SOUTH BEAVER TOWNSHIP

ORDINANCE NO. 65-A

AN ORDINANCE OF THE TOWNSHIP OF SOUTH BEAVER SITUATE IN THE COUNTY OF BEAVER AND COMMONWEALTH OF PENNSYLVANIA, AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INCREASING THE INDEBTEDNESS OF SOUTH BEAVER TOWNSHIP BY AND IN THE AMOUNT UP TO \$56,972.00 PER THE ISSUANCE OF BAILMENT LEASE FINANCING AGREEMENT BY AND BETWEEN THE TOWNSHIP OF SOUTH BEAVER AND CATERPILLAR FINANCIAL SERVICE CORPORATION FOR THE PURPOSE OF THE TOWNSHIP'S ACQUISITION OF A MODEL 420D CATERPILLAR BACKHOE; FIXING THE FORM, DATE, INTEREST AND MATURITY OF SAID GENERAL OBLIGATION DEBT DOCUMENT; MAKING OF A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE THEREOF WITH THE APPOINTMENT/CREATION OF A SINKING FUNDING DEPOSITORY FOR THE MANNER OF PAYMENT OF SAID DEBT; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS AS TO SAID INCURRENCE OF DEBT PER STATUTORY REQUIREMENTS; AND THEREAFTER AUTHORIZING THE EXECUTION, SALE AND DELIVERY OF SAID BAILMENT LEASE FINANCING AGREEMENT AS A GENERAL OBLIGATION DOCUMENT OF THE TOWNSHIP.

WHEREAS, the Township of South Beaver for the purpose of conducting of general maintenance of the streets, roads and properties of the Township has selected for acquisition of a capital asset project or asset, namely a new backhoe at a project acquisition cost of \$56,972.00, which backhoe has an estimated useful life of twentytwo years or more;

WHEREAS, to acquire said capital asset it is necessary that the purchase price of same to be financed, therefore loan proposals have been procured and the Township of South Beaver Township in accordance to Section 8161(a) of the Local Government Unit Debt Act and its Resolution No. 5 of 2002, the Township has negotiated a loan for said \$56,972.00 sum for the purpose of consummating the acquisition of said capital asset; and

WHEREAS, said proposed increased indebtedness together with its lease rental indebtedness presently outstanding, will not cause the limitations of the Local Government Unit Debt Act applicable to the Township of South Beaver to be exceeded, thus enabling the Township to incur such increased indebtedness pursuant to constitutional and statutory provisions.

NOW THEREFORE, BE IT ENACTED AND ORDAINED, and it is hereby enacted and ordained, by the Board of Supervisors of South Beaver Township pursuant to the provisions and authority existing under the Second Class Township Code, the General Municipal Code, and the Local Government Unit Debt Act, the following:

- Section 1. Subject to the approval of the Pennsylvania Department of Community and Economic Development, indebtedness by and of the Township of South Beaver shall be incurred, increased and set, and is hereby approved, authorized and directed to be incurred by the Board of Supervisors of South Beaver Township in the aggregate principal amount of up to an Fifty-six Thousand Seven Hundred Ninety-two and No/100 (\$56,972.00) Dollars, at and with four and eight-tenths (4.8%) interest per annum to be paid on the unpaid principal balance, which debt obligation is and shall be a nonelectoral debt obligation to be paid from the revenue receipts of the Township of South Beaver, evidenced by a lease-purchase financing agreement commonly referred to a bailment lease financing document.
- A. Said general obligation debt document shall be substantially in form as attached hereto as Exhibit "A" summarily detailed as follows: captioned "Governmental Lease-Purchase Agreement" by and between Caterpillar Financial Services Corporation and South Beaver Township, for the maximum principal debt sum of Fifty-six Thousand Seven Hundred Ninety-two and No/100 (\$56,972.00) Dollars, bearing four and eight-tenths (4.80%) percent per annum on the unpaid principal balance, to be amortized over a period not more than seven (7) years by seven consecutive annual payments of principal and interest not in excess of \$9,774.65 per year, with the first annual payment being due and payable one (1) year from the earliest date of possible execution of said bailment lease financing document with the Township having the right to prepay principal debt in full or part, with out any prepayment penalty, interest or surcharge imposed by said lender.
- B. Said debt obligation shall mature and be paid in full, if not sooner, seven years from the date of it execution, with the payment of the principal debt and interest to be accomplished by annual installments detailed as aforesaid, the Amortization Schedule of which is set forth in Exhibit "B".

- C. The proceeds of said bailment lease are pledged and authorized for application, and for no other purposes, for the purchase of a 420D Caterpillar Backhoe.
- D. South Beaver Township 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.
- E. The principal and interest of said bailment lease shall be payable at the office of the sinking fund depository selected for said debt obligation document as hereinafter provided.
- Section 2. The said debt obligation captioned "Governmental Lease-Purchase Agreement" is hereby declared to be a general obligation of the Township of South Beaver. For and in the purpose of fulfilling its pledge and guarantee as a debtor, South Beaver Township hereby covenants that it shall:
- A. Include the amount of debt service on said purchase money bailment lease in the annual fiscal budgets of South Beaver Township for and during each fiscal year in which sums are payable per it terms and provisions;
- B. Appropriate such amounts to and for the payment of the debt service of said "Governmental Lease-Purchase Agreement";
- C. Duly and punctually pay or cause to be paid the principal of said "Governmental Lease-Purchase Agreement" and the interest thereon at the dates and places and in the manner stated therein according to the true intent and meaning thereof.
 - D. For such proper budgeting, appropriation, and payment, the full faith,

credit and taxing power of South Beaver Township are hereby irrevocably pledged.

The amounts which South Beaver Township hereby covenants to budget and pay in each of the its calendar year fiscal years on the basis of the interest rate of said "Governmental Lease-Purchase Agreement" is set forth and included on Exhibit "C" hereto attached.

Section 3. Subject to and following approval by the Pennsylvania Department of Community and Economic Development, said "Governmental Lease-Purchase Agreement" shall be executed by and in the name and under the corporate seal of South Beaver Township by the Chairman or Vice-Chairman of the Board of Supervisors and attested to by the Secretary of the Township. Thereafter, the Township Treasurer is hereby authorized and directed to deliver the executed "Governmental Lease-Purchase Agreement" to the Caterpillar Financial Services Corporation, the purchaser thereof, and to receive payment therefor on behalf of South Beaver Township, with the principal sum to be applied as aforesaid to purchase a 420D Caterpillar, 4 wheel drive, with 1.4 yard bucket, and for no other purpose.

Section 4. Citizens Bank, or its successor, is hereby designated as the Sinking Fund Depository for said Promissory Note herein and hereby authorized. There is hereby created and established a sinking fund, to be known and designated as "Sinking Fund 2002 > Governmental Lease-Purchase Agreement", created for the purpose of making and delivery of the payment for the principal and interest due on the obligation unto and with the Caterpillar Financial Services Corporation of 2120 West End Avenue, Nashville, TN 37293-0001. Said Sinking Fund shall be maintained until the obligation of said "Governmental Lease-Purchase Agreement" is paid in full:

A. For the payment of the principal and interest due on said "Governmental Lease-Purchase Agreement", the Treasurer of South Beaver Township shall deposit into said Sinking Fund sufficient amounts of cash for payment of principal and interest

on the obligation thereof no later than the date upon which such payments shall be due.

- B. The said Sinking Fund Depository shall, as and when said payments are due, without further action by South Beaver Township, withdraw or otherwise debit moneys from said Sinking Fund, applying same to the payment of the annual principal and interest due the said Caterpillar Financial Services Corporation of 2120 West End Avenue, Nashville, TN 37293-0001.
- C. The Board of Supervisors, by its Chairman or Vice-Chairman, attested to by the Secretary of the Township, are hereby authorized to contract with Citizens Bank for its services as Sinking Fund Depository as herein designated as to the subject purchase money bailment lease, i.e. said "Governmental Lease-Purchase Agreement" and paying agent for the same. The Sinking Fund hereby created shall be administered in accordance with the requirements of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, and shall be an interest bearing account.
- Section 5. The period of useful life of the capital asset for which the aforesaid Promissory Note is hereby authorized to be made and executed by and on behalf of South Beaver Township, namely a new model 420D Caterpillar Backhoe is estimated as having a useful life of twenty-two years or more.
- Section 6. In compliance with Section 8161 of the Local Government Unit Debt Act and per Resolution No. 5 of 2002 attached hereto and made part hereof as Exhibit "D", the Board of Supervisors of South Beaver Township have determined that a private sale by negotiation rather than public sale is in the best financial interest of South Beaver Township for the Township to incur the indebtedness herein authorized. Therefore the general obligation or debt instrument captioned "Governmental Lease-Purchase Agreement" for and in an amount of up to Fifty-six Thousand Seven

Hundred Ninety-two and No/100 (\$56,972.00) Dollars, herein authorized to be issued and sold, is hereby awarded and sold to Caterpillar Financial Services Corporation of 2120 West End Avenue, Nashville, TN 37293-0001 in accordance to its proposal unto South Beaver Township to lend funds to South Beaver Township per said "Governmental Lease-Purchase Agreement", i.e. in essence for said lender to purchase said purchase money bailment lease at par, provided same is executed and delivered to the said Caterpillar Financial Services Corporation of 2120 West End Avenue, Nashville, TN 37293-0001 substantially in the form as set forth in this Ordinance as Exhibit "A".

Secretary of South Beaver Township are hereby authorized, empowered and directed to take any required, necessary and/or appropriate action to implement the provisions of this Ordinance, and to sign any document necessary for and in accordance herewith, including but not limited to the payment of any filing fees and the preparation and signing of any and all debt statements as required by Section 8110 of the Local Government Unit Debt Act, and/or any other certifications or other required filings or submission of documents to and with the Pennsylvania Department of Community and Economic Development as to the authorizing and entering into by South Beaver Township the aforesaid indebtedness.

Section 8. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Beaver County Times, a news paper of general circulation within the Township of South Beaver, is ratified and confirmed. The advertisement in said newspaper of the enactment of this Ordinance is hereby directed withing fifteen (15) days following the enactment of this Ordinance.

Section 9. In the event any provision, section, clause, sentence or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part hereof not specifically declared invalid by a

court of competent jurisdiction; it is the intent of the Board of Supervisors of South Beaver Township that the remainder parts, portions, sections, sentences and provisions of this Ordinance shall be and shall remain in full force and effect.

Section 10. This Ordinance and the provisions hereof shall be valid and effective for all purposes on the fifth day after the second advertisement, in accordance and pursuant to Section 8003 of the Local Government Unit Debt Act.

DULY ENACTED AND ADOPTED this 13th day of August, 2002

BOARD OF SUPERVISORS OF SOUTH BEAVER TOWNSHIP

Attest:

Carol Miller

Secretary

Supervisor

Supervisor

Supervisor

EXHIBIT 2

CATERPILLAR FINANCIAL SERVICES CORPORATION

GOVERNMENTAL LEASE-PURCHASE	AGREEMEN
Dated as of	,

ESSEE SOUTH BEAVER TOWNSHIP	LESSOR:	CATERPILLAR FINANCIAL SERVICES CORPORATION
A political agency or subdivision of the State of		2120 West End Avenue Nashville, TN 37203-0001 to acquire, lease, let and sell the Units to Lessee, and Lessee agrees t
essor, in reliance on 1 assects selection of the equipment, lease, hire and purchase the Units from Lessor.		Serial
escription of Unit(s)		

SAWPLE

Lacation of Unit(s):	Unitization Date, SEPTEMBER 30, 2002
Payment Schedule attached. Lease Term: 84 Months PAYMENT PROVISION: Lessee shall pay to Lesser payments (including the principal and interest portion) i	in 7 consecutive annual installments commencing One (1) year from Delivery D
ADDITIONAL PROVISIONS:	RIDERS:

- 1. LEASE TERM; NON-APPROPRIATIONS: The Lease term for each Unit shall commence on its "Delivery Date" (which is the later of the date on which (a) Lessor executes this Lease, (b) Lessor takes title to the Unit, or (c) Lessee or its agent receives possession or takes control of the Unit, provided the Delivery Date is on or prior to the Credit Utilization Date set forth above) and shall continue through the last day of Lessee's fiscal year in which the Delivery Date occurs and, thereafter, shall automatically be extended for successive annual periods coinciding with Lessee's fiscal years. If the Delivery Date is not on or prior to the Credit Utilization Date, I essee shall, at the option of Lessor, assume Lessor's obligations to purchase and pay for the Unit. Within seven days following the Delivery Date of each Unit, Lessee shall execute and deliver to Lessor a Delivery Supplement using Lesson's standard form. In the event no finds or insufficient finds are appropriated and budgeted or are otherwise not available in any fiscal year for payments due under this Lease, Lessee will immediately notify Lessor of such occurrence and this Lease shall terminate on the last day of the fixed year for which appropriations were received without penalty or expense to Lessee, except as to the portions of payments herein agreed upon for which finds shall have been appropriated and budgeted or are otherwise available. Notwithstanding the foregoing, I essee agrees that, to the extent permitted by law, it which finds shall have been appropriated and budgeted or are otherwise available. will not cancel the Lease under the provisions of this Section 1 if any funds are appropriated to it or by it for the acquisition, retention or operation of the Units or other equipment performing functions similar to the Units for the fiscal year in which termination occurs or the next succeeding fiscal year.
- 2. PAYMENTS; NET LEASE: During the Lease term, Lessee shall pay to Lessor, at , rent for each Unit as stated in the attached Payment Schedule and according to the and the reason and reason of the thirs thirs exist occumps you have as store in one amount a symbol concerns and accounts that the content of the thirs exist occumps you have as a file cost recepts and executes this Lease, said amount shall be applied to the first payment due. If Lessor does not execute this Lease, said amount will be returned to Lessee. If Lessor does not receive a payment on the date it is due, I essec shall pay to Lessor, on demand, a late payment charge equal to the lesser of five percent (5%) of the payment not paid when due or the highest charge allowed by law, whichever is less. This Lease is a not lesse, and Lessee shall not be entitled to any abatement or reduction of payment or any seloff against payment, whether arising by reason of any past, present or future claims of any nature by Lessee against Lessor or otherwise. Except as otherwise expressly provided herein, the obligations of Lessor and Lessoe shall not be affected by an defect in, duringe to, loss of possession or use of any Unit, however caused, by the attachment of any lien or other claim to any Unit, by any interference with Lessee's use of the Unit, or for any other cause, whether similar or dissimilar to the foregoing, any present or future haw to the contrary
- 3. DISCLAIMER OF WARRANTIES: Lessee acknowledges and agrees that Lessor is not the manufacturer of the Unit(s) and that Lessee has selected each Unit based on Lessee's own judgment without any reliance whatsoever on any statements or representations made by Lesson. AS BETWEEN LESSOR AND LESSEE, THE UNIT(S) OF LASSES 5 OWN JUNGSHEIN WITHOUT ANY WARRANTIES OF ANY KIND. LESSOR HEREBY EXPRESSLY DISCLAIMS a) ALL WARRANTIES OF MERCHANTABILITY, 6) ALL WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, AND c) ALL WARRANTIES AGAINST INFRINGEMENT OR THE LIKP. Lessor assigns to Lessee its interest in any of the manufacturer's warranties on the Units(s).
- 4. POSSESSION, USE AND MAINTENANCE: Lessee shall not (a) use, operate, maintain or stone any Unit improperly, curclessly, unsafely or in violation of any applicable law or regulation or for any purpose other than in the conduct of Lessee's business; (b) abandon any Unit; (c) sublease any Unit, permit the use of any Unit by anyone other than I essee, change the use of any Unit from that specified in the attached Application Survey/Usage Rider, or change the location of any Unit from that specified above, without the prior written consent of Lessot, or (d) sell, assign or transfer, or directly or indirectly create or suffer to exist any lien, claim, security interest or encumbrance on any of its rights becominer or in any Unit. The Units are and shall remain personal property irrespective of their use or manner of attachment to realty. or encummance on any or its rights percunder or in any Unit. The Units are and shall remain personal property prespective of hour use or manner of athermone to really. Upon prior nutice to I essee, Lessor or its agent shall have the right (but not the obligation) of all reasonable times to inspect any Unit and maintenance records relation therein. I essee shall, at its expense and at all times during the Lease term, maintain the Units in good operating order, repair and condition and shall perform maintenance and the state of the Units. Lessee shall not after any Unit or at least as frequently as set forth in any applicable operator's guide, service mannal, and lubrication and maintenance guide for the Units. Lessee shall not after any Unit or after any unit or addition would impair the originally intended function or use or reduce the value of such Unit. Any after any accessory or equipment to any Unit shall be subject to the other accounts the content of the content of the content to any Unit shall be subject to the alteration or addition to any Unit shall be the responsibility of and at the sole risk of Lessue. All parts, occassories and equipment affixed to any Unit shall be subject to the security interest of Lessor granted hereunder. If Lessor supplies Lessee with labels stating that the Unit is leased from Lessor, Lessee shall affix and keep them in a prominent place on the Unit.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS LESSEE ACKNOWLEDGES HAVING RECEIVED A FULLY COMPLETED AND EXECUTED COPY OF THIS AGREEMENT

LESSEE ACKNOWLEDGES INC. 4.77	THE PROPERTY OF THE PROPERTY O
essec: SOUTH BEAVER TOWNSHIP	Lessor: CATERPILLAR FINANCIAL SERVICES CORPORATION
By	Ву
	Name (PRINT)
Name (PRINT)	
By Name (PRINT)	Title
Date A. A.	Date
Date .	EXHIBIT "A"

5. LENSEE'S REPRESENTATION AND WARRANTIES: Lesses represents and warrants to Lesser that (e) Lesses is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the state where the Units will be located, (b) Lessee has the power to enter into and perform this Lesse and has taken all necessary and appropriate action to authorize the execution, delivery and performance hereof; (c) this Lease constitutes a valid and legally binding and entorceable obligation of Lessee; (d) the interest poyable by Lessee hereander is excludable from income for Eederal income taxation purposes pursuant to Section 103 of the International Revenue Code of 1986, as amended (the "Code"), and (e) Lessee has antificient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year and reasonably believes that funds can be obtained sufficient to make all payments during the term of this Lesse. Lessee represents that the use of the Units is essential to Lesser's propor, efficient and economic operation. Lestee acknowledges and agrees that the payments have been excludated for the control of the Lesse. Lessee represents that the interest portion of each payment is excludable from giors income farsation purposes. Lessee represents, warrants and coverants that: (a) Lessee will be Lessee will the door count of the Code, as the same may be amended from time to lime, and such compliance shall include but not be initiated to the control of information statements requested by Lessor, (b) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lesse to be an arbitrage bond within the meaning of Section 148(a) of the Code; (c) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow this Lesse to be a private activity band within the meaning of Section 148(a) of the Code; (c) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow 5. LESSEE'S REPRESENTATION AND WARRANTIES: Lessee represents and wanted to Lessee that (a) Lessee it a fully constituted publical subdivision or agency duly organized and

- 6. TAXES: Lexice agrees to promptly pay or reimburse Lessor for all feet and taxes of any nature, together with any penalties, fines or additions to tax, or interest thereon (all of the futegoing hirsafter the "Impositions"), nisting at any time prior to, during or subsequent to the Lesse term and levied by any faxing authority with respect to or in connection with any Dunt, excluding, however, taxes measured by Learofs not income (of but not excluding any net income taxes which, by the term of the state imposing but it tax, expressly relieve Lessee or Lessor from the payment of any Impositions which Lerxee would otherwise be obligated to pay or relimbures). If Lessor is not entitled to a corresponding and equal deduction with respect to any Imposition which Lessor is not included to pay or the individual size pay to Lessor the amount of any Impositions which Lessor is obligated to pay in respect to (a) such payment or relimbures must by Lessee and (b) any payment by Lessee made pursuant to this tentence. Lessee shall prepare and file, in a minuter satisfactory to Lessor, any reports or colours which may be required with respect to the Units. For purposes of this Section, "Lessor" shall include any efficient group, within the meaning of Section 1504 of the Code, of which Lessor is a member for any year in which a consolidated or combined income tax return is flied for the affiliated group.
- which Lessor is a member for any year in which a consolidated or combined intoms tax return is field for the affiliated group.

 1. LOSS OR DAMAGE: INSURANCE: Lesse assumes all ricks and liabilities of loss, damage or Casualty Occurrence (as brreinafter defined) for any cause whatsoever, for condemnation of any Duit prior to, during or subsequent to (until the Unit is returned in Lessor pursuant to Section 10) the Lease term, and for in-prior to or death of any person ar damage to any property in any pummer arising out of or incident to the possession, use, operation, condition or storage of the Unit. If any Unit becomes damaged, from any cause whatsoever, Lessee thing fire Lessor prompt pummer arising out of or incident to the possession, use, operation, condition or storage of the Unit. If any Unit becomes damaged, from any cause whatsoever, taken by condemnation or otherwise (any seed this becomes one), lost, stolen, destroyed or irreparably damaged (as reasonably determined by Lessor) from any cause whistoever, or taken by condemnation or otherwise (any seed this tortions when out, lost, stolen, destroyed or irreparably damaged (as reasonably determined by Lessor) from any cause whistoever, or taken by condemnation or otherwise (any seed this or the contraction of the contraction o to Lesser satisfactory evidence of such insurance coverage.
- IN LESSOF BUBLICONY EVIDENCE OF INCH HUMBING COVERGE.

