

TOWNSHIP OF RUSH
SCHUYLKILL COUNTY, PENNSYLVANIA

ORDINANCE NO. 90

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE TOWNSHIP OF RUSH, COUNTY OF SCHUYLKILL, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION LINE OF CREDIT NOTE IN THE PRINCIPAL AMOUNT OF \$1,500,000.00 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, the indebtedness of Township of Rush be increased for the purpose of constructing a sewage collection system for the Lake Hauto section of the Township.

WHEREAS, the local government unit is hopeful that tentative approval and a commitment from the Pennsylvania Infrastructure Investment Authority to finance this project will be received; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness presently outstanding, will not cause the limitations of the local government unit statutory authority to be exceeded, in that the Township intends to seek exclusion of this indebtedness from said limitations as self-liquidating debt.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Township of Rush, Schuylkill 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 Line of Credit Note of the Township of Rush, County of Schuylkill, Pennsylvania, proposed to be issued is \$1,500,000.00,

same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of twenty (20) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Line of Credit Note, in fully registered form, in the sum of \$1,500,000.00 with the maturity date being the earlier of April 1, 1992, or six (6) months from the date of the initial disbursement under and pursuant to the Note and Loan Agreement. The "interest rate" shall be five and nine tenths (5.90%) per cent per annum. The interest shall be computed on the outstanding principal for the actual number of days elapsed, including the date of payment, at a daily rate based upon a year of three hundred sixty (360) days. Principal shall be payable on the maturity date. Until the maturity date, interest shall be payable in accordance with quarterly invoices issued by the Bank to the Township at the end of each calendar quarter.

Notwithstanding any other provisions hereof, all principal due on said Loan, together with accrued interest thereon, shall be paid in full on the maturity date.

The local government unit reserves the right to anticipate 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.

SECTION 4. The said Note is hereby declared to be a general obligation of the Township of Rush. The municipality hereby covenants that the municipality shall include the amount of debt service on the Note for each fiscal year in which such 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 such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Township of Rush is hereby irrevocably pledged.

SECTION 5. The form of said Note shall be substantially as follows: See attached Exhibit "A".

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the Chairman of the Board of Supervisors and attested to by the Secretary. The Secretary is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefor on behalf of the local government unit. The Chairman and Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 410 of Act 52 of 1978, and to take other necessary action, including, if necessary or desirable, any statements

required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. The Meridian 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 1990 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 becomes due and payable. The Secretary shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit withdraw available monies in the Sinking Fund and apply said monies to payment of the principal of interest on the obligation.

SECTION 8. The Chairman and Secretary of the local government unit are hereby authorized to contract with the Meridian Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 701 of Act 52 of 1978, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best interest of the local government unit. Therefore, the

general obligation Note in the amount of \$1,500,000.00, herein authorized to be issued and sold is hereby awarded and sold to The Meridian Bank in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the date of delivery thereof and is in the form set forth in Section 5 of this Ordinance; and further provided that the proceedings have been approved by the Department of Community Affairs if such approval is required under the provisions of the Act.

SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Times News, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the Ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 9th day of October, 1991.

RUSH TOWNSHIP

By: Heard A. Pinkey
Chairman

ATTEST:

Carol Ann Caset
Secretary