

**CITY OF READING,
BERKS COUNTY, PENNSYLVANIA**

**RESOLUTION TO BORROW
ADOPTED JUNE 11, 2012**

84. 2012

AUTHORIZING THE SECURING OF FUNDING FROM THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ("PENNVEST") IN THE MAXIMUM PRINCIPAL AMOUNT OF \$10,013,950 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE COST OF THE CONSTRUCTION, REPAIR, REHABILITATION, REMEDIATION, EXTENSION, ACQUISITION, IMPROVEMENT AND EXPANSION OF THE SEWER SYSTEM OF THE FUNDING RECIPIENT, AND TO PAY COSTS AND EXPENSES OF SECURING SUCH FUNDING; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS NECESSARY TO EVIDENCE THE PLEDGE OF THE FULL FAITH AND CREDIT OF THE FUNDING RECIPIENT AND THE GROSS REVENUES AND RECEIPTS OF THE SYSTEM; APPROVING THE FORM, TERMS AND CONDITIONS OF THE FUNDING DOCUMENTS; AUTHORIZING THE EXECUTION OF THE FUNDING DOCUMENTS AND PROVIDING FOR THE AUTHENTICATION AND DELIVERY THEREOF; AND AUTHORIZING THE DISPOSITION OF THE FUNDING PROCEEDS RECEIVED OR TO BE RECEIVED FROM PENNVEST.

WHEREAS, the City of Reading, Berks County, Pennsylvania (the "City"), created and existing under the laws of the Commonwealth of Pennsylvania, has determined that it is necessary and in its best interests to finance (i) the cost of the construction, repair, rehabilitation, remediation, extension, acquisition, improvement and expansion of the City's existing sewer system (the "System"); and (ii) the payment of the costs and expenses of securing such funding (the "Project"); and

WHEREAS, in order to finance the cost of the Project, the City intends to secure a loan in the maximum principal amount of \$10,013,950, from PENNVEST to be evidenced by a debt obligation (the "Debt Obligation"), secured by a pledge of the full faith and credit of the City and the gross receipts and revenues of the System (the "Project Collateral") and other agreements granting and creating security interests, all as more particularly set forth in the funding agreement between the City and PENNVEST (the "Funding Agreement") and the funding offer from PENNVEST dated April 25, 2012 (the "Funding Offer") (the Debt Obligation, Project Collateral, other security agreements, the Funding Offer, the Funding Agreement and all other agreements, documents, certificates and instruments described in or contemplated by the Funding Agreement are collectively referred to as the "Funding Documents"); and

WHEREAS, the City desires and intends to take all necessary and proper actions and to execute all documents required by PENNVEST to be executed to obtain the PENNVEST Funding and assure its proper repayment.

NOW, THEREFORE, THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA hereby resolves as follows:

Section 1. This City hereby determines that it shall undertake the Project. This City approves the terms and conditions of the Funding Offer and authorizes Ralph Johnson, as manager of the City of Reading Wastewater Treatment Plant, to formally accept the terms of the Funding Offer pursuant to the procedures established by PENNVEST therefor.

Section 2. For the purpose of providing funds to finance the cost of the Project and to pay costs and expenses in connection with the PENNVEST Funding, the City hereby authorizes the execution of all Funding Documents and the taking of all actions necessary and required by PENNVEST to obtain the PENNVEST Funding in the maximum principal amount of \$10,013,950, pursuant to the provisions of the Funding Documents.

Section 3. The PENNVEST Funding shall be secured by the Funding Documents from the City to PENNVEST, and to the extent and in the manner therein set forth, the Project Collateral and other agreements granting and creating certain security interests in favor of PENNVEST, as well as a pledge of all other revenues and receipts of the City for the payment of costs of the City, and for the payment of principal of, and interest on, the Debt Obligation. In addition, the City shall accept the Debt Obligation as a special revenue obligation and pledge its receipts and revenues from the System toward the repayment of the Debt Obligation.

