

BOROUGH OF FORD CITY
ARMSTRONG COUNTY, PENNSYLVANIA

ORDINANCE NO. 631

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF FORD CITY, COUNTY OF ARMSTRONG, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$110,720.00 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 DOCUMENTS; 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 the Borough of Ford City, Armstrong County, Pennsylvania, be increased for the following purpose: to enable Hose Company No. 1 of Ford City, Pennsylvania, to secure a two (2%) percent interest loan through the Pennsylvania Emergency Management Agency, Volunteer Loan Assistance Program, for the purchase of a 1996 Marion Heavy Duty Rescue vehicle on Ford Chassis; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of \$110,720.00 will be needed to complete 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 local government unit debt incurring power, pursuant to constitutional

and statutory authority to be exceeded;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Borough of Ford City, Armstrong 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 the Borough of Ford City, County of Armstrong, Pennsylvania, proposed to be issued is \$110,720.00, 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 Twenty (20) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$110,720.00 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 Two (2%) percent per annum, payable on the unpaid balance of said Note monthly during the Fifteen (15) year term of said Note, together with interest on

overdue principal, and to the extent permitted by law, on overdue interest, at the rate of Two (2%) percent per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments shown on the attached amortization schedule.

The local government unit 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 the Borough of Ford City. 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 the Borough of Ford City, is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay monthly on the basis of an interest rate of Two (2%) percent are shown on the attached amortization schedule.

SECTION 5. The form of said Note shall be substantially as shown on Exhibit "A", which is attached to this Ordinance.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the Council President and Council Vice President and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefor on behalf of the local government unit. The President and Secretary of the local government unit 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. PFC Bank 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 1996 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 the local government unit 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 Council President and Council Vice President of the local government unit are hereby authorized to contract with PFC Bank 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 local government unit. Therefore, the general obligation Note in the amount of \$110,720.00, herein authorized to be issued and sold is hereby awarded and sold to the Pennsylvania Emergency Management Agency 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 Pennsylvania Emergency Management Agency 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 and Economic Development 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 Leader Times, 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 9th day of September, 1996.

BOROUGH OF FORD CITY

BY: *Jerry M. Decker*
Council President

ATTEST:

Cornelia M. Labrecque
Secretary

BY: *Gene M. Channing*
Council Vice President

Approved this _____ day of _____, 1996.

John P. Zanetti
Mayor of the Borough of Ford City

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY
STATE FIRE COMMISSIONER'S OFFICE
VOLUNTEER LOAN ASSISTANCE PROGRAM
P.O. BOX 3321
HARRISBURG, PENNSYLVANIA 17105

PROMISSORY NOTE
OF THE

Borough of Ford City
CORPORATION, ASSOCIATION OR ORGANIZATION

DATED:

\$110,720.00
AMOUNT
(Vehicles and/or Equipment)

FINAL MATURITY DATE:

For value received and intending to be legally bound hereby, the undersigned

Ford City Armstrong Borough of Ford City

duly organized and existing under laws of the Commonwealth of Pennsylvania, with its principal place of business in _____ County of _____ Commonwealth of Pennsylvania (the "MAKER"), does hereby promise to pay to the order of the Pennsylvania Emergency Management Agency, Volunteer Loan Assistance Program, Harrisburg, Pennsylvania (the "AGENCY"), which AGENCY and any subsequent transferee hereof is sometimes referred to herein as the "HOLDER", at the principal office of the AGENCY or at such other place as the HOLDER hereof may, from time to time, direct in writing, the sum of _____ Dollars (____), lawful money of the United States of America, together with interest on the unpaid principal hereof from the date hereof at the rate of two percent (2%) per annum, as follows: \$110,720.00

The principal sum of _____ Dollars (____), together with interest thereon at the rate of two percent (2%) per annum, in monthly installments of \$712.49 (____), the first monthly installment to be made on _____, and on the first day of each month thereafter to and including _____. Any payments made after the tenth (10th) day of each month, shall be considered a default. The remedies for default as set forth in the Agreement for Act 208 Loan Assistance, Security Agreement or Mortgage shall apply and are incorporated here.

IN ADDITION, the MAKER agrees to pay a penalty charge of six percent (6%) of any monthly repayment that is thirty (30) or more days late of the original due date.

The MAKER shall have the privilege, at any time, of prepaying the NOTE without premium or penalty, in whole or in part, provided that such prepayment shall be accompanied by accrued interest on the amount prepaid. Any partial prepayment shall be applied against the installment of principal last (by date) due and payable, and shall not postpone or interrupt payments of future installments of principal and interest which shall continue to be due and payable monthly thereafter until the NOTE is paid in full. Multiple installments of principal and interest shall be acceptable and shall result in the next monthly installment being due and payable immediately following the completion of the time period that was covered by the receipt of the multiple installment.

