §§481 to 490); Act No. 402 of 1935, as amended (53 P.S. §§2231 to 2234); Act No. 58 of 1949 (53 P.S. §§2291 to 2296)], Local Government Unit Debt Act [Act No. 185 of 1972, as amended] (53 P.S. 6780-1 et seq.), the Pennsylvania Infrastructure Investment Authority Act [Act No. 16 of 1988] (35 P.S. 751.1 et seq.) and/or the Second Class Township Code [Act No. 69 of 1933, as amended] (53 P.S. 65101 et seq., including but not limited to Section 702 [53 P.S. 65730], Section 902 (53 P.S. 65905) and Article XV [53 P.S. §§66501 et seq., particularly through to §66541 thereof]

ADOPTED this 8<sup>th</sup> day of March, 1994.

SOUTH BEAVER TOWNSHIP

ATTEST:

Carol Miller  
Secretary

Charles M. Euffel  
Supervisor

Robert S. Long  
Supervisor

David L. Shaver  
Supervisor

I hereby certify this to be a true and correct copy of the Resolution of the Township of South Beaver adopted at the regular meeting of the Board of Supervisors, March 8, 1994.

DATED: March 8, 1994

Carol Miller  
Township Secretary



Commonwealth of Pennsylvania

# PENNVEST

Pennsylvania Infrastructure Investment Authority

Keystone Building, 22 South Third St., Harrisburg, PA 17101  
(717) 787-8137

Governor Robert P. Casey,  
Chairman

Paul K. Marchetti,  
Executive Director

November 16, 1993

Chippewa Township Sanitary Authority  
2568 Darlington Road  
Beaver Falls, Pennsylvania 15010

Re: ME#75013 & ME#75017

Gentlemen:

The Pennsylvania Infrastructure Investment Authority ("Authority") hereby offers to make a loan ("Loan") to Chippewa Township Sanitary Authority, a municipal authority organized and existing under the laws of the Commonwealth of Pennsylvania ("Borrower"), in order to partially finance the construction of a sewer system within the meaning of the Pennsylvania Infrastructure Investment Authority Act (the "Act") in Chippewa Township, South Beaver Township, and Big Beaver Borough, Beaver County, Pennsylvania all on the terms and conditions of this Commitment Letter (the "Commitment") as set forth herein:

1. AMOUNT. The Loan shall be in a principal amount of up to \$24,432,437.00, subject to adjustment as hereinafter provided. The Loan shall be partially funded by the Water Pollution Control Revolving Fund received from the United States Environmental Protection Agency under the Water Quality Act of 1987. The Loan shall be made at the Loan Closing (as hereinafter defined) and the Loan shall be evidenced by two (2) promissory notes in such principal amount executed by the Borrower and made payable to the order of the Authority (hereinafter individually and collectively referred to as "Note").

2. PURPOSE; DISBURSEMENT OF PROCEEDS.

(a) The Borrower shall construct or cause to be constructed on the real property a sewer system (collectively, the



"Project"). Work on the Project shall be commenced no later than November 10, 1994 (first anniversary of Authority approval of the Loan) and shall be completed not later than August 10, 1996. The real property, together with the Project and all personal property of any nature located thereon or used or useful in connection therewith and all rights of way and easements across property of others in connection therewith is referred to collectively as the "System".

(b) The Borrower's current estimate of project cost is \$25,718,710.00. The project cost shall be funded by:

(i) The Loan to the extent of \$24,432,437.00 to be evidenced by a Note in the amount of \$20,000,000.00 to be amortized over a twenty (20) year period commencing on the date of Loan Closing and a Note in the amount of \$4,432,437.00 to be amortized over a three (3) year period commencing on the date of Loan Closing;

(ii) The Borrower to the extent of \$280,563.00 from tapping fees ("Equity Contribution"); and

(iii) A loan to the Borrower to the extent of \$1,005,710.00 ("Other Loan").

