

ORDINANCE

NO. 102

AN ORDINANCE AMENDING ORDINANCE NO. 100 AMENDING AND CORRECTING THE NAME OF THE BANK; ESTABLISHING THE NOTE AS A QUALIFIED TAX EXEMPT BOND; PROVIDING FOR DEPOSIT OF PAYMENTS INTO A SINKING FUND AND AMENDING REFERENCES TO THE LOCAL UNIT GOVERNMENT DEBT ACT. ALL OTHER TERMS AND CONDITIONS OF ORDINANCE 100 SHALL REMAIN IN EFFECT.

WHEREAS, it is necessary that the indebtedness of Westfall Township, Pike County, Pennsylvania, be increased for the following purposes: Purchase of equipment for use in connection with repair and maintenance of roads within Westfall Township; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of \$85,000.00 will be needed for the purchase thereof; and

WHEREAS, the proposed increase of debt, together with its non-electoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Township of Westfall, Pike County, Pennsylvania, and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1. The short title of this Ordinance shall be "The 2000 Highway Equipment Borrowing Ordinance."

SECTION 2. The aggregate principal amount of the Note of the Township of Westfall, County of Pike, Pennsylvania, proposed to be issued is \$85,000.00, the same to be issued for the foregoing purposes and to be incurred as non-electoral debt.

SECTION 3. The period of useful life of the equipment for which this obligation is to be issued is estimated to be in excess of five (5) years.

SECTION 4. Said indebtedness shall be evidenced by one general obligation Note, in full registered form, in a sum not to exceed \$85,000.00, dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 19th day of December, 1996, being Act 177 of 1996 Session, at the rate of interest of 4.85% per annum, payable on the unpaid balance of said Note on a monthly basis during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 4.85% per annum (computed on the basis of 365 days to the year) until paid, which Note shall be payable in sixty (60) equal installments of principal and interest not to exceed \$1,598.22 per month. This Note shall be a qualified tax exempt bond as that term is defined in Section 265 of the U.S. Internal Revenue Code.

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at anytime prior to the respective payment dates thereof, without notice or penalty.

The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 5. The said Note is hereby declared to be a general obligation of the Township of Westfall. The municipality hereby covenants that the municipality shall include the amount of the debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Township of Westfall is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 4.85% are more fully set forth on a five (5) year amortization schedule attached hereto and made part of this ordinance as Exhibit "A".

SECTION 6. The form of the said Note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
County of Pike
Westfall Township

GENERAL OBLIGATION NOTE

\$85,000.00

DATED:

KNOW ALL MEN BY THESE PRESENTS, that the Township of Westfall, County of Pike, Commonwealth of Pennsylvania, a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser, or registered assigns, a sum not to exceed \$85,000.00 as follows: Interest at the rate of 4.5% per annum on the unpaid balances of principal until paid, together with interest on overdue principal, at the rate of 4.85% per annum (computed on the basis of 365 days to the year) until paid, principal and interest shall be payable in 60 installments of principal and interest not to exceed \$1,598.22 per month, with the final payment of interest and principal being due within five (5) years after the execution date of this Note, with the option in the local government unit to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the office of Pennstar Bank, N.A., 214 West Harford Street, Milford, Pennsylvania. Payments shall be payable to Pennstar Bank, N.A. by depositing payments of principal and interest into the sinking fund established by the Township of Westfall with Pennstar Bank.

It is hereby recited that this Note is authorized to be issued in accordance with the act of the General Assembly of the Commonwealth of Pennsylvania approved the 19th day of December, 1996, being Act 177 of the 1996 Session.

It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent to and in the issuance of this Note or in the creation of the debt of which is evidence, have been done, happened, and been performed in regular and due form and manner as required by law; and that this Note, together with all other indebtedness of the said local government unit is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note the entire faith, credit, and taxing power of said local government unit are hereby irrevocably pledged.

It is hereby further certified that the said local government unit has effectively covenanted to include the amount of the debt service on this Note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to be paid the principal and interest thereon at the date and places and in the manner stated herein, according to the true intent and meaning thereof.

IN WITNESS WHEREOF, the Township of Westfall has caused this Note to be properly executed by the proper officers of the local government unit and its corporate seal to be hereto affixed by the Secretary of the Township of Westfall on the ____ day of _____ of 2001.

TOWNSHIP OF WESTFALL

BY _____
Chairman

ATTEST:

Secretary

BY _____
Supervisor

(SEAL)

BY _____
Supervisor

BY _____
Supervisor

BY _____
Supervisor

SECTION 7. The said Note shall be executed in the name and under the corporate seal of the local government unit by any three members of the Board of Supervisors, one of whom shall be either the Chairman or the Vice-Chairman, and attested to by the Township Secretary or Assistant Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefore on behalf of the local government unit. The Chairman and Secretary or Assistant Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of Act 177 of 1996, and to take other necessary action including, if necessary or desirable, any statement required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 8. Pennstar Bank, N.A. is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2000 Highway Equipment General Obligations Note", for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government until withdraw available monies in the Sinking fund and apply said monies to payment of the principal of and interest on the obligation.

SECTION 9. The Secretary or Assistant Secretary and Treasurer are hereby authorized to contract with Pennstar Bank, N.A. for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 10. In compliance with Section 8161 of Act 177 of 1996, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best interest of the local government unit. Therefore, the General Obligation Note in the amount

of \$85,000.00, herein authorized to be issued and sold is hereby awarded and sold to Pennstar Bank, N.A. in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the date of delivery thereof to Pennstar Bank, N.A. and is in the form set forth in Section 5 of this Ordinance; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act.

SECTION 11. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the News Eagle, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 12. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 24th day of JANUARY, 2001.

WESTFALL TOWNSHIP

BY: *Richard A. Magg*
Chairman

BY: *James Kwie*
Supervisor

BY: *Kenneth L. Thiele*
Supervisor

BY: _____
Supervisor

BY: _____
Supervisor

ATTEST:

[Signature]

Secretary

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