

**ORDINANCE NO. 1 OF 2013**

**AN ORDINANCE INCREASING THE INDEBTEDNESS OF FAIRFIELD TOWNSHIP, WESTMORELAND COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$ 80,000.00 FOR THE PURCHASE OF A DUMP TRUCK AND EQUIPMENT ACCESSORIES, 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 Fairfield, Westmoreland County, Pennsylvania be increased for the purchase of a dump truck and equipment accessories; and

**WHEREAS**, the local government unit has received preliminary realistic cost estimates from review of the public bids obtained by the Commonwealth Department of General Services, Costars Program indicating the sum of \$80,000.00 will be needed to purchase the dump truck and equipment accessories; 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 Fairfield Township debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

**NOW THEREFORE, BE IT ORDAINED AND ENACTED** by the Township of Fairfield, Westmoreland 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 Fairfield, Westmoreland County, Pennsylvania, proposed to be issued is \$ 80,000.00, 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 years.

**SECTION 3.** Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$ 80,000.00, 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 rate of interest of 2.600% per annum, payable on the unpaid balance of said Note on March 29, 2013 during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 2.600% per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows: **SEE ATTACHED EXHIBIT "A"**.

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 payments 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 Fairfield, Westmoreland 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 Fairfield, Westmoreland County 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 2.600% are as follows: **SEE ATTACHED EXHIBIT "A"**

**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 Township of Fairfield by the Chairman of the Board of Supervisors and attested to by the Secretary. The Secretary or any Supervisor is hereby authorized and directed to deliver said Note to First National Bank of Pennsylvania and receive payment therefore on behalf of Fairfield Township. The Secretary of Fairfield Township is 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.** First National Bank of Pennsylvania 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 2013 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 Supervisors of Fairfield Township are hereby authorized to contract with First National Bank of Pennsylvania 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 Supervisors of Fairfield Township 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 \$ 80,000.00, herein authorized to be issued and sold is hereby awarded and sold to First National Bank of Pennsylvania in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to First National Bank of Pennsylvania and is substantially 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 Latrobe Bulletin , 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.

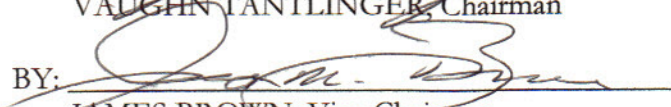
**SECTION 11.** All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

**ORDAINED AND ENACTED** this 29th day of March , 2013 .

**ATTEST:**

FAIRFIELD TOWNSHIP

BY:   
VAUGHN TANTLINGER, Chairman

BY:   
JAMES BROWN, Vice-Chairman

BY: Paul Altimus  
PAUL ALTIMUS, Supervisor

Emma J. Brendlinger  
EMMA J. BRENDLINGER, Secretary

**EXHIBIT "A"**

**Amortization Schedule**

<b>Date</b>	<b>Description</b>	<b>Total Payment</b>	<b>P&amp;I Payment</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Principal Balance</b>
Mar 22, 2013	Beginning Balance					80,000.00
☞	<b>2013 Totals</b>					
☞	Mar 22, 2014 Regular Payment	17,270.05	17,270.05	15,190.05	2,080.00	64,809.95
☞	<b>2014 Totals</b>	<b>17,270.05</b>	<b>17,270.05</b>	<b>15,190.05</b>	<b>2,080.00</b>	
☞	Mar 22, 2015 Regular Payment	17,270.05	17,270.05	15,585.00	1,685.05	49,224.95
☞	<b>2015 Totals</b>	<b>17,270.05</b>	<b>17,270.05</b>	<b>15,585.00</b>	<b>1,685.05</b>	
☞	Mar 22, 2016 Regular Payment	17,270.05	17,270.05	15,986.70	1,283.35	33,238.25
☞	<b>2016 Totals</b>	<b>17,270.05</b>	<b>17,270.05</b>	<b>15,986.70</b>	<b>1,283.35</b>	
☞	Mar 22, 2017 Regular Payment	17,270.05	17,270.05	16,405.86	864.19	16,832.39
☞	<b>2017 Totals</b>	<b>17,270.05</b>	<b>17,270.05</b>	<b>16,405.86</b>	<b>864.19</b>	
☞	Mar 22, 2018 Regular Payment	17,270.03	17,270.03	16,832.39	437.64	
☞	<b>2018 Totals</b>	<b>17,270.03</b>	<b>17,270.03</b>	<b>16,832.39</b>	<b>437.64</b>	
☞	<b>Grand Total</b>	<b>86,350.23</b>	<b>86,350.23</b>	<b>80,000.00</b>	<b>6,350.23</b>	