 B. WAIVER AND INDEMNITY: LESSEE HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ASSIGNS FROM AND AGAINST ANY CLAIMS OF LESSEE OR THIRD PARTIES, INCLUDING CLAIMS BASED UPON BEFACH OF CONTRACT, BREACH OF WARRANTY, PERSONAL INJURY, PROPERTY DAMAGE, STRICT LIABILITY OR NEGLICENCE, FOR ANY LOSS, DAMAGE OR INJURY CAUSED BY OR RELATING TO THE DESIGN, MANUFACTURE, SELECTION, DELIVERY, CONDITION, OPERATION, USE, OWNERSHIP, MAINTERANCE OR REPAIR CAUSED BY UNIT. FURTHER, LESSEE AGREES TO BE RESPONSIBLE FOR ALL COSTS AND EXTENSES, INCLUDING REASONABLE ATTORNEYS' FEES, INCURBED BY DESSON OR HIS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ASSIGNS IN DEFENDING SUCH CLAIMS OR IN ENFORCING THIS PROVISION. UNDER NO CONDITION OR CAUSE OF ACTION SHALL LESSOR BE LIABLE FOR ANY LOSS OF ACTUAL OR ANTICIPATED BUSINESS OR PROFITS OR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES. OR CONSEQUENTIAL BAMAGES.
- 9. EVENTS OF DEFAULT; REMEDIES: Each of the following shall constitute an "Event of Defout" hereunder: (a) Lessee shall fail to make any payment to Lessee when due; (b) any repreventation or warranty of Lessee constince herein or in any document furnished to lesser in connection herewith shall be incorrect or misleading when made; (c) Lessee shall fail to observe or perform any other coverant, agreement or warranty made by Lessee hereunder and such failure shall continue for ten (10) days after written notice thereof to Lessee; (d) Lessee shall fail to make representation or warranty of Lessee constince herein of in any document tumished to lesser in connection herewith shall be incorrect or materialing when made; (c) Lessee shall fail to make representation or perform any other convenit, agreement or warranty made by Lessee hereunder and such failure shall continue for ten (10) days after written notice thereof to Lessee; (d) Lessee; thall fail to make any payment on its bounded indebtedness when due; or (e) there shall be a default by Lessee under any other greenent between Lesser and Lessee. If any Event of Default shall occur, Lessor, at its uption, may (a) practed by appropriate count action(s) to enforce this Lesse or to recover demages for the breach thereof; (5) by notice in writing to Lessee, tentinate this Lesse, but Lessee shall enter the same that the same tention of the payment of the control of the default of the following; (b-1) recover furthwith from Lessee (smithed this Lessee, but Lessee shall have a lessee as a control to the deal of such terrination, (ii) as damages for loss of the bargain and not as a genuity, a sum equal to the payment do not the following and Everted to the childs and additional security duting the balance of the first of year, and (iii) any additional damages and expenses sustained by Lessor by reason of the breach of any covernant, representation or warranty additional security duting the balance of the first of payment of memorits due hierometric, (b-2) additional damages and expenses sustained by Lessor by reason of the breach of any covernant, representation or warranty additional security duting the balance of the first of payment of memorits due hierometric, (b-2) additional security, and payment of the payment of memorits due hierometric, (b-2) additional security, and payment of the payment of the first of additional security and payment of the payment of the first of additional security and payment of the first of payment of the first and additional security, and the process shall be applied. First, to reinhurse le
- 10. RETTHIN OF UNIT: Upon any termination of the term of this Lease with respect to each Unit or if Lessor shall rightfully demand possession of any Unit, Lessee, at its expense, shall end to the premises of the nearest Caterpillar dealer selling component of fundavilla district the Unit to Lessor, appropriately protected and in the condition required by Section 4, as the option of Lessor, in the premises of the nearest Caterpillar dealer selling component of the same type as the Unit, or on board such camier as Lessor shall appear and shipping the same, freight collect, to the destination designated by Lessor. If the Unit is not in the condition required by Section 4, Lessoc shall pay to Lessor, on demand, all costs and expenses incurred by Lessor to bring the Unit into said condition.
- 11. HEPORT TO IRS: Lessee will report this Lesse to the Internal Revenue Service by filing Form 8038-G, 8038-GC or 8039 whichever is applicable. Failure to do so will cause the Lease to free its fax exempt status. Lessee agrees that if the appropriate form is not filed, the interest rate will be adjusted to an equivalent taxable interest rate.
- Inserts tax exempt status. Lesser agrees that it the appropriate form is not blied, the interest rate will be adjusted to an equivalent taxable interest rate.