(c) The Authority shall make Loan advances to or for the benefit of the Borrower for prior eligible costs and from time to time as work progresses on the construction of the Project but such advances shall not be more frequent than monthly. The Authority may withhold up to 5% of the total Loan amount from the Authority plus any amount of contingency allocated to the Loan from the final loan disbursement to the Borrower. The amount withheld by the Authority shall be advanced upon completion of the construction of the Project and satisfaction of the terms and conditions relating thereto set forth in the loan agreement and other loan documents (collectively referred to as the Loan Documents"). The Loan advances shall be made pursuant to written applications and appropriate certifications submitted to the Authority by or on behalf of the Borrower, in form and substance satisfactory to the Authority. The Loan advances shall be made subject to the satisfaction of or as modified by the following additional conditions:

(i) The Equity Contribution, if any, to the extent permitted by law, shall be applied toward the cost of the Project prior to any Loan advances, either by the Borrower depositing the Equity Contribution with the Authority at the time of the Loan Closing for subsequent disbursement by the Authority in the same manner as the Loan advances or by the Borrower directly with appropriate proof thereof submitted to the Authority prior to the first Loan advance, as the Authority shall determine;

(ii) The Equity Contribution, if any, shall be increased from time to time if and to the extent that there is an increase in the estimated cost of construction of the Project, as determined by the Authority, and such increase in the Equity Contribution shall be applied toward the construction of the Project in the same manner as set forth in Section (i) hereof, prior to any further Loan advances; and

(iii) Each Advance shall be made in accordance with the provisions of a loan disbursement agreement ("Loan Disbursement Agreement") between the Authority and the Other Lender in form and substance satisfactory to the Authority.

3. INTEREST RESERVE.

(a) The portion of the Loan proceeds, if any, allocated and reserved for the payment of interest installments and referred to as the interest reserve may be disbursed from time to time by the Authority for the account of the Borrower for the payment of the interest due on the Loan. The Authority and Borrower have estimated that the amount so allocated and reserved approximates the interest which shall become due and payable monthly during the term of the Loan. No interest shall accrue upon any portion of the interest reserve until the Authority actually disburses such portion thereof which shall represent the then due and payable monthly interest installment, whereupon the sum so disbursed shall be added to the outstanding principal sum of the Loan and shall bear interest as provided for in the Loan.

(b) In the event a default in the Loan occurs, the Authority shall have the right but not the obligation to continue such monthly interest installments from the interest reserve.

(c) In the event the interest reserve is depleted or the Authority in its sole determination deems any of the remaining interest reserve to be insufficient to pay in full the then due and payable monthly installments or any portion thereof, then upon five (5) business days written notice from the Authority, Borrower shall commence the payment of the monthly interest installments. Establishment of an interest reserve shall in no way relieve Borrower of its obligation to pay interest as set forth in the Loan Documents.

4. INTEREST RATE.

(a) The \$20,000,000.00 Loan shall provide for interest on the unpaid principal balance outstanding from time to time at an annual rate equal to One Percent (1.000%) per annum for the first five (5) years and One and Two Hundred Sixty Thousandths Percent (1.260%) per annum for the remainder of the twenty (20) year term.



(b) The \$4,432,437.00 Loan shall provide for interest on the unpaid principal balance outstanding from time to time at an annual rate equal to One Percent (1.000%) per annum for the three (3) year term.

(c) The annual interest rate shall be calculated on the basis of a 360-day year by multiplying the interest rate in effect pursuant to subparagraph (a) hereof by a fraction, the numerator of which is the actual number of days the Loan is outstanding and the denominator of which is 360.

5. PAYMENT TERMS FOR THE \$20,000,000.00 NOTE.

(a) If construction commences after Loan Closing, then interest only on the unpaid principal balance shall be payable in 21 monthly installments commencing on the first day of the calendar month following a Loan advance by the Authority to or for the benefit of the Borrower. The unpaid principal balance then outstanding and all accrued and unpaid interest shall become due and payable as follows:

(i) Principal and interest shall be payable in 219 consecutive monthly installments commencing on the first day of each calendar month beginning with the 22nd month from the date of Loan Closing and continuing the first day of each calendar month thereafter to and including the remainder of the 20-year term. The principal and interest installments for the 219 months shall be approximately \$99,948.81 for 39 months and \$101,870.07 for 180 months. On the first day of the last calendar month of the 20-year term, all the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable.

