

ORDINANCE NO. 174

WHEREAS, the Borough of Clymer (hereinafter called the "Borough") deems it advisable to borrow Fifty-Thousand (\$50,000) Dollars without the issuance of bonds pursuant to Section 409 of the Local Government Unit Debt Act (herein the "Act") for the purpose of the interim funding of Clymer Borough Sewer Authority (hereinafter the "Project");

WHEREAS, the Borough has obtained an estimate of the minimum cost of the Project, obtaining estimates from professional engineers; and,

WHEREAS, Said cost has been determined to be \$50,000;

WHEREAS, Notice of the following Ordinance has been duly advertised in accordance with Section 103 of the Act; and

WHEREAS, Marion Center National Bank (hereinafter the "Bank") has presented a written proposal to this meeting to purchase the Note;

NOW, THEREFORE, Be and it is hereby is ORDAINED AND ENACTED by the Borough Council of the Borough of Clymer as follows;

1. The indebtedness of the Borough be increased in the amount of Fifth-Thousand (\$50,000) DOLLARS to be evidenced by the issuance of an installment note (here in the "Note") in the form of the Note presented to this meeting and incorporated into the minutes hereof as Exhibit N.

2. The debt to be incurred is non-electoral debt and is to be incurred to pay the cost of the Project.

3. The Note shall be sold at a private sale.

4. The Borough accepts the proposal of the Bank to purchase the Note, at par, dated the date of delivery of the Note maturing in the following installments:

- (a) One year from the date thereof, 17½% of the principal amount or \$8,750.00;
- (b) Two years from date thereof, 19% of the principal amount or \$9,500.00;
- (c) Three years from the date thereof 20% of the principal amount or \$10,000.00;
- (d) Four years from the date thereof, 21% of the principal amount or \$10,500.00;
- (e) Five years from the date thereof, 22½% of the principal amount or \$11,250.00;

bearing interest at the rate of 5% per annum (based on a year of 365 days) on the unpaid balance payable quarterly, redeemable at the option of the Borough at any time without premium or penalty.

5. The proposal of the Bank presented to this meeting shall be incorporated into the minutes hereof as Exhibit "B" and the President of the Board of Borough Council and the Secretary are hereby authorized and directed to execute and deliver on behalf of and under the seal of the Borough an acceptance of said proposal:

6. The President and Secretary are hereby authorized and directed to prepare, certify and file the debt statement required by Section 410 of the Local Government Unit Debt Act.

7. The Note shall be a general obligation of the Borough and the Borough hereby covenants with the holder, from time to time, of the Note that it will include the amount of the debt service for each fiscal year in which any installment of principal is 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 and interest on said Note on the dates and at the places and in the manner stated therein according to the true and meaning thereof, and for such budgeting, appropriation and payment, the Borough hereby pledges its full faith, credit and taxing power.

ADAG07

8. Marion Center National Bank is hereby designated as the Sinking Fund Depository for the Note and there is hereby created a Sinking Fund for the payment of the principal and the 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 of the Borough shall deposit into the Sinking Fund sufficient amounts for payment of principal and interest on the Note no later than the date upon which such payment shall become due. The Sinking Fund Depository shall, without further action by the Borough withdraw available monies in the Sinking Fund and apply said monies to payment of the principal and interest of the Note.

9. Upon approval of the Department of Community Affairs of the Commonwealth of Pennsylvania to issue the Note, the President of the Borough Council shall execute and affix the seal of the Borough to the Note and the Secretary shall attest the same and either or both shall deliver the Note to the Bank.

10. The proper officers of the Borough are hereby authorized and directed to do all acts necessary and proper for the issuance and securing the said Note.

ORDAINED AND ENACTED into law by the Borough Council of the Borough of Clymer in lawful session this Fifteenth day of November 1973.

BOROUGH OF CLYMER.

Attest:

By Roe Johns
President

C. L. Longwill
Secretary

ADAGG7