

HAYCOCK TOWNSHIP BOARD OF SUPERVISORS
ORDINANCE NO. 35

Haycock Township, pursuant to the authority in the Second Class Township Act and the Local Government Unit Debt Act, the Act of July 12, 1972, P.L. 185 (53 P.S. 6780.1 et seq.), as amended, hereafter does amend that ordinance enacted on March 7, 1977 which authorized the Township to incur non-electoral debt in an amount of \$28,500, through the execution of a promisory note with Quakertown National Bank. The amending ordinance shall include additional provisions concerning the establishment of a sinking fund, the designation of a sinking fund depository, a statement as to the fact that this is a general obligation of the Township and the form of the note.

NOW, THEREFORE, be it enacted and ordained by the Board of Supervisors of Haycock Township, Bucks County, Pennsylvania an amendment to the ordinance enacted on the 7th day of March, 1977, and IT IS HEREBY ENACTED AND ORDAINED as follows and as an addition to the aforesaid ordinance:

ARTICLE IV

Section 4.01. The note shall be in form as hereinafter provided and shall be in the principal sum of Twenty-eight Thousand Five Hundred Dollars (\$28,500) and shall be dated and shall bear interest at a rate hereinafter stated, from July 22, 1977, payable until maturity or prepayment on the Second day of July and January of each and every year, commencing January 2, 1978 and shall be payable as to principal in the amount of Nine Thousand Five Hundred Dollars (\$9,500) on January 2 of each and every year commencing 1978 to and including 1980 unless sooner paid in whole or part without penalty. However, the minimum payable each year shall be \$9,500.

Section 4.02. The form of the note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BUCKS
TOWNSHIP OF HAYCOCK
GENERAL OBLIGATION NOTE

FOR VALUE RECEIVED, the Township of Haycock, Bucks County, Pennsylvania, acknowledges itself indebted and promises to pay to the Quakertown National Bank the sum of Twenty-eight Thousand Five Hundred Dollars (\$28,500) payable as to principal in the amount of Nine Thousand Five Hundred Dollars (\$9,500) on January 2 of each of the years 1978 to 1980 inclusive (unless this General Obligation Note shall

have been earlier paid) with interest at the rate of four and one-half percent (4 1/2%) per annum thereafter, payable semi-annually on July 2nd and January 2nd of each year, commencing January 2, 1978.

Both principal of and interest on this General Obligation Note are payable at the principal office of the Quakertown National Bank, at Quakertown, Pennsylvania (the "Paying Agent").

This General Obligation Note is issued in accordance with the provisions of the Act of the General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, No. 185, as amended (the "Act"), and by virtue of an Ordinance of the Township duly enacted, and the sworn statement of the duly authorized officers of the Township as appears of record in the office of the Pennsylvania Department of Community Affairs.

This General Obligation Note may be paid in full without penalty at any time upon the option of the Township. Additional partial payments may be made at any time without penalty. However, the minimum payment for any year shall be the said \$9,500.

It is covenanted with the holders from time to time of this General Obligation Note that the Township shall include the amount of the debt service for each fiscal year in which the 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 this General Obligation Note and the interest thereon at the dates and places and in the manner stated in this Note according to the true intent and meaning hereof, and for such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

Township covenants with the Quakertown National Bank that it will make no use of the proceeds of this note at any time during the term thereof which, if such use had been reasonably expected at the date of issuance of the note would have caused such note to be an arbitrage bond within the meaning of Section 103(d) of the United States Internal Revenue Code of 1954 and its applicable regulations.

IN WITNESS WHEREOF, the Township of Haycock, Bucks County, Pennsylvania, has caused this Note to be signed by a majority of the Board of Supervisors along with the corporate seal being affixed thereto and to be dated the 22nd day of July, A.D., 1977.

HAYCOCK TOWNSHIP SUPERVISORS

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The Note shall be executed in substantially the form as hereinabove set forth with such appropriate changes, additions or deletions as may be approved by the officers executing the note in the manner provide herein; such execution shall constitute approval by such officers on behalf of the Township.

Section 4.03. The chairman and secretary of the Township are authorized and directed to contract with Quakertown National Bank for its services as sinking fund depository and further to establish a sinking fund to be known as "Sinking Fund - General Obligation Note" and into said fund there shall be paid all moneys necessary to pay the debt service on the note when and as the same are collected, and said Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the note and to the principal thereof and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

In each of the following fiscal years the following amounts shall be pledged to pay the debt service on the Note and principal and such amounts are annually hereby appropriated to the Sinking Fund for the payment thereof:

<u>Fiscal Year Ending</u> <u>December 31</u>	<u>Amount</u>	<u>Debt Service</u>
1978	\$9,500	\$1,159.52
1979	9,500	737.87
1980	9,500	316.23

Section 4.04. The above note shall be a General Obligation Note of the Township, pledging the full faith and credit of the Township in payment thereof, which the Township hereby accepts the bid for the note submitted, after negotiation by the Quakertown National Bank at the price of par and accrued interest to the date of delivery, and authorizes the chairman and secretary to execute same. As set forth in such proposal the note shall bear interest at the rate of four and one-half percent (4 1/2%) per annum. The average annual debt service on the note is \$737,87.

Section 4.05. The said chairman and secretary are further authorized, to prepare and file as required any statements required by the Act necessary to qualify all or any portion of the debt for exclusion from the appropriate debt limit as self liquidating debt or subsidized debt.

Section 4:06. The note shall be payable as to both principal and interest in lawful money of the United States of America without deduction for any tax or taxes, except gift, succession or inheritance taxes, now or hereafter levied or assessed thereon under any present or future laws of the Commonwealth of Pennsylvania, all of which taxes, except as above provided, the Township assumes and agrees to pay.

SO ORDAINED AND ENACTED this 12th day of July, A.D., 1977. TO BE EFFECTIVE the 22nd day of July, A.D., 1977.

HAYCOCK TOWNSHIP SUPERVISORS

Paul H. Huber
Earl W. White