Interest is to be computed on a 360 days per year basis.

The Agency shall have a lien upon and security interest in: Specifications on file.
Vehicle Identification Number. Described more fully in the Security Agreement of even date between the Agency and the Volunteer Company to secure payment of the Note and any renewals, extensions and modifications hereof.

In case of an "event of default", as set forth in the Agreement for Act 208 Loan Assistance, Security Agreement or Mortgage, shall occur, the principal amount outstanding on this NOTE may be declared or may become due and payable upon conditions, in the manner and with the effect provided in this NOTE as follows:

- a. Whenever any event of default shall occur, the Agency may declare a default hereunder by giving not less than ten (10) days' written notice to the MAKER and thereafter any one or more of the following remedial steps may be taken, if at such time said event of default remains uncured.
- b. By written notice delivered to the MAKER, declare all payments of the Loan to be immediately due and payable, whereupon the same immediately shall be due and payable, anything herein to the contrary notwithstanding.

- c. Take any action at law or in equity to collect the payment or payments then due and thereafter to become due, or to secure possession, or to enforce performance and observance of any obligation, agreement or covenant of the MAKER hereunder.
- d. In case of an event of default, MAKER hereby irrevocably authorizes and empowers any attorney of any court of record of Pennsylvania or elsewhere to appear for and confess judgment against MAKER for all amounts for which MAKER may be or become liable to the Agency or its assignee under this Agreement, as evidenced by an affidavit signed by an officer of the Agency or of said assignees setting forth the amounts then due, including interest thereon plus 5% as an attorney's fee and together with costs of suit and release of errors. Such authority shall not be exhausted by any one exercise thereof, but judgment may be confessed as aforesaid from time to time as often as there is an event of default hereunder.
- e. The procedure above shall conform to the Pennsylvania Rules of Civil Procedure governing confession of judgment for money.
- f. The MAKER hereby waives and releases all errors, defects and imperfections whatsoever of a purely procedural nature in the entering of any judgment or any process or proceedings arising out of this NOTE. MAKER also waives the benefit of any laws which now or hereafter might authorize the stay of any execution to be issued on any judgment recovered hereunder.
- g. No right or remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other right or remedy, but each shall be cumulative and in addition to every other right or remedy herein given now or hereafter existing at law or in equity or by statute. In order to entitle the Agency to exercise any right or remedy reserved to it herein, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Notwithstanding any provision or obligation to the contrary in the foregoing, the liability of the MAKER for the payment of this NOTE or performance of obligations under the Security Agreement or for costs, fees, penalties, taxes, interest, charges and other payments of any kind, nature or description provided for therein, shall be limited to the Property described in the Security Agreement and the lien of any judgment shall be restricted thereto.

The MAKER intends this to be a sealed instrument and to be legally bound hereby.

All issues arising hereunder shall be governed by laws of the Commonwealth of Pennsylvania.

This NOTE is issued by the MAKER to aid in the financing of the purchase of fire fighting apparatus equipment, ambulances, and/or rescue vehicles, protective and/or communications equipment, and/or any other accessory equipment necessary for the proper performance of such organizations' duties, as such terms are defined in the Volunteer Fire Company, Ambulance Service, Rescue Squad Assistance Act, P.L. 208 (1976), (72 P.S. 3943.1 et seq.), to accomplish the public purposes of the Act.

This obligation shall bind the MAKER and its successors and assigns, and the benefits hereof shall inure to the AGENCY and its successors and assigns.

IN WITNESS WHEREOF, _____ has caused this NOTE to be signed in its name and in its behalf by _____ and its seal to be affixed hereto, duly attested by its Authorized Officer, all as of the _____ day of _____, 1996.

ATTEST:

Authorized Officer

Volunteer Company
BY: _____
Authorized Officer

(SEAL)

