

TOWNSHIP OF MORRIS
Clearfield County, Pennsylvania

ORDINANCE NO. 2019-11-7

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF MORRIS TOWNSHIP DETERMINING TO INCUR GOVERNMENTAL DEBT EVIDENCED BY THE GUARANTEED NOTE IN THE MAXIMUM PRINCIPAL AMOUNT UP TO \$99,000.00 TO BE AUTHORIZED AND ISSUED BY THE TOWNSHIP OF MORRIS IN CONNECTION WITH THE PURCHASE OF A NECESSARY PIECE OF TOWNSHIP MAINTENANCE EQUIPMENT AND PAYING RELATED COSTS, FEES AND EXPENSES; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE TOWNSHIP TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS INCLUDING A LOAN AGREEMENT BETWEEN THE TOWNSHIP AS BORROWER AND A QUALIFIED LENDER; APPROVING THE FORM AND SOURCES OF PAYMENT OF THE LOAN AGREEMENT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP IN SUPPORT THEREOF, AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENCE ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, the Township of Morris, Clearfield County, Pennsylvania (the "Local Government Unit" or "Morris" or "Township") is the local government unit under provisions of 53 PA.C.S. Chs 80-8, as amended and supplemented from time to time, known as the Pennsylvania Local Government Unit Debt Act, (the "Act"); and

WHEREAS, the Government Unit wishes to purchase a piece of equipment, identified as a JCB model 3CX15 Backhoe, for use by the Governmental Unit and its employees and for the benefit of the residents of the said Township, for a price not to exceed ninety nine thousand dollars (\$99,000.00) of which six thousand four hundred twenty-three dollars (\$6,423.00) will be made as a down-payment towards the total purchase price, in the form of the trading-in of an existing Township owned backhoe, and the remainder of the price being obtain through a loan on commercial terms through a reputable lending institution, chosen by the Local Governmental Unit; and

WHEREAS, F.N.B. Corporation, d/b/a/ F.N.B. Bank, Pittsburgh, Pennsylvania, has approved funding the purchase of the aforementioned backhoe in the form of a loan of \$99,000.00 to the Township, subject to certain terms, conditions, rates, and periods acceptable to the Township; and

WHEREAS, the proposed increase in lease rental debt, together with the Local Governmental Unit's other indebtedness presently outstanding will not cause the limitations of the Local Governmental Unit's lease rental debt incurring power pursuant to constitutional and statutory power to be exceeded.

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

Section 1. This Township specifically authorizes the purchase of JCB model 3CX15 backhoe (serial no: 2670798), for use by and for the benefit of, the Township at a price of ninety-nine thousand dollars (\$99,000.00), after a credit of six thousand four hundred twenty-three dollars (\$6,423.00) for a trade-in of a Township-owned backhoe.

Section 2. This Township determines to incur debt as such term is defined in the Act, which shall be lease rental debt of this Township pursuant to the Act, in connection with the backhoe purchase project.

Section 3. Such lease rental debt shall be in the maximum principal amount of \$99,000.00 and shall be evidenced by the Township guaranty of a certain obligation issued by the Township under the 2nd Class Township Code, consisting of a loan obligation in the maximum principal amount of \$99,000.00, to be issued by the F.N.B. Bank (the "FNB Loan"). The FNB Loan shall have the benefit of and be secured by, among other things, the guaranty obligation of the Township, and shall initiate amortization (repayment) of such obligation within a proscribed time period as outlined in the FNB Loan agreement.

Section 4. The Township specifies that the estimated useful life of this piece of Township-owned maintenance equipment to be in excess of twenty (20) years with a useful life of the equipment of fifteen (15) years.

Section 5. The Township, as purchaser, shall enter into a F.N.B. Loan Agreement, to be date as provided therein (the "Loan Agreement"), substantially in the form approved and presented to this Township and attached hereto as "Exhibit A", with FNB Bank as security for the equipment, by and through a recorded security interest therein; the terms and provisions of the said Loan Agreement is hereby incorporated herein by this reference.

Section 6. A copy of the Loan Agreement, in the form so presented and approved at this meeting, shall be filed with the Secretary of the Township and shall be available for

inspection at reasonable times by interested persons requesting such inspection and the terms and conditions of the agreement are incorporated herein by reference.

Section 7. This Township in the Loan Agreement does covenant with FNB Bank, among other things, to include the amount of the debt service or the amounts payable in respect of its guaranty for each fiscal year in which the sums are payable in this budget for that year; to appropriate the amounts from its general revenues for payment of its obligations under the Loan Agreement; to pay or cause to be paid from its sinking funds or any other of its revenues or funds the amount payable under the loan/guaranty and in the manner prescribed; and to budget in accordance with the amounts set forth in such Loan Agreement included herein by reference and a part hereof, appropriate and make payments as required by the loan/guaranty. To this end, the Township irrevocably pledges its full faith, credit and taxing power.

Section 8. The maximum guaranty obligations of the Township with respect to the FNB Loan Agreement, as set forth in the Loan Agreement, shall be payable, if and as necessary, in such amounts as set forth in the specific terms and provisions of the Loan Agreement.

Section 9. The guaranty obligation of this Township shall be payable from the tax and other general revenues of the Township.

Section 10. The Chairman or Vice Chairman of the Township Board of Supervisors and the Secretary of the Township, as appropriate, are hereby authorized and directed to prepare, certify and file with the Pennsylvania Department of Community and Economic Development the debt statement as such phrase is defined in the Act required by 53 Pa.C.S. Section 8110, on behalf of the Township and the borrowing base certificated appended to such verified debt statement.

Section 11. The Chairman or Vice Chairman of the Township Board of Supervisors and the Secretary of the Township, as appropriate, are authorized and directed to make application to the Department of Community and Economic Development for approval with respect to the Loan Agreement as required by 53 P.S. Section 8111B, and in connection with this application to or cause to be paid the applicable filing fee.

Section 12. After obtaining the approval set forth above the Chairman or Vice Chairman of the Township Board of Supervisors and the Secretary of the Township, as appropriate, are authorized and directed to execute, attest and deliver the Loan Agreement to FNB Bank.

