

ANNVILLE TOWNSHIP  
ANNVILLE, PENNSYLVANIA

ORDINANCE NO. 671

AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF ANNVILLE TOWNSHIP, LEBANON COUNTY, PENNSYLVANIA, PURSUANT TO THE ASSUMPTION OF THE INDEBTEDNESS EVIDENCED BY THE ANNVILLE ECONOMIC DEVELOPMENT AUTHORITY GUARANTEED LEASE REVENUE BOND – SERIES OF 2012 ISSUED ON OR ABOUT DECEMBER 15, 2012, WITH A CURRENT OUTSTANDING PRINCIPAL AMOUNT NOT TO EXCEED \$706,000 (THE "2012 NOTE"); MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE 2012 NOTE; PROVIDING FOR THE FILING OF REQUIRED DOCUMENTS; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITARY FOR THE 2012 NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF, AND OTHER NECESSARY ACTION.

WHEREAS, the Annville Economic Development Authority (the "Authority") issued its Guaranteed Lease Revenue Bond – Series of 2012 on or about December 15, 2012, with a current outstanding principal amount of \$706,000 (the "2012 Note"). The 2012 Note was originally issued by the Authority to undertake certain acquisition and/or renovations of various public facilities as part of a revitalization of the downtown area of the Township and was guaranteed by the Township.

WHEREAS, the Township desires to assume the indebtedness with respect to the 2012 Note (the "Assumption") in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 et. seq., as amended (the "Act") of the Commonwealth; and

WHEREAS, the proposed increase of debt, together with its other indebtedness presently outstanding, will not cause the limitations of the Township's debt incurring power, pursuant to constitutional and statutory authority, to be exceeded.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Board of Commissioners of Annville Township, Lebanon County, Pennsylvania, as follows:

Section 1. The Board of Commissioners hereby authorizes the assumption by the Township of the obligations of the Authority under the 2012 Note and the incurrence of indebtedness by the Township, pursuant to the Local Government Unit Debt Act, 53 Pa. C.S. §8001 et. seq., as amended (the "Act") in the aggregate principal amount of up to \$706,000.

Section 2. The indebtedness authorized by this Ordinance is non-electoral debt.

Section 3. The 2012 Note is hereby declared to be a general obligation of the Township. The Township hereby covenants that the Township shall include the amount of the debt service on the 2012 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 2012 Note and the interest thereon at the dates and places and in the manner stated in the 2012 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 is hereby irrevocably pledged. The covenants set forth in this paragraph are specifically enforceable.

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Section 4. The President (or Vice President) of Board of Commissioners is hereby authorized to undertake all actions as are necessary or convenient to effectuate the Assumption, all in form and substance as may be satisfactory to such person. The execution and delivery by any such officer of the Township of any and all such documents, instruments or certificates that may be necessary, proper or desirable to effect the transactions contemplated by this Ordinance shall constitute conclusive evidence of approval of any such document, instrument or certificate, as applicable, by the Township. The President (or Vice President) of Board of Commissioners and Secretary of the Township, or any one of such officers alone, are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act, and to take other actions, and execute all such other documents as may be necessary or appropriate to effect the Assumption in accordance with this Ordinance, and the Act, 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 and prepare and execute such documents as may be necessary to accomplish such designation.

Section 5. First Citizens Community Bank (the "Bank") is hereby appointed Paying Agent and Sinking Fund Depository for the 2012 Note, and the President of the Board of Commissioners and Secretary of the Township are hereby authorized to contract with a bank or bank and trust company for its services as sinking fund depository and paying agent for the 2012 Note if such additional services shall be necessary or advisable.

Section 6. The Township will not assume the payment of any taxes in consideration of the Assumption of the 2012 Note.

Section 7. The Township covenants with the Bank, and subsequent registered owners of the 2012 Note, that no part of the proceeds of the 2012 Note shall at any time be used directly or indirectly to acquire securities or obligations, the acquisition of which would cause the 2012 Note to be "arbitrage bonds" as defined in subsection (a) of Section 148 of the Internal Revenue Code of 1986, as amended, or under any similar statutory provisions, or any currently enacted rule or regulation promulgated thereunder or under former Section 103(c) of the Internal Revenue Code of 1954 with the effect that interest on the 2012 Note would no longer be exempt from federal income taxes. The Township further covenants that it will promptly and timely comply with the reporting and filing requirements of Section 149(e) of the Internal Revenue Code of 1986, and regulations issued thereunder.

Section 8. The President or Vice President of the Board of Commissioners or either one of them is hereby authorized to enter into an agreement with the Bank providing for the confirmation and acceptance of the appointments herein made as Paying Agent and Sinking Fund Depository for the 2012 Note, for its compensation in such capacities, for the administration of the Sinking Fund and for such other matters as counsel may recommend be included in the Agreement and as the officers may approve by their execution of the Agreement. The above officials are further authorized to contract with the Bank or one or more other banks or bank and trust companies, to the extent deemed necessary or advisable, for additional services as trustee, fiscal agent, sinking fund depository or paying agent.

Section 9. In case any one or more of the provisions contained in this Ordinance or with respect to the Assumption pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said Note, and this Ordinance or said Note shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

Section 10. This Ordinance is enacted pursuant to, and the 2012 Note issued hereunder shall be issued subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply and be deemed incorporated herein by reference whether or not explicitly stated herein.

Section 11. This Ordinance constitutes a contract with the Bank or subsequent registered owners of the 2012 Note and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

Section 12. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

Section 13. The appropriate officers of the Township are authorized and directed to execute and, if appropriate, file and deliver any and all documents and take any action necessary or appropriate for the consummation of the transactions contemplated by this Ordinance.

[Signature Page Follows]

THIS ORDINANCE enacted the 7<sup>th</sup> day of May, 2019.

ANNVILLE TOWNSHIP

By: [Signature]  
President of Board of Commissioners

Attest: Will T. Yinger  
Secretary

