

TOWNSHIP OF RUSH
Schuylkill County, Pennsylvania

RESOLUTION NO. 2000- 5

A RESOLUTION OF THE TOWNSHIP OF RUSH AUTHORIZING AND DIRECTING ISSUANCE OF A GENERAL OBLIGATION NOTE OF THIS TOWNSHIP, TO BE DESIGNATED GENERAL OBLIGATION NOTE, SERIES A OF 2000, TO BE DATED AS OF THE DATE OF DELIVERY, IN THE PRINCIPAL AMOUNT OF NINETY-FIVE THOUSAND DOLLARS (\$95,000.00), PURSUANT TO, INTER ALIA, SECTION 409, THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, AS AMENDED, THE PROCEEDS OF WHICH ARE TO BE USED FOR AND TOWARD A CAPITAL ASSET ACQUISITION OF (1) PURCHASING A NEW 2000 HEAVY-DUTY, SINGLE AXLE, INTERNATIONAL DUMP TRUCK; AND (2) PAYING THE COSTS, FEES, AND EXPENSES WITH RESPECT TO THE FOREGOING PURPOSES AND TO THE FINANCING; SETTING FORTH THE FINDING THAT IT IS IN THE BEST FINANCIAL INTERESTS OF THIS TOWNSHIP TO SELL SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; DETERMINING THAT THE DEBT TO BE INCURRED SHALL BE NON-ELECTORAL DEBT OF THIS TOWNSHIP; ACCEPTING A CERTAIN BID OR PROPOSAL FOR PURCHASE OF SUCH NOTE, AT SUCH 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; SETTING FORTH THAT THE PRINCIPAL ON SUCH NOTE SHALL BE PAYABLE UPON MATURITY; FIXING THE SUBSTANTIAL FORM, DENOMINATION, NUMBER, DATE, MATURITY DATE, INTEREST RATE, PRINCIPAL, AND INTEREST PAYMENT DATES, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, AND REDEMPTION PROVISIONS OF SUCH NOTE; AUTHORIZING EXECUTION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE AS REQUIRED BY SUCH ACT AND PLEDGING A FIRST LIEN ON THE DUMP TRUCK IN FAVOR OF THE BANK IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE AS REQUIRED BY SUCH ACT; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITARY FOR SUCH NOTE; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SUCH NOTE WHEN DUE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP, IF APPLICABLE: (A) TO PREPARE AND VERIFY THE DEBT STATEMENT REQUIRED BY SECTION 410 OF SUCH ACT; AND (B) TO DO, TO TAKE, AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY, OR APPROPRIATE ACTS AND THINGS; SETTING FORTH

THAT SUCH NOTE HAS BEEN SOLD AT SUCH PRIVATE SALE BY NEGOTIATION; DECLARING THE DEBT TO BE INCURRED, TOGETHER WITH OTHER INDEBTEDNESS OF THIS TOWNSHIP, NOT TO BE IN EXCESS OF ANY APPLICABLE 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; SETTING FORTH CERTAIN COVENANTS RELATING TO THE CONTINUING TAX-EXEMPT STATUS OF INTEREST ON SUCH NOTE UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; DESIGNATING SUCH NOTE AS A QUALIFIED TAX-EXEMPT OBLIGATION FOR PURPOSES OF SECTION 265 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS INsofar AS THE SAME SHALL BE INCONSISTENT HERewith; AND PROVIDING WHEN THIS RESOLUTION SHALL BECOME EFFECTIVE.

WHEREAS, the Board of Supervisors of the Township of Rush, Schuylkill County, Pennsylvania (the "Township"), in contemplation of sale and of issuance of a general obligation note, in the principal amount of Ninety-five Thousand Dollars (\$95,000.00), to provide funds for and toward the Project (hereinafter defined), heretofore determined that such general obligation note: (a) should be offered for sale at private sale by negotiation; and (b) should be offered for sale at a price of not less than 100% of principal amount, together with accrued interest from the date thereof to the date of delivery thereof, if any; and

WHEREAS, the Township has obtained realistic cost estimates through actual bids (or otherwise) and has determined that the costs of the Project (hereinafter defined), as such costs are defined in Section 107 of the Act of the General Assembly of the Commonwealth of Pennsylvania (the "Commonwealth"), Act No. 1972-185, as re-enacted, amended, and revised by Act No. 1978-52, as amended and supplemented, known as the Local Government Unit Debt Act (the "Act"), to be financed, will be at least Ninety-five Thousand Dollars (\$95,000.00); and

WHEREAS, a proper written and sealed private bid or proposal for purchase of such general obligation note has been requested from and has been received from Sovereign Bank (the "Bank"), 3 Terry Drive, Suite 102, Newtown, PA, 18940; and

WHEREAS, the Board of Supervisors of this Township duly has opened, read, and considered such bid or proposal; and

WHEREAS, the Board of Supervisors of this Township desires to accept such bid or proposal of the Bank, to award the Note (hereinafter defined) to the Bank, at private sale, and to incur non-electoral debt, in the amount of Ninety-five Thousand Dollars (\$95,000.00), in connection with the Project (hereinafter defined), pursuant to provisions of the Act.

NOW, THEREFORE, BE IT RESOLVED, 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 Resolution, in the principal amount of Ninety-five Thousand Dollars (\$95,000.00), to be designated generally as "General Obligation Note, Series A of 2000" (the "Note"), in accordance with the Act, including Section 409 of the Act, the proceeds of which are to be made available for and toward a capital project consisting of (1) purchasing a new 2000 Heavy-Duty, Single Axle, International Dump Truck with Plow and Spreader; and (2) paying the costs, fees, and expenses with respect to the foregoing purposes and to the financing (the "Project"); provided, however, that the purposes of the Project may be changed as provided in Section 403 of the Act.

Section 2. The Board of Supervisors of this Township expresses its finding that it is in the best financial interests of this Township to sell the Note at private sale and determines that the debt, of which the Note shall be evidence, to be incurred pursuant to this Resolution, shall be non-electoral debt of this Township.

Section 3. The Board of Supervisors of this Township shall and does accept the bid or proposal of the Bank for purchase of the Note; and the Note shall be and is awarded to the Bank, in accordance with terms and conditions of its bid or proposal, the original of which is on file with the Secretary of this Township, at private sale, at a dollar price of \$95,000.00 (100% of principal amount), together with accrued interest from the date thereof to the date of delivery thereof, if any, the Bank having submitted such bid or proposal in accordance with provisions of the Act.

Section 4. The Note, when issued, will be a general obligation note of this Township.

Section 5. The Note shall be registered in form, shall be numbered, shall bear the rate of interest, and shall be in the denomination, as is set forth in Section 6, shall be dated for convenience as of the date of delivery, but the Note shall bear interest on the outstanding principal balance thereof from the date of delivery thereof to the Bank, which date of delivery shall be endorsed thereon by the Treasurer or Assistant Treasurer of this Township, upon delivery of the Note, by completion of the Delivery Endorsement appearing thereon, at the rate specified in Section 6. The principal sum of Ninety-five Thousand Dollars (\$95,000.00) and interest shall be payable in twenty (20) quarterly payments, beginning three (3) months after the date of delivery hereof, and continuing each quarter thereafter, at the rate specified in Section 6, either until maturity or until any earlier date upon which the principal amount of the Note is paid in full.

Section 6. The Note shall be numbered, shall bear the rate of interest, shall be of the denomination, and shall mature as set forth in the following schedule: