

TOWNSHIP OF WASHINGTON
COUNTY OF FRANKLIN
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 198

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF WASHINGTON, FRANKLIN COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE A GENERAL OBLIGATION NOTE, SERIES OF 2006 OF THE TOWNSHIP IN THE AGGREGATE PRINCIPAL AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. C.S. CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE TOWNSHIP; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THE TOWNSHIP; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE A PROJECT OF THE TOWNSHIP WHICH CONSISTS OF, AMONG OTHER THINGS: (1) THE DESIGN ACQUISITION OF RIGHT OF WAY AND CONSTRUCTION OF 6,300 FEET OF NEW ROADWAY KNOWN AS WASHINGTON TOWNSHIP BOULEVARD; AND (2) THE PAYMENT OF THE COSTS AND EXPENSES OF ISSUING THE NOTE; SETTING FORTH A REASONABLE ESTIMATE OF THE USEFUL LIFE OF THE PROJECT TO BE FINANCED; ACCEPTING A COMMITMENT FOR THE PURCHASE OF SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE TOWNSHIP; FIXING THE FORM, NUMBER, DATE, INTEREST AND MATURITY THEREOF AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; AUTHORIZING SPECIFIED OFFICERS OF THE TOWNSHIP TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE NOTE, IF NECESSARY; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE TOWNSHIP (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT, IF NECESSARY; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE TOWNSHIP TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY

OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTE, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTE, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE TOWNSHIP, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE TOWNSHIP TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; 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 Washington, Franklin County, Pennsylvania (the Township"), was incorporated under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, it is necessary that the indebtedness of the Township be increased for the purposes of providing funds to fund a project which consists of, among other things, (1) the design acquisition of right of way and construction of 6,300 feet of new roadway known as Washington Township Boulevard; and (2) the payment of the costs of issuance of the Note (hereinafter defined) (the "Project"); and

WHEREAS, it is necessary that the indebtedness of the Township be increased for the purpose of funding 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 Township, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the Township received a commitment letter for the financing of the Project (the "Commitment Letter") from the Commonwealth of Pennsylvania, Department of Transportation (the "Purchaser"); and

WHEREAS, the Township desires to formally approve the Project, to accept the Commitment Letter and to authorize the incurrence of nonelectoral debt under the Act, and the execution and delivery of the Commitment Letter.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Township of Washington, Franklin County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION^o1. The aggregate principal amount of the General Obligation Note, Series of 2006 (the "Note") of the Township of Washington, Franklin County, Pennsylvania, proposed to be issued shall be \$2,500,000. The Note shall be incurred as nonelectoral debt.

SECTION^o2. The Township hereby approves the Project to be undertaken consisting of, among other things, (1) the design acquisition of right of way and construction of 6,300 feet of new roadway known as Washington Township Boulevard; and (2) the payment of the costs of issuance of the Note.

It is hereby determined and declared that the estimated useful life of the project to be financed with the proceeds of the Note is at least 15 years.

It is hereby certified that an aggregate principal amount of the Note at least equal to the realistic estimated cost of the capital project shall mature prior to the end of the useful life of such project. Stated installments or maturities of principal of the Note will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issuance of the Note.

SECTION^o3. Said indebtedness shall be evidenced by a general obligation note in the aggregate principal amount of \$2,500,000, 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. In accordance with the provisions of the Commitment Letter, the Note shall bear interest at the fixed rate of 3.375% per annum, payable on the unpaid balance of said Note from the date of issuance of said Note through and including the maturity date of the Note. Principal and interest on the Note shall be due and payable in ten (10) consecutive annual payments on or before the first day of the month following the first annual anniversary of the loan disbursement and annually thereafter, as shown on Exhibit A attached hereto.

The 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. Each partial prepayment shall be in the aggregate principal amount of One Thousand Dollars (\$1,000.00) or any integral multiple thereof.

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^o4. The Note is hereby declared to be a general obligation of the Township. The Township hereby covenants that it 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 from its general revenues (including impact fee and liquid fuels revenues) for the payment of such debt service; and shall duly and punctually pay or cause to be paid from its general revenues (including impact fee and liquid fuels revenues) 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 are hereby irrevocably pledged.

SECTION^o5. The Note, when issued, will be a general obligation of the Township.

SECTION^o6. The form of said Note shall be substantially as shown on the attached Exhibit B.

