

TOWNSHIP OF BERWICK

Adams County, Pennsylvania

ORDINANCE NO. 25

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF BERWICK, ADAMS COUNTY, PENNSYLVANIA, AUTHORIZING AND DIRECTING ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 1993 OF THIS TOWNSHIP, IN THE PRINCIPAL AMOUNT OF \$450,000, PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, ACT NO. 52 OF 1978, APPROVED APRIL 28, 1978, AS AMENDED AND SUPPLEMENTED; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THIS TOWNSHIP; DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING A REASONABLE ESTIMATE OF THE USEFUL LIFE OF SUCH PROJECT; ACCEPTING A BID FOR PURCHASE OF SAID NOTE, AT PRIVATE SALE, AND AWARDED SUCH NOTE AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL BE A GENERAL OBLIGATION NOTE OF THIS TOWNSHIP; FIXING THE SUBSTANTIAL FORM, MATURITY DATE, INTEREST RATE, INTEREST PAYMENT DATES, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST AND TAX FREE PROVISIONS OF SUCH NOTE; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE, AS REQUIRED BY SUCH ACT; APPOINTING A SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SUCH NOTE WHEN DUE; AUTHORIZING AND DIRECTING APPROPRIATE AND SPECIFIED OFFICERS OF THIS TOWNSHIP TO PREPARE, EXECUTE, VERIFY AND FILE, AS APPROPRIATE, THE DEBT STATEMENT, THE BORROWING BASE CERTIFICATE TO BE APPENDED TO THE DEBT STATEMENT AND OTHER APPROPRIATE DOCUMENTS

REQUIRED BY SUCH ACT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP TO DO AND PERFORM CERTAIN SPECIFIED REQUIRED OR APPROPRIATE ACTS AND THINGS; SETTING FORTH THAT SUCH NOTE HAS BEEN SOLD AT PRIVATE SALE; DECLARING THAT THE DEBT TO BE INCURRED, TOGETHER WITH OTHER INDEBTEDNESS OF THIS TOWNSHIP, IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF DEBT BY THIS TOWNSHIP; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF SUCH NOTE; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, The Township of Berwick, Adams County, Pennsylvania (the "Township"), is a municipality existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth") and is a Local Government Unit, as defined in the Local Government Unit Debt Act, Act No. 52 of 1978, approved April 28, 1978, as amended and supplemented, of the Commonwealth (the "Act"); and

WHEREAS, The Board of Supervisors of this Township heretofore determined that it would be in the best interest of the citizens of this Township to construct a complete sanitary sewage collection and treatment system for rendering sanitary sewer service for portions of this Township (the "Project"); and

WHEREAS, The Board of Supervisors of this Township has obtained realistic cost estimates of the Project through professional estimates from consulting engineers and other persons qualified by experience; and

WHEREAS, The Board of Supervisors of this Township has determined to finance initial costs and expenses of the Project, to the extent required, by the issuance of a general obligation note, to be sold at private sale pursuant to the Act; and

WHEREAS, Bank of Hanover and Trust Company (the "Bank") has submitted a proposal with respect to purchase of such general obligation note; and

WHEREAS, The Board of Supervisors of this Township desires to accept the proposal of the Bank to purchase the Note and to incur nonelectoral debt, in the aggregate principal amount of \$450,000, in connection with the Project, pursuant to provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of this Township, as follows:

Section 1. The Board of Supervisors of this Township does authorize and direct the issuance of a general obligation note of this Township, pursuant to this Ordinance, in the principal amount of \$450,000, to be designated generally as "General Obligation Note, Series of 1993" (the "Note"), in accordance with the Act, to provide funds for and toward costs and expenses of the Project, which Note the Board of Supervisors of this Township has determined shall be sold at private sale.

The Board of Supervisors of this Township hereby determines that private sale of the Note is in the best financial interest of this Township.

Section 2. The Board of Supervisors of this Township determines that the debt, of which the Note shall be evidence, to be incurred pursuant to this Ordinance, shall be nonelectoral debt of this Township.

Section 3. A brief description of the Project, for which debt, of which the Note shall be evidence, is to be incurred, hereinbefore is set forth. A realistic estimated useful life of the Project is specified to be 40 years.

Section 4. The Board of Supervisors of this Township accepts the proposal of the Bank to purchase the Note; and the Note is awarded to the Bank, in accordance with terms and conditions of its proposal, at a dollar price of \$450,000 (100% of principal amount), the Bank having submitted such proposal in accordance with provisions of the Act.

Section 5. The Note, when issued, will be a general obligation note of this Township.

Section 6. The Note shall be fully registrable as to principal and interest, shall be in the principal amount of \$450,000, shall be dated as of the date of issuance and delivery thereof by this Township, and shall bear interest on the unpaid principal balance from the date of issuance and delivery thereof, at the rate of 5.70% per annum, such interest to be payable monthly, beginning in the first month following the month in which the first advance of principal of the Note is made by the Bank, on the calendar day of each such month that is the same as the calendar day of issuance and delivery of the Note by this Township, until prepayment of the outstanding principal amount thereof or until maturity.

Section 7. Payment of the outstanding principal balance of the Note shall be due 2 years from the date of issuance and delivery of the Note by this Township.

Section 8. The principal of the Note is subject to prepayment prior to maturity, at the option of this Township, as a whole or in part, on any date, without prior notice to the Bank.

Section 9. The principal of and interest on the Note shall be payable as provided in the form of Note hereinafter set forth.

Section 10. The form of Note, including the Record of Advances, shall be substantially as follows, with appropriate insertions, omissions and variations: