

1. RESOLUTION FOR REIMBURSEMENT FOR PROJECT COSTS

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS FOLLOWS:

That the City of Reading intends to use funds from the Sewer Enterprise Fund to finance on an interim basis, the costs of the City of Reading Fritz Island Wastewater Treatment Plant Liquid Treatment Facilities Upgrade Project, which costs are reasonably expected to be reimbursed with the proceeds of debt to be incurred by the City of Reading, up to a maximum principal amount of Eighty four Million, Five hundred and eighty six thousand and thirty four dollars (\$84,586,034.00). This Resolution is a declaration of official intent adopted pursuant to the requirements of Treasury Regulation Section 1.150.2.

2. RESOLUTION FOR PENNVEST APPLICATION

Resolved, that the city of Reading shall be, and the same hereby are authorized to submit a Financial Assistance Application to the Pennsylvania Infrastructure Investment Authority (PENNVEST) for the incurrence of debt in the amount of Eighty four Million, Five hundred and eighty six thousand and thirty four dollars (\$84,586,034.00), for the purpose of financing/partially financing the improvements to the City of Reading Fritz Island Wastewater Treatment Plant.

1. Adoption of Resolution. The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: [Handwritten Signature]
President of Council

Printed Name & Title: FRANCIS ACOSTA COUNCIL PRESIDENT
(Printed Name and Title of individual who signed directly above)

Attested By: [Handwritten Signature]
City Clerk

Printed Name & Title: LINDA KELLEHER CITY CLERK
(Printed Name of individual who signed directly above)

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 17 day of July, A. D. 20 15. Witness my hand and seal of the said City this 18 day of July, A. D. 20 15.
[Handwritten Signature]
CITY CLERK



CITY OF READING, PENNSYLVANIA

PUBLIC WORKS
503 N. 6TH STREET
READING, PA 19601
(610) 655-6236

RALPH E. JOHNSON
PUBLIC WORKS DIRECTOR

LETTER OF RESPONSIBILITY

Pennsylvania Infrastructure Investment Authority
22 South Third Street
Harrisburg, Pennsylvania 17101

RE: Application for Financial Assistance ("Application") in the amount of \$ 84,586,034 from the Pennsylvania Infrastructure Investment Authority ("Authority") to City of Reading for the establishment of improvement for collection and treatment of sewage system Reading City, Berks County, Commonwealth of Pennsylvania ("Project").

Executive Director:

In connection with the above captioned loan application, please be advised that Applicant certifies the following:

- A. That the filing of this application and subsequent incurring of debt in the amount of \$84,586,034, Was duly authorized in a resolution (copy attached) approved by its City Council that the resolution is in the same or similar form and contains all the material elements that need to be provided to the Applicant by the Authority.
- B. That the statements and representations made in the foregoing application and all exhibits and documents submitted in connection therewith are true and correct to the best information and belief of the Applicant, and that they are submitted by the Applicant to form the basis of the application.
- C. The Project, when completed, will work to improve the overall collection and treatment of sewage in the Commonwealth of Pennsylvania.
- D. With respect to the establishment of the Project, construction and/or acquisitions of any portion of the Project has not commenced and will not commence prior to the approval of the application by the Authority except as may be approved by the Authority as documented in a Letter of No Prejudice.
- E. Except as stated in the attached addendum, Applicant has not been cited by any governmental agency for causing pollution in the Commonwealth since January 1, 2007, and the project has been designed so as not to cause pollution in violation of existing standards.
- F. Applicant does not have any outstanding loans from the Water Facilities Loan board or the Authority that are delinquent
- G. There are no encumbrances, pledges, or liens against the revenues generated or to be generated from the operation of the Project.
- H. Applicant will take the necessary actions, pursuant to all applicable laws and regulations, to execute all documents required by the Authority if financial assistance is approved by the Authority and accepted by the Applicant.

I. Applicant will, should the Loan be offered by the Authority and accepted by the Applicant, execute a General Obligation or Guaranteed Revenue Note. It should be noted that the likely costs to construct the improvements to the Applicant's Waste Water Treatment Plant required under a Consent Decree (Civil Docket No. 04-05696 (E.D. Pa)(JKG), filed with the Court on November 7, 2005) will likely exceed \$100 million. A substantial portion of those costs will be financed through sewer revenue debt. Any requirement from the Authority to impose a lien on sewer revenues to secure repayment of the Authority financing for this Project will have to be compatible with the understanding of the needs of the entire Project to be financed in the future.

J. Applicant will execute all documents required by the Authority to consummate the Loan in conformity with the procedures prescribed by law.

K. Municipality in which the Project is located is City of Reading.

L. Applicant has retained a public accountant who has prepared a financial statement of the current and projected financial status of the applicant of which both the form and content is acceptable to the Authority.

M. Applicant can repay the Loan from existing and reasonably anticipated sewer revenues.

N. Applicant has retained counsel to represent it in connection with the application and to prepare or assist applicant in preparing any and all documents required by the Authority who has been engaged to render an opinion to the Authority regarding the ability of the applicant to enter into the loan agreements and related documents required for the loan from the Authority.

O. Applicant will, in every project undertaken with the use of proceeds from this or other loans from the Authority, comply with the Steel Products Procurement Act, Act of March 3, 1978 (P.L. 6, No. 3) 73 P.S. Section 1881 et. Seq.

P. Applicant shall not discriminate against any employee or against any applicant for employment because of race, religion, color, national origin sex or age. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship.

Q. The Applicant certifies 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.

R. The Authority has the right to require the Applicant to terminate any contract with a contractor that becomes suspended or debarred by the Commonwealth or the Federal Government during the construction period of the project.

S. The Applicant agrees that it shall be responsible for necessary and reasonable costs and expenses incurred by the Office of Inspector General relating to an investigation of the Applicants/Contractor's compliance, which results in the suspension or debarment of the Applicant/Contractor.

T. The Applicant 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.

U. The Applicant shall provide evidence that it has complied with all conditions of the Water Pollution Control Act, the Water Quality Act of 1987, 40 CFR Part 32, Drug-Free Workplace Requirements and other related federal and state acts, as applicable.

The foregoing certification is based on facts obtained through a diligent investigation of all pertinent matters and information attendant to the project.

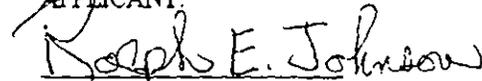
ATTEST:



City Clerk

(SEAL)

APPLICANT:



Director of Public Works

Date: 02/18/15