

RESOLUTION NO. 1 OF 2017
TOWNSHIP OF FAIRFIELD, COUNTY OF WESTMORELAND
COMMONWEALTH OF PENNSYLVANIA

A resolution authorizing the issuance of a Tax Anticipation Loan and providing for repayment thereof.

**RESOLUTION AUTHORIZING
TAX AND REVENUE ANTICIPATION NOTE**

WHEREAS, the Township of Fairfield, of Westmoreland County, Pennsylvania, hereinafter called the Local Government Unit, anticipates current revenues as yet uncollected; and

WHEREAS, the said Local Government Unit has determined that it is necessary to borrow for the purpose of meeting current expenses by issuing a note to be repaid from said anticipated revenues; and

WHEREAS, the First National Bank has submitted to the said Local Government Unit a proposal to purchase a tax anticipation note of the Local Government Unit and the Local Government Unit desires by the adoption of this resolution to accept such proposal and authorize the issuance and sale of its tax and revenue anticipation note;

NOW THEREFORE, be it **RESOLVED** that:

(1) The Local Government Unit hereby authorizes the issuance of a tax and revenue anticipation note in the amount of \$ 50,000.00 in anticipation of the receipt of current taxes and revenues to be sold at private sale.

(2) The Note shall be in the denomination of \$ 50,000.00, shall be redeemable at any time, at the option of the officers of the Local Government Unit without penalty or premium, shall be fully registered without coupons, shall be dated January 12, 2017, and shall be payable at the New Florence, Pennsylvania office of the Lender, shall be substantially in the form annexed to the resolution as Exhibit A and hereby made a part of this resolution as though fully set forth herein.

(3) The proposal of the First National Bank to purchase the note dated January 3, 2017, is hereby accepted and shall be incorporated into the minutes of this meeting. A true and correct copy of said proposal is attached hereto as Exhibit B, and the appropriate executive officers are hereby authorized and directed to execute and deliver a duplicate original of the acceptance of said proposal to the Lender.

(4) The Local Government Unit hereby pledges to the Lender and grants to the Lender a first lien and charge on its taxes and revenues received during the period when the note is outstanding to secure the payment of the indebtedness evidence hereby and the interest thereon.

(5) Payment of the principal and interest shall be made in the following amounts and on the following dates:

DATE	INTEREST	PRINCIPAL	BALANCE
January 2017	\$79	\$4,131	\$45,869
February 2017	\$72	\$4,137	\$41,732
March 2017	\$66	\$4,144	\$37,588
April 2017	\$59	\$4,150	\$33,438
May 2017	\$53	\$4,157	\$29,281
June 2017	\$46	\$4,163	\$25,118
July 2017	\$40	\$4,170	\$20,948
August 2017	\$33	\$4,176	\$16,772
September 2017	\$26	\$4,183	\$12,589
October 2017	\$20	\$4,190	\$8,399
November 2017	\$13	\$4,196	\$4,203
December 2017	\$7	\$4,203	\$0

(6) The appropriate executive officer be and hereby is authorized and directed to execute and deliver in the name of, on behalf of, and under the seal of, the Local Government Unit, the tax

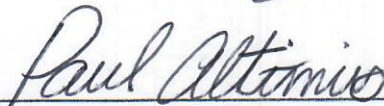
and revenue anticipation note in the form and containing the term described above, and the Secretary of the Local Government Unit be and hereby is authorized and directed to attest the same.

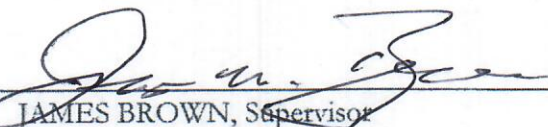
(7) The appropriate executive or fiscal officer be and hereby is authorized and directed to prepare and cause to be prepared and to file a Certificate as to Taxes and Revenues to be Collected as required by Section 8128 of the Local Government Unit Debt Act. A true and correct copy of said Certificate is attached hereto as Exhibit C.

(8) The executive officers of the Local Government Unit be and hereby are authorized and directed to perform all acts which are necessary and proper for the valid issuance and securing of the note.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Local Government Unit this 12th day of January, 2017.

