

MILFORD TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA

ORDINANCE NO. 166

AN ORDINANCE INCREASING THE INDEBTEDNESS OF MILFORD TOWNSHIP, BUCKS COUNTY, PENNSYLVANIA BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000.00) 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 DOCUMENT; 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 Township of Milford, Bucks County, Pennsylvania, be increased for purpose of future open space acquisitions.

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of Five Million Dollars (\$5,000,000.00) will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its non-electoral 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 Township of Milford, Bucks 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 Township of Milford, Bucks County, Pennsylvania, proposed to be issued is Five Million Dollars

(\$5,000,000.00), same to be issued for the foregoing purposes and same to be incurred as non-electoral 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 thirty (30) years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of Five Million Dollars (\$5,000,000.00) 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 and known as the Local Government Unit Debt Act, at the fixed rate of interest of two and twenty-five hundredths percent (2.25%) per annum, amortized over 5 years, with installments of principal and interest due and payable monthly. Commencing after the first five years, said indebtedness shall bear interest at the rate of sixty-six (66%) of the then QNB Prime Rate, adjusted annually. However, no rate on this note shall exceed the fixed rate of interest of six and one-half percent (6.5%) per annum, amortized over the remaining 15 years, with installments of principal to be made following an initial 24 month draw period, and continuing monthly, all in accordance with the Amortization Schedule attached hereto as Exhibit "A". The basis for calculating interest is a 365 day year.

The interest rate established herein is predicated on the tax-exempt status of this loan.

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 Township of Milford, Bucks County, Pennsylvania. The local government unit 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 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 Township of Milford is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of two and twenty-five hundredths percent (2.25%) for the first five years and an interest rate of no more than twelve percent (6.5%) for the remaining 15 years are as follows:

SEE EXHIBIT "A" ATTACHED HERETO.

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit "B".

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the Board of Supervisors of Milford

Township 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 Chairman of the Board of Supervisors and Secretary of the local government unit are 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, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. Quakertown National 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 2006 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 principal and interest on the obligation.

SECTION 8. The Township Secretary and the Chairman of the Board of Supervisors of the local government unit are hereby authorized to contract with Quakertown National Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the General Obligation Note in the amount of Five Million Dollars (\$5,000,000.00) herein authorized to be issued and sold is hereby awarded and sold to Quakertown National Bank in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to Quakertown National Bank and is in the form set forth in this Ordinance as Exhibit "B"; 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 Town and Country, 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. A copy of the final text of the ordinance may be examined by any citizen at the Milford Township Building, 738 Penns Park Road, in Milford Township, Pennsylvania, during regular business hours.

SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

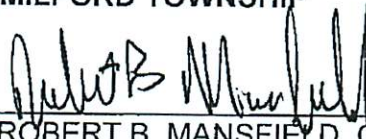
ORDAINED AND ENACTED THIS 3rd DAY OF MAY, 2016.

ATTEST:



JEFFREY VEY
Township Manager

BOARD OF SUPERVISORS OF
MILFORD TOWNSHIP



ROBERT B. MANSFIELD, Chair

CHARLES STRUNK, Vice Chair



THOMAS CORDUFF, Member