

ORDINANCE NO. 121

AN ORDINANCE INCREASING THE INDEBTEDNESS OF WESTFALL TOWNSHIP, PIKE COUNTY, PENNSYLVANIA BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$130,000.00 FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of Westfall Township, Pike County, Pennsylvania be increased for the following purpose: repair, maintenance and improvement of a certain Township road known as Cummins Hill Road; and

WHEREAS, the Township Board of Supervisors has received a preliminary realistic cost estimate from a professional consultant indicating the sum of \$131,271 will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its nonelectoral 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 Westfall Township, Pike County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. That the aggregate principal amount of the Note of the Westfall Township, Pike County, Pennsylvania proposed to be issued is \$130,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$130,000.00 dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as provided by law, at the rate of 3.65 % per annum (compounded on the basis of 365 days to the year), payable on the unpaid balance of said Note within sixty (60) months of the issuance of the Note, together with interest on overdue principal and other charges as set forth therein.

The Township of Westfall reserves the right to prepay any or all installments of principal or any payment of interest at any time 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 3. The said Note is hereby declared to be a general obligation of Westfall Township, Pike County, Pennsylvania. The Township hereby covenants that it shall include the amount of the debt service on the Note for each fiscal year in which the 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 Westfall Township is hereby irrevocably pledged.

SECTION 4. The said Note shall be executed in the name and under the corporate seal of Westfall Township by the appropriate Township officials and attested to by the Secretary. The Township is hereby authorized and directed to deliver said Note to the purchaser, and receive payment thereof. The Township is hereby authorized and directed to prepare, verify and file the debt statement as required by law to qualify any portion of the debt from the appropriate debt limit as self liquidating or subsidized debt.

SECTION 5. Pennstar Bank 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 2004 General Obligation 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 shall become due and payable. The Township shall thereafter pay at least sufficient amounts of principal and interest toward the outstanding obligation as the same becomes due.

SECTION 6. In compliance with applicable law, the Township has determined that a private sale by negotiation rather than public sale is in the best financial interest of the Township. Therefore, the general obligation Note in the amount of \$130,000.00 herein authorized to be issued and sold is awarded to Pennstar Bank in accordance with its proposal to purchase said Note at par.

SECTION 7. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 1st day of November,
2004.

WESTFALL TOWNSHIP

By: *Kenneth A. Skule*

By: *James Keri*

By: *James Ford*

By: *Lester Buchner*

By: *Keith F. [unclear]*

ATTEST:

Lisa C. [unclear]

Secretary