SECTION°7. The Note shall be executed in the name and under the corporate seal of the Township by the Chair or Vice Chair of the Board and attested to by the Secretary of the Township. The Treasurer or Secretary is hereby authorized and directed to deliver said Note to the Purchaser, and receive payment therefor on behalf of the Township. The Chair or Vice Chair or Secretary or Treasurer is authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act, and to take other necessary action, including, if necessary or desirable, the filing, either before or after the issuance of the Note, of additional debt statements or any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION°8. The Chair or Vice Chair and Secretary or Treasurer are hereby authorized to contract with a bank or bank and trust company authorized to do business in the Commonwealth of Pennsylvania for its services as Sinking Fund Depository for the Note and Paying Agent for the same (the "Paying Agent"). The Paying Agent 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 "Township of Washington, Franklin County, Pennsylvania, Sinking Fund - General Obligation Note, Series of 2006", 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 or Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment 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 Township withdraw available monies in the Sinking Fund and apply said monies to payment of the principal of and interest on the obligation.

SECTION°9. In compliance with Section 8161 of the Act, the Board has determined that a private sale by negotiation, rather than public sale, is in the best financial interest of the Township. The Commitment Letter is hereby accepted and the Note is hereby awarded and sold to the Purchaser in accordance with its commitment to purchase the said Note at par; provided the Note is dated the date of delivery thereof to the Purchaser and is in substantially the form set forth in Exhibit B to this Ordinance with such changes as may be approved by the officers of the Township executing such Note; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act. A copy of said Commitment Letter shall be attached hereto as Exhibit C and lodged with the official minutes of this meeting and is hereby incorporated herein by reference.

SECTION°10. If necessary, the Township hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Note in connection with the Project. The Township hereby authorizes and directs the Chair or Vice Chair of the Board or Treasurer to execute and the Secretary of the Township to attest any investment agreement on behalf of the Township, in the form approved by the Solicitor and Note Counsel of the Township. The Investments shall be limited to those authorized under law for proceeds of the Note.

SECTION°11. The action of the proper officers and the advertising of a summary

of this Ordinance as required by law in a newspaper of general circulation in the Township, is ratified and confirmed. The advertisement of enactment in said newspaper is hereby directed within fifteen (15) days following the day of final enactment.

SECTION^o12. The proper officers of the Township are hereby authorized to execute and deliver such other documents, and to take such other action as may be necessary or proper to effect the completion of the financing or the intent and purposes of this Ordinance.

SECTION^o13. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Township that the remainder of this Ordinance shall remain in full force and effect.

SECTION^o14. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

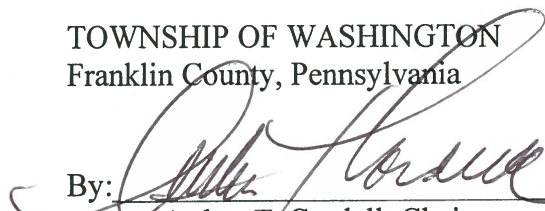
SECTION^o15. This Ordinance shall be effective in accordance with Section 8003 of the Act.

DULY ENACTED AND ORDAINED this 19th day of December, 2005 by the Board of Supervisors of Washington Township, Franklin County, Pennsylvania, in lawful session duly assembled.

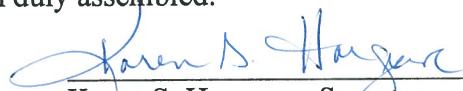
Attest:

TOWNSHIP OF WASHINGTON
Franklin County, Pennsylvania

By: 
Karen S. Hargrave, Secretary

By: 
Arthur T. Cordell, Chair

I, Karen S. Hargrave, Secretary of the Board of Supervisors, Washington Township, Franklin County, Pennsylvania, do certify that the foregoing is a true and correct copy of an Ordinance enacted at a regular meeting of the Washington Township Supervisors held December 19, 2005, in a regular session duly assembled.


Karen S. Hargrave, Secretary

(SEAL)

EXHIBIT A

AMORTIZATION SCHEDULE

<u>Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2/15/2007	\$84,375.00	\$214,337.53	\$298,712.52
2/15/2008	77,141.11	221,571.41	298,712.52
2/15/2009	69,663.07	229,049.45	298,712.52
2/15/2010	61,932.65	236,779.87	298,712.52
2/15/2011	53,941.33	244,771.19	298,712.52
2/15/2012	45,680.31	253,032.21	298,712.52
2/15/2013	37,140.47	261,572.05	298,712.52
2/15/2014	28,312.41	270,400.11	298,712.52
2/15/2015	19,186.41	279,526.11	298,712.52
2/15/2016	9,752.44	288,960.08	298,712.52