(b) If construction commences prior to Loan Closing, the interest only period shall be shortened and the amortization of principal and interest shall be lengthened accordingly.

(c) Borrower shall have the right at any time to prepay all or any portion of the unpaid principal balance of the Note without penalty or premium with the prior written consent of the Authority.

(d) The Authority shall have the right to require that there be deposited with it on a monthly basis, at the time of and in conjunction with the payment of interest and/or principal, amounts sufficient to pay when due current real estate taxes, if any, water and sewer charges and assessments, if any, other lienable assessments, if any, and insurance premiums, if any.

6. PAYMENT TERMS FOR THE \$4,432,437.00 NOTE.

(a) If construction commences after Loan Closing, then interest only on the unpaid principal balance shall be payable in

monthly installments on the first day of each calendar month commencing with the first calendar month following a Loan advance by the Authority to or for the benefit of the Borrower and ending with the first calendar month following 21 months from the date of the Loan Closing whereupon the unpaid principal balance then outstanding and all accrued and unpaid interest shall become due and payable as follows:

(i) Principal and interest shall be payable in 15 equal consecutive monthly installments of \$297,469.60 each on the first day of each calendar month beginning with the first month 22 months from the date of Loan Closing and continuing the first day of each calendar month thereafter to and including the remainder of the 3-year term. On the first day of the last calendar month of the 3-year term, all the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable.

(b) If construction commences prior to Loan Closing, the interest only period shall be shortened and the amortization of principal and interest shall be lengthened accordingly.

(c) Borrower shall have the right at any time to prepay all or any portion of the unpaid principal balance of the Note without penalty or premium with the prior written consent of the Authority.

(d) The Authority shall have the right to require that there be deposited with it on a monthly basis, at the time of and in conjunction with the payment of interest and/or principal, amounts sufficient to pay when due current real estate taxes, if any, water and sewer charges and assessments, if any, other lienable assessments, if any, and insurance premiums, if any.

7. SECURITY. The Loan shall be evidenced by the Note and other documents as are necessary and shall be secured, inter alia, as follows:

(a) Assignment of the Borrower's interest, as appropriate, under the construction contract with the general contractor, the engineer's agreement with the engineer and all other documents and rights relating to the System.

(b) A security agreement ("Accounts Security Agreement") together with Uniform Commercial Code financing statements executed by the Borrower in favor of the Authority, granting to the Authority a lien and perfected security interest in gross revenues and receipts, accounts, accounts receivable, contract rights now owned and hereinafter acquired generated from the operation of the System and/or accounts and accounts receivable, contract rights now owned and hereinafter acquired by the System, as well as any proceeds of general intangibles generated therefrom, subject only



to the liens outstanding as of the date of the Authority approval.

(c) Guaranties executed by Chippewa Township, South Beaver Township, and Big Beaver Borough (hereinafter individually and collectively referred to as "Guarantor") in favor of the Authority ("Guaranty") pursuant to which such municipality guarantees all payment, performance and other obligations of the Borrower in connection with the Loan on a pro rata basis. The percentages of projected user base by municipality are as follows: Chippewa Township - 81.7%; South Beaver Township - 12.5%; and Big Beaver Borough - 5.8%. It is specifically understood and agreed that the Guaranty shall include a guarantee of payment of the entire principal balance of the Loan and all accrued and unpaid interest in the event of a default under the Loan. In addition, it is understood and agreed that the Guarantor herein designated to execute the Guaranty shall submit to the Authority prior to the Loan Closing a copy of the records maintained by the Department of Community Affairs for such municipality, as set forth in the Local Government Unit Debt Act, 53 P.S. Section 6780-357 (b)(1-7).