\*0955\*

EXHIBIT B

## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$80,000.00	03-28-2013	03-28-2020	SAMPLE				

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Fairfield Township  
159 Midget Camp Road  
Bolivar, PA 15923

**Lender:** First National Bank of Pennsylvania  
Hermine  
314 Sewickley Ave  
Hermine, PA 15637

Principal Amount: \$80,000.00

Date of Note: March 28, 2013

**PROMISE TO PAY.** Fairfield Township ("Borrower") promises to pay to First National Bank of Pennsylvania ("Lender"), or order, in lawful money of the United States of America, the principal amount of Eighty Thousand & 00/100 Dollars (\$80,000.00), together with interest on the unpaid principal balance from March 28, 2013, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 2.600% per annum based on a year of 360 days, until paid in full. The interest rate on this Note will increase under the following circumstances: In the event that the Internal Revenue Services or other body of competent jurisdiction shall determine that the interest payable hereunder shall be includible in the taxable income of Lender, whether prospectively and/or retroactively, (a "Taxable Event"). The interest rate on this Note will increase as follows: To the "Prime Rate" as published from time to time in "The Wall Street Journal", or any successor publication, per annum plus two percent (2%). The following information also relates to the termination of the preferred rate: The initial interest rate set forth above shall remain in effect during the term of this Note unless a Taxable Event shall occur, at which time the Borrower agrees to pay Lender the difference between the interest rate as originally stated herein and the Applicable Rate after declaration of a Taxable Event, if applied retroactively, shall be immediately due and payable to Lender on demand. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section. Whenever increases occur in the interest rate, Lender, at Lender's option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

**PAYMENT.** Borrower will pay this loan in 5 payments of \$17,020.53 each payment. Borrower's first payment is due March 28, 2014, and all subsequent payments are due on the same day of each year after that. Borrower's final payment will be due on March 28, 2018, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**FUTURE PAYMENT AMOUNTS AND RATES.** The payment amounts and interest rates set forth in the PAYMENT section above are based on the current Index and are merely an estimate of what the payment amounts and interest rates may be for future Payment Streams. The actual amounts will be based on the Index at the time of the interest rate change.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**LATE CHARGE.** If a payment is 30 days or more late, Borrower will be charged 8.000% of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 4.000 percentage points. If judgment is entered in connection with this Note, interest will continue to accrue after the date of judgment at the rate in effect at the time judgment is entered. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or



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disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may, after giving such notices as required by applicable law, declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**COURSE OF PERFORMANCE.** No prior course of performance between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower or Grantor's obligations under this agreement.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Pennsylvania.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Westmoreland County, Commonwealth of Pennsylvania.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**FINANCIAL INFORMATION.** The undersigned hereby agrees to prepare or cause to be prepared and to furnish financial statements and additional information, lists of assets and liabilities, aging lists of accounts receivable and payable, inventory schedules, budgets, forecasts, tax returns and other reports and documents with respect to the undersigned's financial condition and business operations and that of any guarantor or surety in form and substance as the holder hereof may request from time to time.

**INTEREST RATE AFTER DEFAULT.** Upon the occurrence of an event of default as set forth herein the undersigned agrees that the interest rate shall be amended and increased to four percent (4%) per annum greater than the rate set forth above and shall continue to accrue at said default rate until the holder agrees and the underlying event of default has been cured by the undersigned or any defaulting party.