Section 4. The form, terms and conditions of the Funding Documents prepared by counsel for the City and PENNVEST, to be substantially in the form as submitted to this meeting are hereby approved. The Mayor of the City is hereby authorized to execute the Funding Documents in such form on behalf of the City, subject to such changes and modifications, if any, as may be approved by such officer, the execution of the Funding Documents to be conclusive evidence of such approval, and the City Clerk is hereby authorized to cause the corporate seal of the City to be affixed thereto and to attest the same. The City Clerk is further authorized to acknowledge the same on behalf of the City and to deliver said Funding Documents to PENNVEST.

Section 5. The PENNVEST Funding shall be repaid in the amounts and on certain dates, all as set forth in the Funding Documents as submitted to this meeting. The PENNVEST Funding is also subject to early repayment as provided in the Funding Documents.

Section 6. Upon receipt, the proceeds from the PENNVEST Funding authorized to be secured in this Resolution, shall be applied by the City under the terms and conditions set forth in the Funding Documents.

Section 7. Charles Younger, Esquire, as solicitor to this City, Stevens & Lee, as bond counsel, Fox Rothschild LLP, as special counsel to the City, Financial Solutions, LLC, as financial advisor and Hill International, as consulting engineers, are hereby authorized to take

all actions necessary to complete the loan with PENNVEST, including, but not limited to, negotiating and/or preparing all necessary documents, agreements, resolutions and certificates necessary and appropriate to complete the loan transaction, and taking any additional actions necessary to satisfy all of the preconditions to settlement set forth in the Funding Offer.

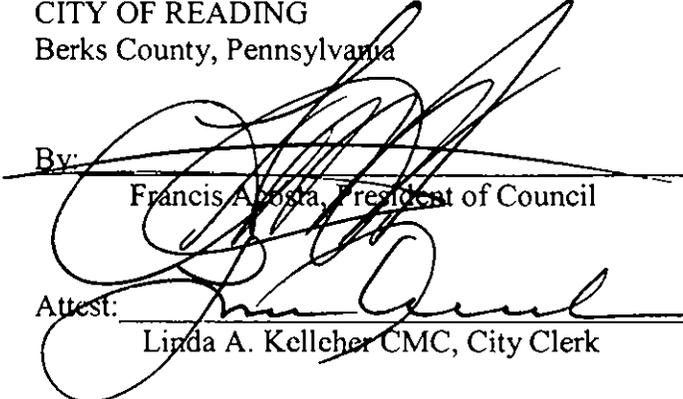
Section 8. The proper officers of the City are hereby authorized, empowered and directed on behalf of the City to execute any and all papers and documents to do and cause to be done any and all acts and things necessary or proper for the execution or carrying out of this Resolution, of the Funding Documents and in the Application and securing of the PENNVEST Funding.

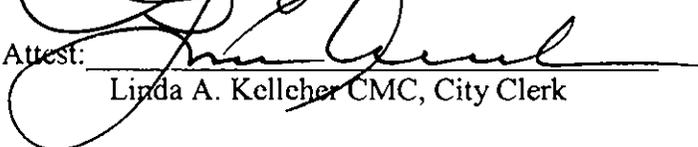
Section 9. All resolutions or parts of resolutions inconsistent herewith shall be, and the same are, hereby rescinded, cancelled and annulled.

DULY ADOPTED, THIS 11TH DAY OF JUNE, 2012, BY THE COUNCIL OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, IN LAWFUL REGULAR SESSION DULY ASSEMBLED.

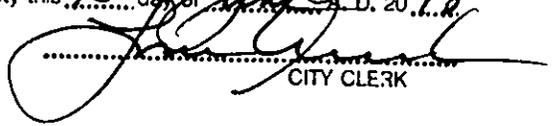
CITY OF READING
Berks County, Pennsylvania

(SEAL)

By: 
Francis Abogta, President of Council

Attest: 
Linda A. Kelleher CMC, City Clerk

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Resolution passed by the Council of the City of Reading, on the 11 day of June A. D. 20 12. Witness my hand and seal of the said City this 10 day of June A. D. 20 12.


CITY CLERK