

ORDINANCE NO. 2011-4

**ORDINANCE AUTHORIZING THE TOWNSHIP OF  
LOWER OXFORD TO ENTER  
INTO AN AGREEMENT REGARDING THE  
USDA LETTER OF CONDITIONS TO  
OXFORD AREA SEWER AUTHORITY AND FULTON BANK BRIDGE LOAN  
COMMITMENT, WHICH ESTABLISHES A GUARANTEE BY  
LOWER OXFORD TOWNSHIP  
OF 16% OF THE PERMANENT FINANCING  
FOR FUNDING IMPROVEMENTS  
FOR THE OXFORD AREA SEWER AUTHORITY AND OTHER PROVISIONS**

BE IT ORDAINED AND IT IS HEREBY ORDAINED AND ENACTED by the Board of Supervisors of Lower Oxford Township, Chester County, Commonwealth of Pennsylvania by the authority granted to them by the second class township code as follows:

WHEREAS Lower Oxford Township is one of four member municipalities which form the Oxford Area Sewer Authority, consisting of the Borough of Oxford, Lower Oxford Township, East Nottingham Township and West Nottingham Township collectively referred to herein as the Member Municipalities. The Authority's purpose is to provide public sewer service to portions of the Member Municipalities and in connection with that the authority and the member municipalities have approved a Regional 537 Plan addressing public sewer needs and improvements for meeting those needs.

WHEREAS to fund the improvements the Authority has secured approval from the U.S. Department of Agriculture for a loan in the amount of \$27,000,000.00. The U.S. Department of Agriculture requires a guarantee from each of the Member Municipalities in their proportionate share.

WHEREAS the U.S. Department of Agriculture loan is for permanent financing. Accordingly the Sewer Authority is required to seek interim, bridge or construction financing to build the projects for construction of the improvements.

WHEREAS Fulton Bank has issued a commitment letter for a bridge loan for the construction of the improvements and as a part of that commitment, is requiring that in the event the interim loan with Fulton Bank should become a permanent loan by reason of the U.S. Department of Agriculture loan not closing, then in that event Fulton Bank would seek the same percentage of guarantee from Lower Oxford Township as the U.S. Department of Agriculture is demanding.

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

**Section 1. Approval of Improvements.**

Lower Oxford Township hereby approves the Oxford Area Sewer Authority's improvements to the public sewer system.

**Section 2. Authorization to Enter into Agreement.**

Lower Oxford Township hereby approves the entering into the following agreement: Agreement Regarding USDA Letter of Conditions to Oxford Area Sewer Authority and Fulton Bank Bridge Loan Commitment.

**Section 3. Incorporation of Agreement.**

The form of the agreement as is attached hereto and incorporated herein by reference but said form may be modified subsequently at the direction and approval of the Township Solicitor.

**Section 4. Authorization to Execute the Agreement.**

The proper officers of Lower Oxford Township are hereby authorized, empowered and directed on behalf of Lower Oxford Township to execute the agreement in its final form when delivered to them as approved by their Solicitor.

**Section 5. Terms of the Agreement.**

The terms of the Agreement include a guarantee of 16% of the permanent financing of up to \$27,000,000.00 at an interest rate of 4% by Lower Oxford, a commitment to adopt a connection ordinance, execute necessary documents for the financing, the anticipation that Oxford Area Sewer Authority will enter into an Agreement and to take whatever action is necessary for the Oxford Area Sewer Authority to close on the permanent loan.

**Section 6. Amendments to the Agreement.**

The Board of Supervisors is hereby authorized to execute such amendments to the above caption Agreement as is deemed necessary from time to time and as deemed appropriate by the Township Solicitor to carry out the purposes of this Ordinance and the incorporated Agreement.


**Section 7. Severability.**

The provisions of this Ordinance are severable and if any of its provisions are ruled by court invalid or unconstitutional, such decision shall not affect or impair any of the remaining provisions of this Ordinance. It is declared to be the intention of Lower Oxford Township that this Ordinance would have been adopted if such invalid or unconstitutional provision had not been included.

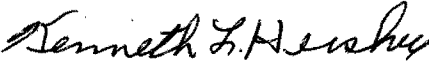
DULY ACTED AND ORDAINED this  
of Supervisors of Lower Oxford Township.

13 day of July, 2011 by the Board

Attest:

  
Sara Laganelli, Secretary

LOWER OXFORD TOWNSHIP

  
Kenneth L. Hershey

  
W. Ronald Kepler

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W. Ralph Cheek