 12. TELLE, SECURITY INTEREST AND FURTHER ASSURANCES: Provided (a) Lessee has accepted each Unit on its delivery date; (b) the Delivery Date of the Unit, and the Credit Utilization Date moted on the face bettor, and (c) on Event of Default exists as of the Delivery Date of the Unit, the to each Unit shall continuing, title to the Lost shall remember the provided, however, that in the event (i) this Lesse is terminated pursuant to Section I bereef, or (ii) an Invent of Default has occurred and is continuing, title to the Unit; including all attachments, lessen, face of any right, title and interesty Lessee, unless Lesser oless otherwise in writing. Lessee hereby grants to Lesser a continuing recurity interest in the Units, including all attachments, accessories and optional features (whether or not installed thereon) and all advantations, replacements, additions and accessions thereto, and all proceeds of all of the forms of clinical paper to secure the payment of all atoms due. Lessee will, at its express, do any further access and execute, acknowledge, deliver, file, register and tectord any further documents which Lessor may reasonable request in order to protect Lessee's security interest in the Units and Lessor's rights and benefits under this Lesse. Lessee hereby appoints Lessor and Lessee's Attouncy-in-Pact for the signing and filing of such documents and authorizes Lessee will not change its form of business organization or Business Location without prior written notice to lesses.
- 13. ANSIGNMENT, COUNTERPARTS: Without the prior written consent of Lessor, to assignment of this Lesse or any right or obligation hereunder may be made by Lesses or any assignee of Lessee. Lessor may not assign its right, tille and interest in and to this Lesse and the Units and/or grant or assign a security interest in this Lesse and the Units, in whole or in part. Although multiple counterparts of this decument may be signed, only the counterpart accepted, acknowledged and certified by Caterpillar Financial Services Corporation on the signature page thereof as the original will constitute original chattel paper.
- 14. EFFECT OF WAIVEIT: No delay or aminifum to exercise any right or remedy according to Lesson hereunder shall impair any such right or remedy nor shall it be construed to be a waiver of my breach or default of Lessoe. Any waiver or consent by Lessor under this Lease must be in writing specifically set forth. This Lease completely states the rights of Lessor and Lessee with request to the Units and supersteds all prior agreements with respect theretoe. Time is of the assence of this Lesse. No variation or modification of this Lease shall be valid unless in writing and acquested to the authorized representatives of Lessor and Lessee. All notices become a label be in writing, addressed to each party at the address are both on the front of this Lease or at such other address as may be familished it writing. If any provision of this Lease shall be invalid under any applicable law, such provision shall be deterned omitted but the remaining provisions shall be given effect. All colligation of Lessee under this Lease shall survive the explasion or termination of this Lease to the extent required for their full observance and performance.
- 15. GENERAL: This Losse shall be governed by and construed under the laws of the State where the Units are located

SAMPLE

EXHIBIT "A" continued

SAMPLE

AMENDMENT TO GOVERNM	ENTAL LEASE PURCHASE
THIS AMENDMENT (the "Amendment") dated a between South Beaver Township ("Lossee") and ("Lossor").	aterpinal Fuldicial Services Goopen.
WHEREAS, Lessee executed that certain Government "Lease"), dated as of even date herewith; and	mental Lease/Purchase with Lessor (the
WHEREAS, Lessee and Lessor desire to amend the specified.	he Lease with respect to the matters hereinafter
NOW THEREFORE, for good and valuable constant hereby acknowledged, Lessee and Lessor agree	ideration, the receipt and sufficiency of which se to amend the Lease as follows:
	NTY: The following sentence is hereby added nis section shall be deemed to limit, modify, medies of any kind that Lessee may have against
2. Section 10 - RETURN OF UNIT: T beginning of the first sentence to this section: "C Default" and the word "Upon" is hereby deleted.	he following words are hereby added to the on the occurrence of an uncured Event of
3. Section 16-PREPAYMENT: This follows: Lessee has the right to prepay any or all without penalty or surcharge.	section is hereby added and shall read as I of the outstanding principal and interest
4. Section 17 - TITLE: Upon satisfact amounts due hereunder, Lessee will receive absorber.	ion of the terms of this Lease and payment of all lute title to the equipment.
5. Except as provided herein, the Lease effect in accordance with its terms.	e shall remain unchanged and in full force and
IN WITNESS WHEREOF, the parties hereto has forth above.	ve executed this amendment as of the date set
South Beaver Township ("Lessee")	Caterpillar Financial Services Corporation ("Lessor")
Ву:	Ву:

EXHIBIT "A" Continued/End.