By: 
VAUGHN TANTLINGER, Supervisor

By: 
PAUL ALTIMUS, Supervisor

By: 
JAMES BROWN, Supervisor

ATTEST:


EMMA BRENDLINGER, Secretary

CERTIFICATION

I, EMMA BRENDLINGER, Secretary of Fairfield Township, hereby certify that the foregoing is a true and correct copy of the resolution, duly adopted by the majority vote of said Local Government Unit, at a meeting held on the 12th day of January, 2017, and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of said Local Government Unit.

IN WITNESS, WHEREOF, I have hereunto set my hand and seal this 12th day of January, 2017.


EMMA BRENDLINGER, Secretary

EXHIBIT A

**FAIRFIELD TOWNSHIP
WESTMORELAND COUNTY, PENNSYLVANIA
TAX AND REVENUE ANTICIPATION NOTE
SERIES 1 OF 2017**

(ATTACHED)

EXHIBIT B

**FAIRFIELD TOWNSHIP
WESTMORELAND COUNTY, PENNSYLVANIA**

PROPOSAL OF LENDER

(ATTACHED)



First National Bank

580 Wendel Road, Irwin, PA 15642
724-864-0082

January 3, 2017

Attn: Paul Altimus, Supervisor
James Brown, Vice-Chairman
Vaughn Tantlinger, Chairman
Fairfield Township
159 Midget Camp Road
Bolivar, PA 15923

Re: Approval of Purchase of Tax and Revenue Anticipation Note in the Face
Principal Amount of \$50,000.00

Dear Mr. Altimus:

We are pleased to express our interest in considering the credit accommodations described below. While this letter is not intended to constitute a commitment to lend on the part of First National Bank of Pennsylvania, but only to summarize for discussion purposes the credit accommodations which we are considering at this time. If we are the successful bidder under the outlined terms of this letter, we will immediately proceed with the credit underwriting necessary to formalize this transaction.

FINANCING PACKAGE PROPOSAL

Issuer: Fairfield Township, Westmoreland County, Pennsylvania (the "Local Government Unit").

Amount: \$50,000.00 (purchased at par).

Purpose: To anticipate taxes and revenues of the Local Government Unit for fiscal year January 1, 2017 to December 31, 2017.

Term: Twelve (12) months.

Interest Rate: One and Eighty-Nine hundredths percent (1.89%) fixed interest rate (Tax Exempt) per annum (actual days elapsed over an assumed 365/360-day year basis); or

Default Rate: Upon the occurrence of an event of default, the interest rate shall convert to a fully variable rate per annum equal to the "Prime Rate" as published from time to time in the *Wall Street Journal* or any successor publication (the "Prime Rate") plus 2% per annum (actual days elapsed over an assumed 365/360-day year basis), such rate to be adjusted automatically each time the Prime Rate changes (but subject to a maximum interest rate of 17%).

Collateral: Assignment of and first lien position on all taxes and revenues of the Local Government Unit for the term of the loan.

Other: All documentation needed to properly consummate the transaction and be in compliance with the Pennsylvania Local Government Unit Debt Act (the "Debt Act") and other acts that may be applicable shall be completed, executed and delivered to the Bank in form reasonably satisfactory to the Bank.

The Department of Community and Economic Development of the Commonwealth of Pennsylvania shall have received a certified copy of the authorizing and awarding resolution, a certificate as to the taxes and revenues remaining to be collected and a copy of the accepted proposal to purchase the Note.

Solicitor's Opinion in form and substance acceptable to the Bank as to the validity of the transaction and clearly stating that (i) the Note qualifies as a "tax exempt" obligation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) the Note will not be classified as an "arbitrage bond" under Section 148 of the Code, (iii) the Note will be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code since the Local Government Unit does not reasonably expect to issue more than \$10,000,000 of governmental purpose bonds in the calendar year of 2013, (iv) the Local Government Unit has full power and authority to issue the Note, has taken all necessary action to authorize the issuance of the Note and have received all applicable consents and approval from other governmental authorities, (v) the interest earned on the Note is exempt from all applicable income and corporate taxes of the Commonwealth of Pennsylvania and its subdivisions, and (vi) the Note is exempt from any personal property taxes assessed by the Commonwealth of Pennsylvania or its subdivisions.

The interest rate (Tax Exempt) as stated above is applicable only if the Note is a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Code.

The Local Government Unit shall have submitted to the Bank its audited financial and income statements for the prior fiscal year, its unaudited financial and income statements for the current fiscal year, and its proposed budget for the next fiscal year.

