

**TOWNSHIP OF WEST BRADFORD
CHESTER COUNTY, PENNSYLVANIA**

ORDINANCE 98 - 10

*AN ORDINANCE INCREASING THE INDEBTEDNESS OF **THE TOWNSHIP OF WEST BRADFORD**, COUNTY OF **CHESTER**, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF **\$800,000.00** 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, it is necessary that the indebtedness of the **Township of West Bradford, Chester County, Pennsylvania** be increased for the following purpose: **To construct a community park** and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of **\$800,000.00** will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the **Board of Supervisors of the Township of West Bradford, Chester 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 Note of the ***Township of West Bradford, County of Chester, Pennsylvania***, proposed to be issued is **\$800,000.00**, 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 **ten years**.

SECTION 3.

Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of **\$800,000.00** dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session, at the rate of interest of **4.56%** per annum, payable on the unpaid balance of said Note on **September 8, 1998** during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of **4.56%** per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of the said Note as follows:

Fiscal Year 1998	\$ 25,018.74
Fiscal Year 1999	\$ 100,074.96
Fiscal Year 2000	\$ 100,074.96
Fiscal Year 2001	\$ 100,074.96
Fiscal Year 2002	\$ 100,074.96

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.

The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 4.

The said Note is hereby declared to be a general obligation of the **Township of West Bradford**. 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 for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the **Township of West Bradford** is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 4.56% are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
1998	\$15858.19	\$ 9160.65
1999	\$65194.11	\$34880.85
2000	\$68180.12	\$31894.84
2001	\$71492.81	\$28582.15
2002	\$77869.10	\$22178.86

SECTION 5.

The form of said Note shall be substantially as follows:

GENERAL OBLIGATION TERM LOAN NOTE

(OVER \$100,000)

\$ _____

DATED: _____

FINAL MATURITY DATE: _____

For value received and intending to be legally bound hereby, the undersigned Local Government Unit (the "Municipal Unit") the _____ located in _____ County, Pennsylvania, promises to pay to the order of MELLON BANK, N.A. (the "Bank") or registered assigns at its _____ located at _____, Pennsylvania, the Principal Sum set forth above in installments on the dates and in the amounts set forth in Schedule I appended hereto.

Interest from the date hereof on the unpaid balance of principal shall be payable _____ and at maturity or earlier payment at _____

After maturity, whether by declaration, acceleration or other wise, each installment of principal of this Note shall bear interest until fully paid at a variable rate per annum equal to ___% above the Prime Rate in effect from time to time, such interest rate to change automatically from time to time, effective as of the effective date of each change in the Prime Rate, payable on demand. The rates of interest referred to herein are hereinafter called the "Tax-Free Rates".

"Prime Rate" shall mean the interest rate per annum announced by the Bank from time to time as its Prime Rate. The Prime Rate may be greater or less than other interest rates charged by the Bank to other borrowers and is not solely based or dependent upon the interest rate which the Bank may charge any particular borrower or class of borrowers.

The principal of and interest on this Note shall be payable at the _____ of the Bank, _____, Pennsylvania in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

If at any time or from time to time after the date hereof there should be a change in the maximum marginal rate of income tax imposed upon national banks and corporations under Section 11 of the Internal Revenue Code of 1986, as amended (the "Code"), then the applicable Tax-Free Rate shall be adjusted, effective as of the effective date of the change in the rate (taking into account the provisions of Section 15 of the Code) imposed by Section 11 of the Code (the "Bank Tax Rate"), by multiplying the Tax-Free Rate by a fraction, the denominator of which shall be 100% minus the Bank Tax Rate on the date hereof and the numerator of which shall be 100% minus the Bank Tax Rate immediately after the change.

Any provision in this Note to the contrary notwithstanding, no rate of interest on this Note shall exceed _____% per annum.

The Treasurer of the Municipal Unit shall deposit money sufficient for the payment of the principal of and interest on this Note into a Sinking Fund before the date of each such payment of principal or interest. Such Sinking Fund, known as the "General Obligation Term Loan Note Sinking Fund" of the Municipal Unit, shall be established at the _____ Office of the Bank.