8. COMPOSITION OF THE BORROWER. During the term of the Loan, there shall be no change in key management of the System, without at least thirty (30) days prior notification to the Authority and approval in writing by the Authority, which consent shall not be unreasonably withheld.

9. ASSIGNMENT.

(a) Neither this Commitment nor the Loan proceeds shall be assignable by the Borrower without the prior written consent of the Authority and any attempt at such assignment without such consent shall be void.

(b) This Commitment, the Loan and any and all documents pertaining thereto may be placed, assigned, serviced or participated in (either in whole or in part) by the Authority, its successors and assigns.

10. MODIFICATION; ENTIRE COMMITMENT. No change or modification of this Commitment shall be valid unless the same is in writing and signed by the parties hereto. This Commitment contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth. It is expressly understood and agreed that this Commitment represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto.

11. COMMITMENT TO SURVIVE CLOSING. This Commitment shall survive the Loan Closing and each and every one of the obligations

and undertakings of the Borrower and any Guarantor named herein shall be continuing obligations and undertakings and shall not cease and determine until the entire Loan, together with all interest and fees due hereon and any other amounts which may accrue pursuant thereto or to the Loan, shall have been paid in full, and until all obligations and undertakings of the Borrower and any Guarantor shall have been fully completed and discharged.

12. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall, at the option of the Authority, constitute an event of default hereunder and the Authority reserves the right, without giving any prior notice to the Borrower, to thereupon cancel this Commitment and terminate its obligations hereunder:

(a) The Borrower shall have failed to observe and perform each and every one of the terms, covenants, promises and agreements on its part to be observed and performed under this Commitment, under any other commitment relating to the System or under any other documents pertaining to this Loan;

(b) The financial condition of the Borrower or any Guarantor or the physical condition of the real property or of the System, prior to the Loan Closing, shall have changed in any material degree from the condition represented in the information and documentation submitted by the Borrower to the Authority in support of the Loan request; or

(c) The filing by or against the Borrower or any Guarantor of a petition in bankruptcy or insolvency or for reorganization, or for the appointment of a receiver or trustee, or the making by the Borrower or any Guarantor of an assignment for the benefit of creditors, or in the event of any similar act or occurrence.

13. GENERAL CONDITIONS. The General Conditions attached hereto are an integral part of this Commitment. The General Conditions shall not in any way minimize or diminish any of the terms, conditions or requirements set forth herein and such General Conditions shall be interpreted to augment, supplement and complement such terms, conditions and requirements.

14. ACCEPTANCE; TERMINATION.

(a) The acceptance of this Commitment shall be evidenced by the return of an original and four (4) copies of the enclosed copies hereof executed by the Borrower by May 2, 1994. Please retain the other copy for your future use. Unless this Commitment is so accepted, it shall become null and void.

(b) The closing for the Loan described in this Commitment shall take place within three hundred sixty five (365) days from November 10, 1993 (Authority Loan Approval Date) on such



date as shall be mutually satisfactory to the Authority and the Borrower ("Loan Closing"), but if the Loan Closing does not occur within such 365-day period, this Commitment shall terminate and the Authority shall have no further obligation hereunder.

(c) The Authority shall have the right to terminate this Commitment in the event there occurs, between the date of this Commitment and the date of the Loan Closing, any loss or damage to the System due to fire or other casualty or any taking of all or any portion of the System by exercise of the power of eminent domain.


(d) Neither the failure of the Authority nor the delay of the Authority to exercise any right, power or privilege under this Commitment shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.

(e) The Authority shall have the right to render this Commitment and any obligation to make the Loan null and void if the Authority for any reason whatsoever is unable to fund the construction of the Project from any of the funding sources of the Authority, notwithstanding any other term, provision, promise, grant, or covenant in this Commitment, or any other agreement, oral or written, implied or expressed.

