

TOWNSHIP OF FARMINGTON

Tioga County, Pennsylvania

RESOLUTION

Adopted September 3, 1996

AUTHORIZING THE ISSUANCE OF A SMALL BORROWING FOR CAPITAL PURPOSES NOTE IN THE PRINCIPAL AMOUNT OF \$18,500.00, PROVIDING FOR THE DATE, INTEREST RATE, DATE AND PLACE OF PAYMENTS IN RESPECT OF THE NOTE; ACCEPTING THE PROPOSAL OF FIRST CITIZENS NATIONAL BANK, FOR THE PURCHASE OF THE NOTE; PROVIDING FOR THE SECURITY OF THE NOTE; AUTHORIZING THE PROPER OFFICERS TO EXECUTE AND DELIVER THE NOTE; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AFFAIRS; SETTING FORTH A FORM OF NOTE; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the Township of Farmington, Tioga County, Pennsylvania, hereinafter referred to as "Municipality", needs to purchase a Dump Truck; and

WHEREAS, the Municipality has therefore determined to borrow for such capital purposes by issuing a small borrowing for capital purposes (the "Note") secured by the full faith credit and taxing power of the Municipality, all in accordance with the Local Government Unit Debt Act (the "Debt Act") being Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as amended and re-enacted by Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania, approved April 28, 1978, and as further amended and re-enacted by Act No. 19 of the 1981 General Assembly of the Commonwealth of Pennsylvania, approved May 22, 1981 and as further amended and re-enacted by Act No. 40 of the 1990 General Assembly of the Commonwealth of Pennsylvania approved May 4, 1990, and as further amended by Act No. 169 of the 1994 General Assembly of the Commonwealth of Pennsylvania, approved December 28, 1995; and

WHEREAS, the Municipality has received an acceptable proposal for the purchase of the

Note hereinafter described from First Citizens National Bank of Mansfield, Pennsylvania ("Purchaser) which the Municipality has determined to accept; and

WHEREAS, as required by Section 409 of the Debt Act, the authorized officer of the Municipality have heretofore determined that the aggregate amount of such debt outstanding at any one time shall not exceed the lesser of \$100,000.00 or thirty percent of the borrowing base of the Municipality; that such debt shall mature within five years of the date of issuance of the Note, and that the occurrence of such debt shall not cause the debt limits of the Municipality as established by the Debt Act to be exceeded;

NOW, THEREFORE, BE IT RESOLVED by the Supervisors of the Township of Farmington, Tioga County, Pennsylvania, that:

Section 1. For the reasons and purposes recited above, the Municipality hereby authorizes the issuance of a Small Borrowing for Capital Purposes Note in the principal amount of \$18,500.00 (the "Note"), said Note to be sold and delivered as hereinafter provided.

Section 2. The period of useful life of the equipment to be purchased by this project is seven (7) years.

Section 3. The Note shall be sold at private sale upon receipt of an acceptable proposal for the purchase thereof, which proposal shall be in compliance with the provisions of the Debt Act.

Section 4. The Note shall be designated "Small Borrowing for Capital Purposes Note, Number 1 of 1996" shall be in the principal amount of \$18,500.00 shall be dated the date of delivery thereof, shall bear interest at the rate of 5.85% per annum and shall mature in 48 months from the date of issuance and shall be payable at the place and in the manner and be otherwise in substantially the form recited in Section 9 hereof.

Section 5. The Supervisors and/or Secretary (or other appropriate officers) of the Municipality or any duly appointed successor, as the case may be, are hereby authorized and directed to prepare and verify a certified copy of the Resolution and a true copy of the accepted proposal for the purchase of the Note, to prepare and verify a Debt Statement as required and defined by Section 410 of the Debt Act, and to file all of the above, the contents of which are hereby approved, with the Department of Community Affairs of the Commonwealth of Pennsylvania for its information.

Section 6. The proposal of First Citizens National Bank, Mansfield, Pennsylvania, (the "Purchaser"), presented to the Supervisors of the Municipality at a public meeting on the date of this Resolution, such proposal being dated September 3, 1996 and being in conformity with the requirements of Section 3 of this Resolution for the purchase at private sale of the Note, is hereby accepted and the Note is hereby awarded to the Purchaser. The Supervisors of the Municipality are hereby authorized to execute the acceptance of the proposal on a duplicate original thereof, to provide for the delivery of the same to the Purchaser and to file the original of said proposal with the records of the Municipality.

The Supervisors and/or Secretary of the Municipality are hereby authorized and directed to prepare, verify and deliver to the Purchaser, concurrently with the delivery of the Note, the Debt Statement required by Section 410 of the Debt Act, a copy of which statement shall be retained with the records of the Municipality until the Note shall have been paid in full.

