

Forest Lake Township
Susquehanna County, PENNSYLVANIA

ORDINANCE NO. _____

AN ORDINANCE INCREASING THE INDEBTEDNESS OF FOREST LAKE TOWNSHIP, COUNTY OF SUSQUEHANNA, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$35,000.00 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 Forest Lake Township, Susquehanna County, Pennsylvania, be increased for the purchase of new equipment; and

WHEREAS, Forest Lake Township has received preliminary realistic cost estimates from equipment dealerships indicating the sum of at least \$35,000.00 will be needed to purchase the equipment; 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 Forest Lake Township 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 Forest Lake Township, Susquehanna 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 Forest Lake Township, County of Susquehanna, Pennsylvania, proposed to be issued is \$35,000.00, 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 five (5) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation note, in registered form, in the principal sum of \$35,000.00 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 7.5% per annum, payable annually on the unpaid balance of said note on the anniversary date of said note 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 6% 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 1983	\$9,625.00
Fiscal Year 1984	\$9,100.00
Fiscal Year 1985	\$8,575.00
Fiscal Year 1986	\$8,050.00
Fiscal Year 1987	\$7,525.00

Forest Lake Township 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 Forest Lake Township. 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 Forest Lake Township is hereby irrevocably pledged.

The amounts which the municipality hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 7.5% are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
1983	\$7,000.00	\$2,625.00
1984	\$7,000.00	\$2,100.00
1985	\$7,000.00	\$1,575.00
1986	\$7,000.00	\$1,050.00
1987	\$7,000.00	\$ 525.00

SECTION 5. The form of said note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
County of Susquehanna
Forest Lake Township

GENERAL OBLIGATION NOTE

\$35,000.00

KNOW ALL MEN BY THESE PRESENTS, the Forest Lake Township, County of Susquehanna, Commonwealth of Pennsylvania, a municipal corporation existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser the sum of thirty-five thousand dollars (\$35,000.00) in installments as follows:

Fiscal year 1983	the sum of \$9,625.00
Fiscal year 1984	the sum of \$9,100.00
Fiscal year 1985	the sum of \$8,575.00
Fiscal year 1986	the sum of \$8,050.00
Fiscal year 1987	the sum of \$7,525.00

with interest on the unpaid principal balance at the rate of seven and one-half per cent (7.5%) per annum, payable annually on the anniversary date of said note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of six per cent (6%) per annum (computed on the basis of 365 days to the year), with the option in the Municipality to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the office of The First National Bank of Nicholson, Montrose, Pennsylvania.

It is hereby recited that this note is authorized to be issued in accordance with the act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of the 1978 Session.

It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent

to and in the issuance of this note or in the creation of the debt of which it is evidence, have been done, happened, and been performed in regular and due form and manner as required by law; and that this note, together with all other indebtedness of the said Forest Lake Township is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this note the entire faith, credit, and taxing power of said Forest Lake Township are hereby irrevocably pledged.

It is hereby further certified that the said Municipality has effectively covenanted to include the amount of the debt service on this note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

IN WITNESS WHEREOF, Forest Lake Township has caused this note to be properly executed by the proper officers of Forest Lake Township and its corporate seal to be hereto affixed, attested to by the Secretary of Forest Lake Township as of the _____ day of _____, 1982.

Forest Lake Township

By _____

By _____

By _____

ATTEST:

Secretary

(SEAL)

SECTION 6. The said note shall be executed in the name of Forest Lake Township by the Board of Supervisors and attested to by the Secretary of Forest Lake Township. The Treasurer is hereby authorized and directed to deliver said note to the purchaser, and receive payment therefor on behalf of Forest Lake Township. The Board of Supervisors and Secretary of Forest Lake

Township 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 First National Bank of Nicholson, Montrose Office, 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 1982 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 Forest Lake Township, 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 Secretary of Forest Lake Township is hereby authorized to contract with The First National Bank of Nicholson 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 municipality. Therefore, the general obligation note in the amount of \$35,000.00, herein authorized to be issued and sold is hereby awarded and sold to The First National Bank of Nicholson in accordance with its proposal to purchase the said note at par; provided the said note is dated the date of delivery thereof to The First National Bank of Nicholson 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 Montrose Independent, 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 _____ day of December, 1982.

Forest Lake Township

By _____

By _____

By _____

ATTEST:

Secretary