(f) Notwithstanding any other term, provision, promise or covenant in this Commitment, or any other agreement, oral or written, implied or expressed, if the Authority is provided with facts subsequent to the approval of this Loan which changes the circumstances so that the Authority in its sole discretion determines that this Loan is not within the best interest of the Authority to make this Loan or the facts indicate that the project does not comply with the Act, the Authority, unconditionally and without recourse, reserves the right to terminate its commitment.

Very truly yours,

PENNSYLVANIA INFRASTRUCTURE  
INVESTMENT AUTHORITY



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Paul K. Marchetti  
Executive Director

ACCEPTANCE

Intending to be legally bound, the undersigned hereby accepts the foregoing Commitment and agrees to the terms and conditions thereof.

ATTEST:

CHIPPEWA TOWNSHIP  
SANITARY AUTHORITY

James W Beese  
(SEAL)

Jacques E Kiesecker

Date: MARCH 7, 1994

APPROVED

ATTEST:

CHIPPEWA TOWNSHIP

Scott J. Kuhn  
(SEAL)

Dale S. Layman

Date: MARCH 7, 1994

APPROVED

ATTEST:

SOUTH BEAVER TOWNSHIP

Carol Miller  
(SEAL)

Charles W. Bufford

Date: March 8, 1994

APPROVED

ATTEST:

BIG BEAVER BOROUGH

Janet E. Kolson  
(SEAL)

James L. Lantry

Date: March 14 - 1994



GENERAL CONDITIONS

DOCUMENTS AND INFORMATION TO BE FURNISHED TO BOARD BEFORE LOAN CLOSING. At least four (4) weeks prior to the scheduled date of the Loan Closing, Borrower must obtain at its expense and submit to the Authority all of the documents and information set forth below. Such documentation and information shall be subject to the Authority's review and approval, as to both form and substance, and shall be updated and effective at the time of the Loan Closing.

(1) Articles and certificate of incorporation, by-laws, pertinent incumbency and signature certificates, corporate resolutions authorizing the transaction, copies of any municipal authority rules or regulations promulgated under 53 P.S. Section 318 as amended, a certification that this Loan does not contravene any municipal authority rules or regulations and a certification that the Borrower is a tax-exempt municipal authority as set forth in 53 P.S. Section 318 as amended.

(2) A copy of the resolution or ordinance authorizing the guaranty, a copy of the certificate of approval from the Department of Community Affairs for the municipality to execute the guaranty in favor of the Authority, and a copy of pertinent incumbency and signature certificates.

(3) Current and complete financial statements prepared in accordance with generally accepted accounting principles consistently applied, for the Borrower and each Guarantor, in form and substance satisfactory to the Authority which financial statements shall be accompanied by the certifications of the Borrower and each Guarantor that they are true and correct and that there has been no adverse change in financial condition.

(4) Copies of such documents as the Authority may request with respect to the Other Loan and the other loan commitment.

(5) Certification by the Borrower that it is not governed or regulated by the Public Utility Commission.

(6) A written opinion of the Borrower's counsel, who shall be acceptable to the Authority, stating that:

(a) Borrower is validly organized and existing under the laws of the Commonwealth of Pennsylvania with full power and authority to own and operate the System;

(b) Borrower has full authority and legal right to execute and carry out the terms of this Commitment and any other documentation required hereunder or in connection with the Loan;

(c) Borrower has taken all necessary and appropriate action to authorize the execution and delivery of this Commitment



and all other documents required to be executed by it in connection with the Loan;

(d) This Commitment and all other documents required to be executed by the Borrower have been duly executed by the Borrower in connection with the Loan and acknowledged or witnessed, as appropriate, by the Borrower;

(e) None of the aforesaid actions, undertakings and agreements contravene or shall contravene the Borrower's articles of incorporation and by-laws, or the provisions of this Commitment, or the provisions of any contract or agreement to which the Borrower is a party or by which it is bound or any applicable law, including, but not necessarily limited to, the Pennsylvania Prevailing Wage Act, as amended;

(f) Borrower has validly and irrevocably obtained without qualification all required permits and approvals from all governmental authorities having jurisdiction over the construction or operation of the Project as shown in the plans and specifications and such permits and approvals are final, non-appealable and in full force and effect;

(g) The proceeds of the Loan and all other loans and grants received by the Borrower from the Authority have not been used, and will not be used, either directly or indirectly, for any purpose which would cause the underlying obligations of the Commonwealth of Pennsylvania to be considered "arbitrage bonds" as that term is defined in Section 103(b)2 and Section 148 as amended of the Internal Revenue Code; and

(h) The Note, Guaranty and all other Loan Documents are valid and enforceable according to their terms in the Commonwealth of Pennsylvania.