EXHIBIT B

Form of Note

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF FRANKLIN
TOWNSHIP OF WASHINGTON

GENERAL OBLIGATION NOTE
SERIES OF 2006

\$2,500,000
Dated: _____, 2006

The TOWNSHIP OF WASHINGTON, COUNTY OF FRANKLIN, COMMONWEALTH OF PENNSYLVANIA (the "Township"), a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF TRANSPORTATION (the "Purchaser"), or registered assigns, the sum of Two Million Five Hundred Thousand Dollars (\$2,500,000) or such lesser particular sum as shall represent the unpaid balance of such principal sum, on the terms and conditions set forth below.

Interest shall be due and payable on this Note at a fixed rate of 3.375% per annum, payable on the unpaid balance of this Note. Principal and interest shall be payable in ten (10) equal annual installments of \$298,712.52 each during the term of the Note on the _____ day of each _____, commencing _____, 2007, and upon final maturity of this Note. On _____, 2016, all principal, accrued, unpaid interest and other amounts evidenced by this Note shall be due and payable in full, without notice or demand.

If the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to remain closed with the same force and effect as if made on the due date for payment of principal or interest and no interest shall accrue thereon for any period after such due date.

The Township has the option 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. Each partial prepayment shall be in the aggregate principal amount of One Thousand Dollars (\$1,000.00) or any integral multiple thereof.

Both principal and interest are payable in such coin or currency as on the respective date of payment thereof and shall be legal tender for the payment of public and private debts, at the office of _____, the paying agent, located in _____, Pennsylvania.

This General Obligation Note, Series of 2006 (the "Note") is issued under and pursuant to provisions of the Ordinance enacted by the Board of Supervisors of the Township on December 19, 2005 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the maximum principal amount of \$2,500,000 and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The Township has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it (i) shall include the amount of the debt service for this Note, for each fiscal year of the Township in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues (including impact fee and liquid fuels revenues) for the payment of such debt service in each such fiscal year, and (iii) that it shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal amount of this Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the Township has pledged, irrevocably, its full-faith, credit and taxing power.

The Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Township or of any successor body, as such, either directly or through the Township or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of the Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the Township to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Township are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the Township has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment

of all obligations of this Note, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Township of Washington, Franklin County, Pennsylvania, has caused this Note to be properly executed by its Chair of the Board of Supervisors of the Township and its corporate seal to be hereto affixed, attested to by its Secretary of the Township as of the ____ day of _____, 2006.

TOWNSHIP OF WASHINGTON
Franklin County, Pennsylvania

By: _____
Chair

Attest: _____
Secretary

(SEAL)

. EXHIBIT C
Commitment Letter



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF TRANSPORTATION
HARRISBURG, PENNSYLVANIA

OFFICE OF
SECRETARY OF TRANSPORTATION

November 18, 2005

Mr. Michael A. Christopher, Manager
Washington Township
13013 Welty Road
Waynesboro, Pennsylvania 17268

Re: Pennsylvania Infrastructure Bank Loan Commitment/Approval
Loan Agreement 520773

Dear Mr. Christopher:

Washington Township's above referenced Pennsylvania Infrastructure Bank loan application has been approved by the Pennsylvania Department of Transportation. The approved loan is:

520773 – \$2,500,000 for 10 years @ 3.375% for the construction of Washington Township Blvd. in Washington Township.

Please execute two copies of the Loan Agreement.

Also enclosed is a sample resolution that you may use to sign the agreements and an amortization schedule to be used for the Township's Local Government Unit Debt Act proceedings.

When executed, please return the agreements along with the required supporting documentation to:


Mr. James A. Smedley
Pennsylvania Department of Transportation
Center for Program Development and Management
6th Floor – Keystone Building
P.O. Box 3365
Harrisburg, PA 17105-3365

As soon as the Agreements are fully executed and the requirements of the Local Government Unit Debt Act are completed, the loan proceeds will be made available.

Mr. Michael A. Christopher
November 18, 2005
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Thank you for being a customer of the Pennsylvania Infrastructure Bank and we look forward to our partnership. If you have any questions, please contact Mr. James A. Smedley at (717) 772-1772.

Sincerely,

A handwritten signature in black ink, appearing to read "L. M. King". The signature is fluid and cursive, with a large, sweeping initial "L" and "K".

Larry M. King
Deputy Secretary for Planning

Enclosures