AMORTIZATION SCHEDULE

\$110,720.00

2,000 180 months

No #	Interest	Principal	Payment	Balance
1	184.53	547.98	712.49	\$110,192.04
2	183.65	528.84	712.49	\$109,663.20
3	182.77	529.72	712.49	\$109,133.48
4	181.89	530.60	712.49	\$108,602.88
5	181.00	531.49	712.49	\$108,071.39
6	180.12	532.37	712.49	\$107,539.02
7	179.23	533.26	712.49	\$107,005.75
8	178.34	534.15	712.49	\$106,471.61
9	177.45	535.04	712.49	\$105,936.67
10	176.56	535.93	712.49	\$105,400.84
11	175.67	536.82	712.49	\$104,863.82
12	174.77	537.72	712.49	\$104,326.10
13	173.88	538.61	712.49	\$103,787.49
14	172.98	539.51	712.49	\$103,247.98
15	172.08	540.41	712.49	\$102,707.57
16	171.18	541.31	712.49	\$102,166.26
17	170.28	542.21	712.49	\$101,624.05
18	169.37	543.12	712.49	\$101,080.93
19	168.47	544.02	712.49	\$100,536.91
20	167.56	544.93	712.49	\$99,991.98
21	166.65	545.84	712.49	\$99,446.14
22	165.74	546.75	712.49	\$98,899.39
23	164.83	547.66	712.49	\$98,351.73
24	163.92	548.57	712.49	\$97,803.16
25	163.01	549.48	712.49	\$97,253.68
26	162.09	550.40	712.49	\$96,703.28
27	161.17	551.32	712.49	\$96,151.96
28	160.25	552.24	712.49	\$95,599.72
29	159.33	553.16	712.49	\$95,046.56
30	158.41	554.08	712.49	\$94,492.48
31	157.49	555.00	712.49	\$93,937.48
32	156.56	555.92	712.49	\$93,381.55
33	155.64	556.85	712.49	\$92,824.70
34	154.71	557.78	712.49	\$92,266.92
35	153.78	558.71	712.49	\$91,708.21
36	152.85	559.64	712.49	\$91,148.57
37	151.91	560.58	712.49	\$90,587.99
38	150.98	561.51	712.49	\$90,026.48
39	150.04	562.45	712.49	\$89,464.03
40	149.11	563.38	712.49	\$88,900.65
41	148.17	564.32	712.49	\$88,336.33
42	147.23	565.26	712.49	\$87,771.07
43	146.29	566.20	712.49	\$87,204.87
44	145.34	567.15	712.49	\$86,637.72
45	144.40	568.09	712.49	\$86,069.63
46	143.45	569.04	712.49	\$85,500.59
47	142.50	569.99	712.49	\$84,930.60
48	141.55	570.94	712.49	\$84,359.66
49	140.60	571.89	712.49	\$83,787.77
50	139.65	572.84	712.49	\$83,214.93
51	138.69	573.80	712.49	\$82,641.13
52	137.74	574.75	712.49	\$82,066.38
53	136.78	575.71	712.49	\$81,490.67

AMORTIZATION SCHEDULE

\$110,720.00

2.00% 180 months

No #	Interest	Principal	Payment	Balance
				\$80,914.00
54	135.82	576.67	712.49	\$80,336.37
55	134.86	577.63	712.49	\$79,757.77
56	133.89	578.60	712.49	\$79,178.21
57	132.93	579.56	712.49	\$78,597.68
58	131.96	580.53	712.49	\$78,016.19
59	131.00	581.49	712.49	\$77,433.73
60	130.03	582.46	712.49	\$76,850.30
61	129.06	583.43	712.49	\$76,265.89
62	128.08	584.41	712.49	\$75,680.51
63	127.11	585.38	712.49	\$75,094.13
64	126.13	586.35	712.49	\$74,506.82
65	125.16	587.33	712.49	\$73,918.51
66	124.18	588.31	712.49	\$73,329.22
67	123.20	589.29	712.49	\$72,738.95
68	122.22	590.27	712.49	\$72,147.69
69	121.23	591.26	712.49	\$71,555.45
70	120.25	592.24	712.49	\$70,962.22
71	119.26	593.23	712.49	\$70,368.00
72	118.27	594.22	712.49	\$69,772.79
73	117.28	595.21	712.49	\$69,176.59
74	116.29	596.20	712.49	\$68,579.39
75	115.29	597.20	712.49	\$67,981.20
76	114.30	598.19	712.49	\$67,382.01
77	113.30	599.19	712.49	\$66,781.82
78	112.30	600.19	712.49	\$66,180.63
79	111.30	601.19	712.49	\$65,578.44
80	110.30	602.19	712.49	\$64,975.25
81	109.30	603.19	712.49	\$64,371.07
82	108.29	604.00	712.49	\$63,765.85
83	107.29	605.20	712.49	\$63,159.64
84	106.28	606.21	712.49	\$62,552.42
85	105.27	607.22	712.49	\$61,944.18
86	104.26	608.24	712.49	\$61,334.93
87	103.24	609.25	712.49	\$60,724.68
88	102.22	610.27	712.49	\$60,113.38
89	101.21	611.28	712.49	\$59,501.08
90	100.19	612.30	712.49	\$58,887.76
91	99.17	613.32	712.49	\$58,273.42
92	98.15	614.34	712.49	\$57,658.08
93	97.12	615.37	712.49	\$57,041.66
94	96.10	616.39	712.49	\$56,424.24
95	95.07	617.42	712.49	\$55,805.79
96	94.04	618.45	712.49	\$55,186.31
97	93.01	619.48	712.49	\$54,565.80
98	91.98	620.51	712.49	\$53,944.25
99	90.94	621.55	712.49	\$53,321.67
100	89.91	622.58	712.49	\$52,698.05
101	88.87	623.62	712.49	\$52,073.39
102	87.83	624.66	712.49	\$51,447.69
103	86.79	625.70	712.49	\$50,820.95
104	85.75	626.74	712.49	\$50,193.16
105	84.70	627.79	712.49	\$49,564.33
106	83.66	628.83	712.49	