(7) Fully paid fire insurance policy and builder's risk casualty insurance policy covering risk of loss or damage to the System due to fire and such other casualties as the Authority may require with limits equal to one hundred percent (100%) of the full insurable value of the System written by an insurance company or companies approved by the Authority and containing mortgagee/payee clauses, if applicable, in favor of the Authority in form and content satisfactory to the Authority; fully paid flood insurance policy, if determined to be necessary by the Authority; and fully paid liability insurance and workmen's compensation insurance covering the general contractor and/or Borrower and liability insurance covering the Borrower in amounts of not less than \$500,000 for each person and \$1,000,000 for property damage.

(8) The engineer's agreement between the Borrower and the engineer. Such agreement shall include a covenant by the engineer waiving the right to file or maintain any mechanic's lien or claim

against the System. Such agreements shall be conditionally assigned to the Authority by an instrument in form and substance satisfactory to the Authority.

(9) Certifications by the Borrower's engineer, as appropriate.

(10) If required by the Authority, two (2) copies of the plans and specifications, or similar documents, for the construction of the Project, which shall have been approved in writing by all necessary and appropriate governmental authorities, the general contractor, engineer and bonding company, as appropriate, and which thereafter shall not be changed without the prior written approval of the Authority and the appropriate governmental authorities including, but not limited to, where appropriate:

(a) Evidence satisfactory to the Authority that all utilities, including water, electric, gas and telephone, and all storm and sanitary sewer drainage facilities are available (or upon completion of the Project will be available) at the System for utilization by Borrower for the proposed Project and that the respective lines and treatment or generating plants are of adequate size and capacity to service the Project;

(b) Evidence satisfactory to the Authority that all roads and sidewalks proposed to be constructed on the System as part of the Project will be dedicated to, operated and maintained by the Borrower when completed, or, to the extent the same are not so dedicated and maintained, satisfactory information with respect to the proposed funding of the operation and maintenance thereof;

(c) Soil compaction and/or test boring sufficient to demonstrate that the quality of the land of the System is such that it can support the Project;

(d) The Borrower shall, in every contract for construction, reconstruction, alterations, repair, improvement or maintenance of the System, comply with the provisions of the Act of March 3, 1978 (P.L. 6, No. 3 known as the "Steel Products Procurement Act"), and submit separate from the plans and specifications certificates of compliance;

(e) Evidence satisfactory to the Authority that the System as shown in the plans and specifications complies with all governmental requirements, that all required permits, as described in a separate listing and provided before closing, and approvals from all governmental authorities having jurisdiction in connection therewith have been validly and irrevocably obtained without qualification, all such permits and approvals are final, non-appealable and in full force and effect, copies of all such permits and approvals have been delivered to the Authority and there are no pending or threatened investigations, suits or other actions

leading to the revocation, suspension or qualification of any of such permits or approvals;

(f) Evidence satisfactory to the Authority that the Loan, the System, and the proposed and actual use thereof comply with all governmental requirements, including but not limited to all zoning, subdivision and environmental protection laws, ordinances and regulations; and

(g) A performance bond and a labor and material payment bond with respect to the construction of the Project each in an amount, in form and substance and with such surety or sureties as are acceptable to the Authority and naming the Authority as co-obligee thereunder.

(11) A complete project cost breakdown and payment schedule.

