

PENN TOWNSHIP
York County, Pennsylvania

ORDINANCE NO. 686

AN ORDINANCE OF PENN TOWNSHIP AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT BY THE ISSUANCE OF THE PENN TOWNSHIP VOLUNTEER EMERGENCY SERVICES, INC. GENERAL OBLIGATION NOTE, SERIES OF 2008, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,800,000 FOR THE PURPOSE OF PROVIDING FUNDS FOR THE PLANNING, DESIGN, RENOVATION IMPROVEMENT OF PENN TOWNSHIP VOLUNTEER EMERGENCY SERVICES, FACILITIES, AND TO PAY ALL COSTS AND EXPENSES OF ISSUANCE OF THE NOTE FIXING THE TERM, NUMBER, DATE, AMOUNT AND MATURITY THEREOF; PROVIDING FOR THE SALE THEREOF AT A PRIVATE SALE; PROVIDING FOR THE PAYMENT OF DEBT SERVICE THEREON; MAKING DETERMINATION OF THE USEFUL LIFE OF THE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AGREEMENTS; AND AUTHORIZING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTE

WHEREAS, the Township of Penn, York County, Pennsylvania (the "Local Government Unit") is a township of the first class of the Commonwealth of Pennsylvania (the "Commonwealth"), governed by its Board of Commissioners (the "Governing Body") and is granted the power by the Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the "Act") to incur indebtedness by the issuance of general obligation notes; and

WHEREAS, the Governing Body on January 21, 2008 adopted Ordinance No. 681 (the “Ordinance”) approving an agreement of guaranty, guaranteeing the Penn Township Volunteer Emergency Services, Inc. (“PTVES”) Note, Series of 2008 (the “Note”); and

WHEREAS, the Ordinance authorized and declared the Note to be Lease Rental Debt within the meaning of the Act; and

WHEREAS, the Governing Body of this Local Government Unit does hereby desire to amend the Ordinance hereafter declaring the Note to be a general obligation note of the Local Government Unit and treating the Local Government Unit as a co-signor of the Note; and

WHEREAS, the Governing Body of this Local Government Unit does authorize and direct the issuance of a general obligation note of this Local Government Unit, pursuant to this Ordinance in the maximum aggregate principal amount of One Million Eight Hundred Thousand Dollars (\$1,800,000), in accordance with the Act, to provide funds for and towards the Project, as defined below; and

WHEREAS, PTVES and the Local Government Unit have determined to undertake and to finance and provide funds, with proceeds of sale of the Note, capital “projects”, as such term is defined in the Act, consisting of (a) the planning, design and construction of additions, improvement and renovations to PTVES buildings and facilities, and (b) payment of related costs, fees and expenses of the foregoing and of the financing (collectively all of the foregoing being referred to as the “Projects”); and

WHEREAS, this Local Government Unit has received a proposal for the purchase of the Note from Manufacturers and Traders Trust Company (the “Bank”) and desires to authorize the issuance of the Note and to accept the proposal for the purchase of the Note; and

WHEREAS, notice of the following Ordinance has been duly advertised in accordance with Section 8003 of the Act;

NOW, THEREFORE, BE AND IT HEREBY IS, Resolved that:

The Governing Body of this Local Government Unit does authorize and shall incur indebtedness pursuant to the Act, in the aggregate principal amount of \$1,800,000 by the issuance of the Note for the purposes above recited, which recital of purposes is fully incorporated herein. The indebtedness authorized by this Ordinance is nonelectoral debt and the Note when issued will be a general obligation note of this Local Government Unit.

2. The Governing Body of this Local Government Unit expresses its finding that it is in the best financial interests of this Local Government Unit to sell the Note at private sale by negotiation and determines that the debt, of which the Note shall be evidenced, to be incurred pursuant to this Ordinance shall be non-electoral debt of this Local Government Unit.

3. A brief description of the Projects for which debt, of which the Note shall be evidence, is to be incurred is set forth in the Preamble hereof; the estimated useful life of the Projects is at least twenty (20) years.

