

PENN TOWNSHIP
York County, Pennsylvania
Ordinance No. 667

AN ORDINANCE OF PENN TOWNSHIP, YORK COUNTY, PENNSYLVANIA, APPROVING AN AGREEMENT OF GUARANTY, GUARANTEEING THE PENN TOWNSHIP VOLUNTEER EMERGENCY SERVICES, INC. TERM NOTE, SERIES OF 2007; DIRECTING EXECUTION, ACKNOWLEDGMENT AND DELIVERY OF SAID AGREEMENT ON BEHALF OF THE TOWNSHIP; APPROVING AND AUTHORIZING CERTAIN APPLICATIONS TO THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; APPROVING AND AUTHORIZING A WRITTEN AGREEMENT WITH PENN TOWNSHIP VOLUNTEER EMERGENCY SERVICES, INC. REQUIRING THE FURNISHING OF FIRE SERVICES; AND DIRECTING OTHER NECESSARY AND PROPER ACTION TO EFFECTUATE THE PURPOSES HEREOF.

WHEREAS, Penn Township Volunteer Emergency Services, Inc. "PTVES") is a Pennsylvania not for profit corporation incorporated for the purpose of providing volunteer fire and emergency services to Penn Township, York County, Pennsylvania ("Township") and surrounding municipalities; and

WHEREAS, PTVES desires to plan, design and construct additions, improvements and renovations to its buildings and facilitates (the "Project"); and

WHEREAS, PTVES has authorized the issuance of a term Note, in an aggregate principal amount not to exceed \$3,500,000, to be designated as the Penn Township Volunteer Emergency Service Term Note, Series of 2007 (the "Note"); and

WHEREAS, the proceeds from the sale and issuance of the Note are to be used for and toward payment of all costs and expenses of (1) the Project; and (2) the issuance of the Note; and

WHEREAS, as security for the Note, the Township shall guaranty the full and prompt payment and the principal of and interest on the Note when due, pursuant to the terms of the

Guaranty Agreement “Guaranty Agreement”), among the Township as Guarantor, Manufacturer’s and Traders Trust Company (the “Bank”).

NOW, THEREFORE, it is hereby enacted and ordained by the Board of Commissioners of Penn Township, York County, Pennsylvania, as follows:

SECTION 1: The Township, as Guarantor, shall enter into an Agreement of Guaranty in favor of the Bank to be dated on or about October 15, 2007 (the “Guaranty Agreement”).

Guaranty shall be substantially in the form presented to the meeting and shall include covenants that the Township shall include in its budget for each fiscal year the amounts payable in respect of the Guaranty for each such year which such sums are reasonably expected to be payable by the Guarantor under the Guaranty, shall amend its budget to so provide if such sums are not reflected in its original budget, shall appropriate such amounts to the payment obligations under the Guaranty, and shall duly and punctually pay or cause to be paid such amount at the date and place and the manner stated in the Guaranty according to its true intent and meaning of the Guaranty, and for such budgeting, appropriation and payment, to the extent of the Guaranty, the Township will pledge its full faith, credit and taxing power. Such covenant shall be specifically enforceable.

SECTION 2: The Township hereby approves the application to the Pennsylvania Department of Community and Economic Development (the “Department”) in compliance with the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S.A. §8001, et seq. (the “Act”) for approval of the execution and delivery of the Guaranty by the Township. The authority provided for herein shall include the filing of any and all documents, certifications and applications

necessary to exclude sufficient self-liquidating or subsidized debt from non-electoral debt in accordance with the Act.

SECTION 3: The President or the Vice President of the Board of Commissioners and Secretary or Assistant Secretary of this Township are authorized and directed, on behalf of the Township, to (a) execute, attest, acknowledge and deliver the Guaranty and (b) certify, execute, attest, deliver to and file with the Department its Application, including, without limitation, a Borrowing Base Certificate, Debt Statement and all other documents, records and certificates in accordance with the Act.

SECTION 4: The Township hereby approves the Project for a total and estimated cost of \$3,500,000.

SECTION 5: The Township finds the life of the capital project undertaken herein to be at least twenty (20) years and at least the term of the Note. Realistic construction estimates for the Project have been obtained from professional engineers.

SECTION 6: The Board of Commissioners of Penn Township hereby approves the issuance of the obligation of PTVES in the principal amount not to exceed \$3,500,000 upon such rate of interest and other terms as set forth in a Commitment Letter of the Bank dated September 6, 2007, as a tax exempt obligation.

SECTION 7: The proper officers of the Township are hereby authorized and directed to take all other action and execute any additional documents or opinions as required by the Internal Revenue Code or other rule or regulation in order to designate the above referenced obligation as tax exempt.

SECTION 8: The Township hereby irrevocably allocates to PTVES, a rebate exemption inuring to the Township under the Code, to the extent of \$5,000,000 for the 2007 calendar year. The Township hereby declares such allocation bears a reasonable relationship to the benefits received by this Township from PTVES, in connection with the Project.

SECTION 9: The proper officers of the Township are directed to make, execute and deliver all documents, instruments and writings and to do all other acts as may be necessary and proper to carry out the purposes, terms and conditions of this Ordinance and all of the undertakings of the Township under the Guaranty.

SECTION 10: The proper officers of the Township are directed to make, execute and deliver all documents, instruments and writings and to do all other acts as may be necessary and proper to qualify PTVES as a “qualified volunteer fire department” as defined in Section 150(e)(2) of the Internal Revenue Code of 1986, including but not limited to a written agreement providing for the furnishing of firefighting services within the Township.

SECTION 11: If any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect nor impair any remaining provision, section, sentence, clause or part of this Ordinance.

SECTION 12: It is declared that enactment of this Ordinance is necessary for the protection, benefit and preservation of the health, safety and welfare of inhabitants of the Township.

SECTION 13: All other Ordinances or parts thereof inconsistent herewith shall be and the same hereby are expressly repealed.

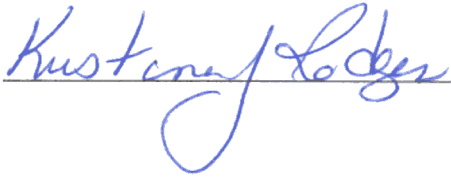
SECTION 14: The debt authorized hereby shall be Lease Rental Debt within the meaning of Subchapter B of Subchapter 80 of the Act.

SECTION 15: This Ordinance shall become effective in accordance with law.

ENACTED AND ORDAINED this 17th day of September 2007.

ATTEST:

PENN TOWNSHIP



BY 

President, Board of Commissioners

(SEAL)