**PREPAYMENT FEE.** Borrower shall have the right to prepay this Note in whole at any time or in part from time to time. In the event of any such prepayment, whether by declaration, acceleration or otherwise, a prepayment charge equal to two percent (2%) of the prepaid principal balance shall be immediately due and payable to the Lender. Lender may waive, in its sole discretion, any prepayment charge on any payment that exceeds the regular monthly payment by less than the greater of 10% or \$100.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: First National Bank of Pennsylvania Attn: Privacy Department 4140 East State Street Hermitage, PA 16148-3487.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several. If any portion of this Note is for any reason determined to be unenforceable, it will not affect the enforceability of any other provisions of this Note.

**CONFESSION OF JUDGMENT.** BORROWER HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE, TO APPEAR AT ANY TIME FOR BORROWER AFTER A DEFAULT UNDER THIS NOTE AND WITH OR WITHOUT COMPLAINT FILED, CONFESS OR ENTER JUDGMENT AGAINST BORROWER FOR THE ENTIRE PRINCIPAL BALANCE OF THIS NOTE AND ALL ACCRUED INTEREST, LATE CHARGES AND ANY AND ALL AMOUNTS EXPENDED OR ADVANCED BY LENDER RELATING TO ANY COLLATERAL SECURING THIS NOTE, TOGETHER WITH COSTS OF SUIT, AND AN ATTORNEY'S COMMISSION OF TEN PERCENT (10%) OF THE UNPAID PRINCIPAL BALANCE AND ACCRUED INTEREST FOR COLLECTION, BUT IN ANY EVENT NOT LESS THAN FIVE HUNDRED DOLLARS (\$500) ON WHICH JUDGMENT OR JUDGMENTS ONE OR MORE EXECUTIONS MAY ISSUE IMMEDIATELY; AND FOR SO DOING, THIS NOTE OR A COPY OF THIS NOTE VERIFIED BY AFFIDAVIT SHALL BE SUFFICIENT WARRANT. THE AUTHORITY GRANTED IN THIS NOTE TO CONFESS JUDGMENT AGAINST BORROWER SHALL NOT BE EXHAUSTED BY ANY EXERCISE OF THAT AUTHORITY, BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL PAYMENT IN FULL OF ALL AMOUNTS DUE UNDER THIS NOTE. BORROWER HEREBY WAIVES ANY RIGHT BORROWER MAY HAVE TO NOTICE OR TO A HEARING IN CONNECTION WITH ANY SUCH CONFESSION OF JUDGMENT AND STATES THAT EITHER A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THIS CONFESSION OF JUDGMENT PROVISION TO BORROWER'S ATTENTION OR BORROWER HAS BEEN



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(Continued)

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REPRESENTED BY INDEPENDENT LEGAL COUNSEL.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

THIS NOTE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS NOTE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

BORROWER:

FAIRFIELD TOWNSHIP

By: \_\_\_\_\_ (Seal)  
\_\_\_\_\_ of Fairfield Township



\*0955\*

## PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call / Coll.	Account	Officer	Initials
\$80,000.00	03-28-2013	03-28-2020	SAMPLE				
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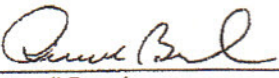
Borrower: Fairfield Township  
159 Midget Camp Road  
Bolivar, PA 15923

Lender: First National Bank of Pennsylvania  
Herminie  
314 Sewickley Ave  
Herminie, PA 15637

## ADDENDUM TO PROMISSORY NOTE

**PREPAYMENT FEE:** Borrower shall have the right to accelerate principal payments and/or repay this Note in its whole at any time **WITHOUT** penalty or charge. Said two percent (2%) prepayment penalty disclosed on page 2 of the Promissory Note is not applicable to the Borrower on stated \$80,000 term loan.

FIRST NATIONAL BANK OF PENNSYLVANIA

By:   
Russell Bernd  
Vice-President, Business Banking