AMORTIZATION SCHEDULE

9110,730.00 2.00% 180 months

No #	Interest	Principal	Payment	Balance
107	82.61	629.88	712.49	\$48,934.45
108	81.56	630.93	712.49	\$48,303.52
109	80.51	631.98	712.49	\$47,671.54
110	79.45	633.04	712.49	\$47,038.50
111	78.40	634.09	712.49	\$46,404.41
112	77.34	635.15	712.49	\$45,769.26
113	76.28	636.21	712.49	\$45,133.06
114	75.22	637.27	712.49	\$44,495.78
115	74.16	638.33	712.49	\$43,857.48
116	73.10	639.39	712.49	\$43,218.06
117	72.03	640.46	712.49	\$42,577.60
118	70.96	641.53	712.49	\$41,936.07
119	69.89	642.60	712.49	\$41,293.47
120	68.82	643.67	712.49	\$40,649.80
121	67.75	644.74	712.49	\$40,005.06
122	66.68	645.81	712.49	\$39,359.25
123	65.60	646.89	712.49	\$38,712.36
124	64.53	647.97	712.49	\$38,064.38
125	63.46	649.05	712.49	\$37,415.34
126	62.36	650.13	712.49	\$36,765.21
127	61.28	651.21	712.49	\$36,114.00
128	60.19	652.30	712.49	\$35,461.70
129	59.10	653.39	712.49	\$34,808.31
130	58.01	654.48	712.49	\$34,153.83
131	56.92	655.57	712.49	\$33,498.26
132	55.83	656.66	712.49	\$32,841.60
133	54.74	657.75	712.49	\$32,183.85
134	53.64	658.85	712.49	\$31,525.00
135	52.54	659.95	712.49	\$30,865.05
136	51.44	661.05	712.49	\$30,204.00
137	50.34	662.15	712.49	\$29,541.88
138	49.24	663.25	712.49	\$28,878.60
139	48.13	664.36	712.49	\$28,214.24
140	47.02	665.47	712.49	\$27,548.77
141	45.91	666.58	712.49	\$26,882.19
142	44.80	667.69	712.49	\$26,214.50
143	43.69	668.80	712.49	\$25,545.70
144	42.58	669.91	712.49	\$24,874.79
145	41.46	671.03	712.49	\$24,204.78
146	40.34	672.15	712.49	\$23,532.61
147	39.22	673.27	712.49	\$22,859.34
148	38.10	674.39	712.49	\$22,184.95
149	36.97	675.52	712.49	\$21,509.43
150	35.85	676.64	712.49	\$20,832.79
151	34.72	677.77	712.49	\$20,155.02
152	33.59	678.90	712.49	\$19,476.14
153	32.46	680.03	712.49	\$18,796.09
154	31.33	681.16	712.49	\$18,114.83
155	30.19	682.30	712.49	\$17,432.63
156	29.05	683.44	712.49	\$16,749.19
157	27.92	684.57	712.49	\$16,064.82
158	26.77	685.72	712.49	\$15,378.90
159	25.63	686.86	712.49	\$14,692.04

AMORTIZATION SCHEDULE

\$110,720.00 2.00% 180 months

No #	Interest	Principal	Payment	Balance
160	24.49	688.00	712.49	\$14,004.04
161	23.34	689.15	712.49	\$13,314.89
162	22.19	690.30	712.49	\$12,624.59
163	21.04	691.45	712.49	\$11,933.14
164	19.89	692.60	712.49	\$11,240.54
165	18.73	693.76	712.49	\$10,546.78
166	17.58	694.91	712.49	\$9,851.87
167	16.42	696.07	712.49	\$9,155.80
168	15.26	697.22	712.49	\$8,458.57
169	14.10	698.39	712.49	\$7,760.18
170	12.93	699.56	712.49	\$7,060.62
171	11.77	700.72	712.49	\$6,359.90
172	10.60	701.89	712.49	\$5,658.01
173	9.43	703.06	712.49	\$4,954.95
174	8.26	704.22	712.49	\$4,250.72
175	7.08	705.39	712.49	\$3,545.33
176	5.91	706.56	712.49	\$2,838.77
177	4.73	707.72	712.49	\$2,130.97
178	3.55	708.89	712.49	\$1,422.03
179	2.37	710.12	712.49	\$711.91
180	1.19	711.31	713.10	\$0.00
Totals	17,528.81	110,720.00	128,248.81	\$0.00