This Note may not be prepaid or redeemed in whole or in part prior to the maturity thereof.

The Municipal Unit hereby covenants with the holder hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, appropriate such amounts to the payment of such debt service, and duly and punctually pay or cause to be paid the entire principal hereof and the interest thereon on the dates, at the place, and in the manner set forth above, according to the true intent and meaning hereof; and for such budgeting, appropriation, and payment, the Municipal Unit hereby pledges its full faith, credit, and taxing power.

The Municipal Unit hereby covenants that it will make no investment or other use of the proceeds of this Note which will cause this Note to be an "arbitrage bond" under Section 148 of the Code and the regulations thereunder.

If any one or more of the following events shall occur and be continuing or shall exist, that is to say:

[a] The Municipal Unit shall default in payment of principal on this Note when due; or

[b] The Municipal Unit shall default in the payment of any installment of interest on this Note when due and such default shall continue unremedied for a period of five (5) days thereafter; or

[c] The Municipal Unit shall default in the performance or observance of any covenant, agreement, condition, provision, or duty contained in the Capital Expenditure Project Ordinance (the "Ordinance") hereinafter referred to and such default shall not be remedied for a period of ten (10) days after written or telegraphic notice thereof to the Municipal Unit from the holder of this Note; or

[d] Any certificate or financial statement furnished pursuant to the provisions of the Ordinance or the Act (as hereinafter defined) shall prove to have been false or misleading in any material respect as of the time made or furnished; or

[e] If the Municipal Unit shall commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law, or shall consent to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part of the Municipal Unit's property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

[f] If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Municipal Unit or of any part of its property and such custody or control shall not be terminated or stayed within 90 days from the date of assumption of such custody or control;

then, and in any such event, the holder of this Note shall be entitled by written or telegraphic notice to the Municipal Unit to declare this Note and interest accrued thereon to be forthwith due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, and shall have such other rights as may be vested in such holder by the provisions of the Act.

This Note is issued under the authority of the Pennsylvania Local government Unit Debt Act, Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania, as amended, and pursuant to the Ordinance of the Municipal Unit duly ordained and enacted on _____, 19 __ by the governing body of the Municipal Unit. Proceedings with respect to the issuance of this Note were approved by the Department of Community Affairs of the Commonwealth of Pennsylvania and it is hereby certified and recited that all conditions, acts, and things required by law to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened and that this Note is within every debt and other limitation prescribed by law.

This Note is designated as a "qualified tax-exempt obligation", as such term is defined in Section 265(b) (3) (b) of the Code.

WITNESS the due execution hereof by two officers of the Municipal Unit thereunto duly authorized.

By: _____

(MUNICIPAL UNIT SEAL)

Attest:

Secretary

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 **Members of the Board of Supervisors** and attested to by the Secretary. The Treasurer 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.

Mellon Bank, N.A. 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 1998 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 Treasurer 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 and interest on the obligation.

SECTION 8.

The Chairman and **Township Manager** of the local government unit are hereby authorized to contract with **Mellon Bank, N.A.** 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 **\$800,000.00** herein authorized to be issued and sold is hereby awarded and sold to the **Mellon Bank, N.A.** in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the date of delivery thereof to **Mellon Bank, N.A.** 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 Development, 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 **Daily Local 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.

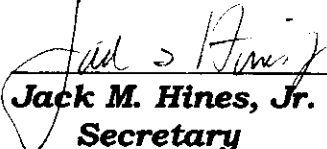
SECTION 11.

All ordinances or part of ordinance not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 8TH DAY OF SEPTEMBER, 1998.

**TOWNSHIP OF WEST BRADFORD
BOARD OF SUPERVISORS**

ATTEST



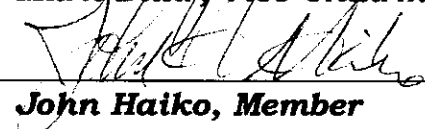
Jack M. Hines, Jr.
Secretary



Kenneth Klunk, Chairman



Mark Blair, Vice Chairman



John Haiko, Member

(Seal)