4. The President and/or Vice President of the Local Government Unit and the Secretary, respectively, of this Local Government Unit, which shall include their duly qualified successors in office, if applicable, are authorized and directed to prepare and to file the necessary amendment to the application with the Department Of Community and Economic Development (the "Department") together with an accurate transcript of the proceedings relating to the incurring of debt of which debt the Note, upon issue, will be evidence, as required by the Act and to take other required necessary and/or appropriate action.

5. This Local Government Unit hereby covenants with the holder from time to time of the Note outstanding pursuant to this Ordinance and in accordance with the Agreement of Guaranty that this Local Government Unit (i) shall include the amount of the debt service for each fiscal year in which such sums are payable in its budget for that year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund the principal of and interest on the Note at the dates and places and in the manner stated in the Note, and for such budgeting, appropriation and payment in respect of the Note, this Local Government Unit hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

6. This Local Government Unit accepts the proposal for the purchase of the Note from the Bank at par with a maximum purchase price of \$1,800,000 for the Note, in accordance with the purchase commitment of the Bank, for the purchase of the Note together with such written amendments or modifications thereof which are made from time to time (together such instruments are herein referred to as the "Commitment") at negotiated sale, at a dollar price of \$1,800,000 (100% of principal amount) the Bank having submitted such bid or proposal in accordance with the provisions of the Act.

7. The Note, when issued, will be under the Act a general obligation note of this Local Government Unit.

8. The Note shall be registered in form, shall be numbered, shall bear the rates of interest and shall be in the denominations as is set forth in Section 9, shall be dated as of the date of delivery thereof to the Bank, and shall bear interest from the date of delivery thereof to the Bank, at the rate specified in Section 9, payable as to interest as provided in the Commitment,

and will be payable as to principal as provided in the Commitment, or until any earlier date upon which the principal amount of the Note is paid in full or, in the event that the Note duly shall have been called for previous redemption, in full, and payment of the redemption price thereof shall have been called for previous redemption, in full, and payment of the redemption price thereof shall have been made or provided for, until the date fixed for redemption. The principal of the Note shall be payable, in full, upon maturity on a date which shall be specified in the Note, pursuant to the Commitment.

9. The Note shall be numbered, shall bear the rates of interest, shall be of the series, shall be of the denominations, shall mature on the date and shall require payments of interest on the outstanding principal balance of the Note, from time to time, on the dates and as set forth in Exhibit "A", which is attached hereto and made a part hereof or as set forth in the Commitment, as applicable.

10. The principal of and interest on the Note shall be payable at the principal office or at any branch office of the Bank, as paying agent, in lawful money of the United States of America.

11. The form of the Note shall be substantially as set forth in Exhibit "B" attached hereto and made part hereof, with appropriate insertions, omissions and variations.

12. This Local Government Unit hereby covenants to establish a Sinking Fund for the payment of the Note hereby authorized, in accordance with the Act. The Sinking Fund shall be known as the "Sinking Fund, the Penn Township General Obligation Note, Series of 2008."

13. Manufacturers and Traders Trust Company, York, Pennsylvania, is hereby designated as the paying agent, Register and sinking fund depositary (the "Paying Agent") for

the Note and the proper officers of this Local Government Unit are hereby authorized and directed to contract with said bank for such services.

14. The Note has been sold, as set forth in this Ordinance, at negotiated sale, as permitted by the Act.

15. This Local Government covenants to make payments out of the Sinking Fund created pursuant to paragraph 12 or out of any other of its revenues or funds, at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of the Note when due.

16. The President, Vice President or Secretary of the Local Government Unit is hereby authorized and directed to take all necessary or desirable action to effect the sale and delivery of the Note.

17. The Secretary of this Local Government Unit is authorized and directed to permit the delivery of the Note, after execution and attestation thereof, to the Bank, at the times described and as provided in the Commitment, but only upon receipt of proper payment of the balance due therefor, if any, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

18. The proper officers of this Local Government Unit are hereby authorized and directed to take all other action and enter into any additional agreements required by the Act or this Ordinance in connection with the issuance of the Note.

19. All ordinances or parts of ordinances insofar as they conflict with this Ordinance are hereby repealed.

20. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect.

ADOPTED this 4th day of March, 2008

Attest:

TOWNSHIP OF PENN

BY Kustone Eden
Secretary

BY [Signature]
President