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Jouth Beaver Township New Cat 420D Backhoe Loader Compound Period: Annual % Nominal Annual Rate: 4.800 % Effective Annual Rate ...: 4.800 4.8000 % Periodic Rate 0.01315% Daily Rate:

CASH FLOW DATA

CASH FLOW DATA	to appropriate the second	Amount Number Period	End Date
Event	Start Date		
1 Loan , 2 Payment	2002 One Year from Date	56,972.00 1 9,774.65 7 Annual	

AMORTIZATION SCHEDULE - Normal Amortization

MORTIZATION SCH		Interest	Principal	Balance
Date	Payment			56,972.00
oan 2002 2002 Totals	0.00	0.00	0.00	
1 2003, one yr. 2003 Totals date	from 9,774.65 9,774.65	2,734.66 2,734.66	7,039.99 7,039.99	49,932.01
2 20044 2nd yr.	from9,774.65 9,774.65	2,396.74 2,396.74	7,377.91 7,377.91	42,554.10
2004 Totals date		2,042.60 2,042.60	7,732.05 7,732.05	34,822.05
4 2006, 4th yr.		1,671.46 1,671.46	8,103.19 8,103.19	26,718.86
2006 Totals 5 2007, 5th yr date	. from9,774.65	1,282.51 1,282.51	8,492.14 8,492.14	18,226.72
2007 Totals 6 2008, 6th yr 2008 Totals		874.88 874.88	8,899.77 8,899.77	9,326.95
7 2009, 7th yr 2009 Totals date		447.70 447.70	9,326.95 9,326.95	0.00
Grand Totals	68,422.55	11,450.55	56,972.00	

DEBT SERVICE SCHEDULE FOR PAYMENT OF

\$56,792.00 DEBT OBLIGATION @ 4.8% PER ANNUM

SEVEN YEAR REPAYMENT OF DEBT, WITH ANNUAL PAYMENTS COMMENCING ONE YEAR AFTER EXECUTION OF DEBT OBLIGATION DOCUMENT

YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE BUDGET AMOUNT
2003	\$ 7,039.99	\$ 2,734.66	\$ 9,774.65
2004	\$ 7,377.91	\$ 2,396.74	\$ 9,774.65
2005	\$ 7,732.05	\$ 2,042.60	\$ 9,774.65
2006	\$ 8,103.19	\$ 1,671.46	\$ 9,774.65
2007	\$ 8,492.14	\$ 1,282.51	\$ 9,774.65
2008	\$ 8,899.77	\$ 874.88	\$ 9,774.65
2009	\$ 9,326.95	\$ 447.70	\$ 9,774.65
2006 2007 2008	\$ 8,103.19 \$ 8,492.14 \$ 8,899.77	\$ 1,671.46 \$ 1,282.51 \$ 874.88	\$ 9,774.65 \$ 9,774.65 \$ 9,774.65

Subject to proportional reduction by and due to any prepayment on account of principal debt per right of prepayment provisions, without penalty provisions.

SOUTH BEAVER TOWNSHIP

Resolution No. 5 of 2002

WHEREAS, South Beaver Township has entered into a contract for the purchase of a new Caterpillar 420D Backhoe subject to procuring permission to incur indebtedness in accordance with the provisions of the Local Government Unit Debt Act; and

WHEREAS, it is necessary as stated aforesaid that the purchase price of said capital piece of equipment be financed by the Township of South Beaver in accordance with the provisions of the Local Government Unit Debt Act.

NOW THEREFORE, BE IT RESOLVED and it is hereby resolved by the Board of Supervisors of South Beaver Township:

- 1. The Township of South Beaver will need to arrange financing of an indebtedness of up to the aggregate principal debt sum of \$56,972.00.
- 2. Based on the aforesaid limited amount of indebtedness to be incurred by the Township of South Beaver and the costs/expenses relative to public sale versus private sale, it is the finding and determination by the Board of Supervisors that is in the best financial interest of the Township to negotiate private placement and/or sale of a loan obligation by the Township in lieu of the Township incurring the expenses and costs of a public sale of such municipal note or debt obligation of the Township.
- 3. The Township of South Beaver by its appropriate officials have solicited and negotiated by private sale, subject to the provisions of the Local Government Unit Debt Act per a format determined best by such solicitation, the placement and issuance of an indebtedness obligation of and by South Beaver Township for a loan sum of up to \$56,972.00 in and by the form of a debt obligation, and to establish a sinking fund for

payment of said debt, the final terms and conditions of which shall be fixed by an Ordinance adopted by the Board of Supervisors of South Beaver Township in accordance with the Local Government Unit Debt Act.

ADOPTED this __/3+/1 day of August, 2002.

ATTEST:

Secretary

SOUTH BEAVER TOWNSHIP

upervisor

Supervisor

Supervisor

I hereby certify this to be a true and correct copy of Resolution No. 5 of 2002 duly adopted by the Board of Supervisors of South Beaver Township at the regular public meeting of said Board held the __/__3/__ day of August, 2002.

Carol Miller Secretary