Section 7. The Note shall name Purchaser as Payee and shall be executed by the Supervisors of the Municipality and shall have the Corporate Seal of the Municipality affixed thereto, duly attested by the secretary (appointed for such purpose) of the Municipality. Either of the

Supervisors, the Secretary or Solicitor of the Municipality are hereby authorized to deliver the acceptance of the proposal and the Note to the Purchaser upon receipt of the principal amount thereof and upon compliance with all conditions precedent to such delivery required by the Debt Act, this Resolution and said Proposal. The Supervisors are further authorized to execute and arrange for the delivery of such other documents and to take such other action as may be necessary or appropriate in order to effectuate the issuance and sale of the Note, and the borrowing contemplated therewith all in accordance with this Resolution and the Debt Act.

Section 8. The Note, shall be secured by the full faith credit and taxing power of the Municipality. The Supervisors of the Municipality are hereby authorized and directed to execute and file such documents as are necessary to fully perfect said pledge, security interest, lien and charge.

Section 9. The Municipality hereby covenants with the holder from time to time of the Note that it will make no use of the proceeds of the Note other than for capital purposes and will make no use of the proceeds which will cause such Note to be an "arbitrage bond" within the meaning of Section 103 (c) of the Internal Revenue Code of 1954 and the Regulations thereunder and that it will comply with the requirements of said Section and the Regulations throughout the term of the Note. Neither the Treasurer (or other appropriate officer) nor any other official of the Municipality shall make any use or investment of the proceeds inconsistent with the foregoing covenant.

Section 10. The form of the Note shall be substantially as follows, the terms and conditions set forth in such form being hereby incorporated by reference and adopted as if fully recited at length herein and said form is hereby approved:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF TIOGA
TOWNSHIP OF FARMINGTON
SMALL BORROWING FOR CAPITAL PURPOSES NOTE
NO. 1 OF 1996

The Township of Farmington, County of Tioga, Pennsylvania, (the "Municipality"), for value received, promises to pay to First Citizens National Bank, Mansfield, Pennsylvania, (the "Purchaser") the principal sum of EIGHTEEN THOUSAND FIVE HUNDRED AND 00/100 (\$18,500.00) DOLLARS with interest at the rate of FIVE AND 85/100 (5.85%) PERCENT per annum payable annually beginning ONE (1) YEAR from the date hereof and shall mature in installments as follows with the entire balance of principal and interest due and payable FOUR (4) years from the date hereof:

September 4, 1997 - \$5,320.62

September 4, 1998 - \$5,320.62

September 4, 1999 - \$5,320.62

September 4, 2000 - \$5,320.61

Principal and interest will be payable in such coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts at the office of Purchaser in Mansfield, Pennsylvania, without deduction of, and the Municipality assumes and agrees to pay, any tax or taxes which the Municipality or the Treasurer (or other appropriate officer) thereof may be required to pay thereon or retain therefrom under any present or future law of the Commonwealth of Pennsylvania except gift, succession and inheritance taxes.

This Note is issued in accordance with the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, as amended and re-enacted by Act No. 52 of the 1978 General Assembly of the Commonwealth of Pennsylvania, approved April 28, 1978, and as further amended and re-enacted by Act No. 19 of the 1981 General Assembly of the Commonwealth of Pennsylvania, approved May 22, 1981 and as further amended and re-enacted by Act No. 40 of the 1990 General Assembly of the Commonwealth of Pennsylvania, approved May 4, 1990, and as further amended by Act No. 169 of the 1994 General Assembly of the Commonwealth of Pennsylvania, and by virtue of a Resolution (the "Resolution") of the Supervisors of the Municipality duly filed, together with other documents in respect of the Note, with the Pennsylvania Department of Community Affairs.

This Note is prepayable, without premium, notice or penalty, in whole or in part, at any time, prior to the respective payment dates thereof.

The indebtedness evidenced hereby is a small borrowing for capital purposes and is to be secured by the full faith credit and taxing power of the Municipality during the term of the Note. As provided in the Resolution, to secure the payment of the indebtedness evidenced hereby and the interest thereon, the Municipality hereby pledges to the holder hereof and grants to said holder a security interest in and lien and charge on all taxes or other revenue received or to be received by the Municipality.

It is hereby certified that all acts conditions and things required to be done, occur or be performed precedent to an in the issuance of this Note, or in the creation of the debt of which this Note is evidence, have been done, occurred and been performed in regular and due form and manner as required by law, and that the debt represented by this Note, together with all other debt of the

Municipality is not in excess of any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Municipality has caused this Note to be executed in its name by its Supervisors and its Corporate Seal to be hereunto affixed, duly attested by the Secretary of the Municipality

Dated as of September 4, 1996.

TOWNSHIP OF FARMINGTON

Herb Walker
Chairman/Supervisor

Wallace H. Kemp
Supervisor

Brian M. Furr
Supervisor



Madelin B. Smith
Secretary / Treasurer

Section 11. All prior Resolutions or parts thereof inconsistent herewith are hereby repealed.

ADOPTED this 3rd day of September, 1996

Herb Walker
Supervisor

Wallace H. Kemp
Supervisor

Brian M. Furr
Supervisor

ATTEST:

Maddie B. Smith
Secretary