(12) An organizational and management plan showing the major tasks to be performed in connection with the system (including but not limited to the obtaining of all necessary permits and approvals required for the construction and use of the Project) and the projected timetable for each, and assigning responsibility for the performance of each such task.

(13) The construction contracts or draft contracts between the Borrower and the general contractor, if any, and if requested all major subcontractors, if any, who will supply labor, material or equipment for the construction of the Project. Such contracts shall be consistent with the plans and specifications submitted in accordance with the above and include a covenant by the contractor waiving, for itself and for anyone claiming through it, the right to file or maintain any mechanic's lien or claim against the System. Such contracts shall be conditionally assigned to the Authority by an instrument in form and substance satisfactory to the Authority.

LETTERS OF NO PREJUDICE. No work shall be done and no materials or supplies shall be furnished in connection with the construction of the Project on the System unless a Letter of No Prejudice has been issued from the Authority.

CONSTRUCTION PRIOR TO LOAN CLOSING. Unless a Letter of No Prejudice from the Authority has been obtained, no work shall be done and no materials or supplies shall be furnished in connection with the construction of the Project on the System prior to Loan Closing. If a Letter of No Prejudice has been issued, all recording, if any, contemplated by the provisions of this Commitment have been complied with by the Borrower.

INSPECTIONS. The Authority shall have the right to inspect and audit the System and Project at any and all reasonable times



and shall have full and free access to all drawings, plans, books and records pertinent to the System.

OTHER CONDITIONS.

(1) If a Letter of No Prejudice is given by the Authority for construction to commence prior to closing, the Borrower will be required to complete and submit a construction status report;

(2) All documents in connection with this Loan shall be approved by Counsel to the Authority and shall contain an anti-discrimination clause in form and substance satisfactory to the Authority;

(3) The Borrower shall not discriminate on the basis of race, creed, religion, sex, age, or natural origin and shall be in compliance with the Act of October 27, 1955 (P.L. 744 No. 222, known as "Pennsylvania Human Relations Act") and Title VI of the Civil Rights Act of 1964, Public Law 88-352, 42 U.S.C., Section 2000A et. seq.;

(4) The Counsel to the Authority reserves the right to require additional information, conditions and documents upon review of the information submitted by the Borrower;

(5) To the extent applicable, Borrower shall comply with the Internal Revenue Code of 1986 as amended with regards to the qualifications of the project and the financing thereof;

(6) The Borrower shall comply with the Continuing Education requirement contained in the Pennsylvania Infrastructure Investment Authority Act of 1988;

(7) The Borrower shall provide evidence that a Sewer Rate sufficient to cover the repayment of the Authority loan and provision for assessment of any projected increases in annual operating expenses is in place not later than completion of construction of the project;

(8) The Borrower shall provide evidence that its Corporate Charter has been extended to allow for amortization of the Authority loan;

(9) Refinancing Limitation - Financial assistance shall not be available under Act 16 of 1988, known as the Pennsylvania Infrastructure Investment Authority Act, for refinancing of any project except that the Water Pollution Control Revolving Fund may be used to the extent authorized by the Water Quality Act of 1987 (Public Law 100-4, 101 Stat. 7) for projects commenced after March 7, 1985;

(10) Nothing within the Authority's approval of this application shall be deemed to allow the replacement of available financing at reasonable rates which has been offered to or committed to the Borrower as of the date of the Authority's approval;

(11) Notwithstanding anything to the contrary herein, if the project should be constructed for a cost less than the Project Cost, the Authority reserves the right to amend its Commitment in such a manner as to maintain the original annual debt service on this Loan. The normal method of doing this is to reduce the term of the Loan and preserve the interest rate as set forth in Paragraph 4(a);

(12) Notwithstanding anything to the contrary herein, if the project should be constructed for a cost less than the Project Cost or the Borrower receives any grants which are to be used for the project, the Authority may in its sole discretion reduce its financial assistance to account for the project cost savings;

(13) Notwithstanding anything to the contrary herein, if the project contains costs which are ineligible for Authority financing then the Authority in its sole discretion shall require the Borrower to pay for these ineligible costs with its own funds or other borrowing;