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Mr. Altimus
January 3, 2017
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The Note may be voluntarily paid prior to its stated maturity date at a price equal to 100% of the principal amount of the Note plus all accrued and unpaid interest thereon.


The Local Government Unit must pass a balanced budget and include principal and interest as line items in the budget each year that the loan is in place.

Any fees and expenses (including reasonable attorneys' fees and expenses of your Solicitor and of counsel to the Bank) concerning this transaction will be paid by the Local Government Unit.

As mentioned above, this letter does not constitute a commitment to lend on the part of the Bank. I expect to engage in further discussion with you and to obtain additional information before deciding whether a commitment letter will be issued and what the terms and conditions of any such commitment will be. While this letter may form the basis for a discussion of various credit accommodations, you understand that we will not be committed to make credit available to you unless the commitment is evidenced by a writing executed by the Bank.

We at First National Bank of Pennsylvania thank you for the opportunity of reviewing your banking needs and trust you will feel free to call if you have any questions, comments or concerns.

Respectfully,
FIRST NATIONAL BANK OF PENNSYLVANIA

By 
Russell Bernd
Vice President, Business Banking

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Mr. Altimus
January 3, 2017
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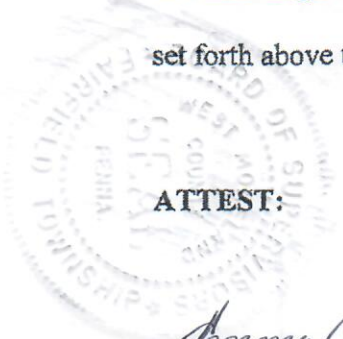
-- ACCEPTANCE --

The undersigned, intending to be legally bound, hereby accepts this proposal and the terms

set forth above this 12th day of January, 2017.

ATTEST:

BORROWER:
Fairfield Township


Emma J. Bradley
Secretary

By Paul Altimus (SEAL)
Paul Altimus, Supervisor

Emma J. Bradley
Secretary

By James Brown (SEAL)
James Brown, Vice-Chairman

Emma J. Bradley
Secretary

By Vaughn Tantlinger (SEAL)
Vaughn Tantlinger, Chairman

EXHIBIT C

**CERTIFICATE OF TAXES
AND REVENUES TO BE COLLECTED**

(ATTACHED)

CERTIFICATE OF TAXES
AND REVENUES TO BE COLLECTED

Pursuant to Section 8126 of the Local Government Unit Debt Act, the executive officers of Fairfield Township, Westmoreland County, Pennsylvania (hereinafter the "Local Government Unit") hereby certify that:

1. The undersigned have carefully estimated that the following amounts of moneys will be received from taxes presently levied and assessed, and other revenues to be received (including subsidies and reimbursements) during the following months in the fiscal year ending December 2017. *(Note: Only use months during period when note is outstanding)*

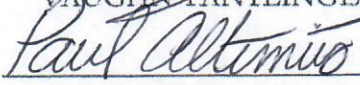
DATE	AMOUNT
January 2017	\$15,193
February 2017	\$32,859
March 2017	\$22,221
April 2017	\$36,117
May 2017	\$56,284
June 2017	\$26,824
July 2017	\$16,845
August 2017	\$29,922
September 2017	\$18,457
October 2017	\$15,442
November 2017	\$34,132
December 2017	\$17,826

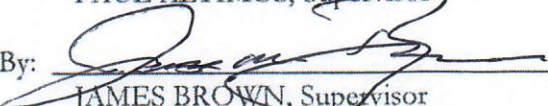
2. In making the foregoing estimate, the undersigned have considered the past and anticipated collection experience of the Local Government Unit and current economic conditions.

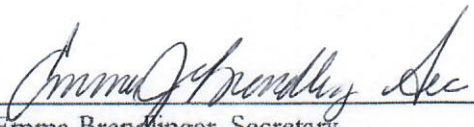
3. The amount of the borrowing pursuant to tax and revenue anticipation notes in the above-mentioned fiscal year, including the current obligation, does not exceed 85% of the sum of the revenues.

IN WITNESS WHEREOF, the undersigned have set their hands this 12th day of January, 2017.

By: 
VAUGHN PANTLINGER, Supervisor

By: 
PAUL ALTIMUS, Supervisor

By: 
JAMES BROWN, Supervisor


Emma Brendlinger, Secretary