(14) Acceptance of this Commitment shall constitute the Borrower's unconditional agreement to pay all reasonable fees, expenses, taxes, costs and charges in respect to the Loan, or in any way connected therewith, including but not limited to the Authority's counsel fees and costs, title insurance premiums and search fees, survey costs and recording and filing fees;

(15) The Borrower hereby unconditionally agrees and consents to participate and follow any automatic clearing house procedures to be implemented by the Authority;

(16) The Borrower shall issue to the Authority an obligation which does not comply with the information reporting requirements under Section 149(e) of the Internal Revenue Code of 1986, as amended. (The Note shall not constitute a tax-exempt obligation as described in Section 103 of the Internal Revenue Code of 1986, as amended, and the Borrower shall not file an 8038G with the Internal Revenue Service);

(17) The Borrower shall certify that it is not currently under suspension or debarment by the Commonwealth, any other state, or the Federal Government and shall require the same certification from any contractors providing services in connection with the Project;



(18) If during the construction period of this Project any contractor who becomes suspended or debarred by the Commonwealth or the Federal Government, the Authority shall have the right to require the Borrower to terminate such contracts;

(19) The Borrower agrees that it shall be responsible for all necessary and reasonable costs and expenses incurred by the Office of Inspector General relating to an investigation of the Borrower's/Contractor's compliance, which results in the suspension or debarment of the Borrower/Contractor; and

(20) The Borrower agrees that it shall execute any and all certifications required by the Authority under any Contractor Integrity Provisions and shall require all contractors to execute the same certifications.

(21) The Borrower shall provide evidence to the Authority that the Borrower has changed its structure from a leaseback authority to an operating authority.

#### FEDERAL REQUIREMENTS.

(1) All approvals that may be required from the U.S. Environmental Protection Agency in order for this Project to be funded from the Authority's Water Pollution Control Revolving Fund must be obtained prior to the Authority entering into Loan Closing with the Borrower. Obtaining such approvals could require, among other actions, the publication of a priority list which includes this Project and a public hearing to accept testimony of interested parties concerning that list.

(2) The Borrower shall provide evidence that it has complied with all conditions of the Water Pollution Control Act, the Water Quality Act of 1987, and other related federal and state acts, as applicable.

(3) The Borrower agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing the Project, funded in whole or in part with Federal money, (i) the percentage of the total costs of the Project which will be financed with Federal money, (ii) the dollar amount of Federal funds for the Project, and (iii) the percentage and dollar amount of the total costs of the Project that will be financed by non-governmental sources.

(4) The Borrower, if receiving federal funds, will comply with the provisions in 40 CFR Part 32, Drug-Free Workplace Requirements.

(5) The Borrower must take affirmative steps to comply with Pennsylvania's fair share objective for the Federal Minority

Business Enterprise/Women's Business Enterprise (MBE/WBE) Program. These steps include but are not limited to the following:

- i) direct all prime contractors to include provisions in their bid documents requiring at least 10% for MBE/WBE participation;
- ii) include qualified small, minority and women's business solicitation list;
- iii) assure that small, minority and women's businesses are solicited whenever they are potential sources of goods and services;
- iv) divide total requirements, when economically feasible, into small tasks or quantities to permit maximum participation of small, minority and women's businesses;
- v) establish delivery schedules, where the requirements of the work permit, which encourages participation by small, minority and women's businesses;
- vi) use the services and assistance of the Small Business Administration and the Office of Minority Business Enterprise of the U. S. Department of Commerce; and
- vii) require each subcontractor to take the above referenced steps.

(6) The Borrower upon award of any and all contracts must complete and EPA Form 334, and submit two (2) copies to the appropriate Department of Environmental Resources regional office.

(7) When the Borrower receives EPA Form 4700-4 entitled Preaward Compliance Review Report for Wastewater Projects from the Department of Environmental Resources, Borrower shall complete the form and send it to the Department of Environmental Resources as soon as possible.





