

**BOROUGH OF ORWIGSBURG
SCHUYLKILL COUNTY, PENNSYLVANIA**

ORDINANCE NO. 352

AN ORDINANCE OF THE BOROUGH COUNCIL OF THE BOROUGH OF ORWIGSBURG, SCHUYLKILL COUNTY, PENNSYLVANIA, AUTHORIZING THE ISSUANCE OF A NOTE IN THE AMOUNT OF FIVE HUNDRED SIXTY-FIVE THOUSAND (\$565,000.00) DOLLARD FOR SUNDRY PURPOSES, FIXING THE FORM, NUMBER, DATE, INTEREST AND MATURITY THEREOF, MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE OF THE NOTE, PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTS, PROVIDING FOR THE APPOINTMENT OF A SINKING FUND, DEPOSITORY FOR THE NOTE, AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it was necessary to increase the indebtedness of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, (the "Borough") in the amount of Seven Hundred Sixty-two Thousand (\$762,000.00) Dollars as approved by the Commonwealth of Pennsylvania, Department of Community Affairs, by Certificate of Approval Number 9647 as of November 14, 1983. The Project consisted of improvements to the water supply and distribution system of the Borough of Orwigsburg, said improvements to include modifications to an existing well, improvements to the distribution system, drilling and installation of facility for two new wells and connections of the new wells to the water system.

WHEREAS, the Borough Council has financed the Project in accordance with the Local Government Unit Debt Act (the "Debt Act"), being Act 185 of the 1992 General Assembly of the Commonwealth of Pennsylvania, as amended and re-enacted thereafter.

WHEREAS, the Borough Council has received a loan payoff statement in the amount of Five Hundred Seventy-five Thousand, Six Hundred Thirty-six Dollars and Forty-seven Cents (\$575,636.47).

WHEREAS, the Borough desires to refund its debt service for the purpose of securing a reduction in debt service;

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Borough Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, and is HEREBY ORDAINED AND ENACTED by the Authority of the same as follows:

SECTION 1: The aggregate principal of the Note of the Borough of Orwigsburg of the County of Schuylkill, Pennsylvania, proposed to be issued is Five Hundred Sixty-Five Thousand (\$565,000.00) Dollars, the same to be issued for the purpose of refunding and reducing a debt service and the same to be incurred as non-electoral debt.

SECTION 2: The period of usual life of the improvements for which the obligation is to be issued is estimated to be in excess of twenty (20) years.

SECTION 3: The indebtedness shall be evidence by one General Obligation Note, in fully registered form, in the sum of Five Hundred Sixty-Five Thousand (\$565,000.00) Dollars, dated and bearing interest from the earliest date possible of the possible issue of the Note under the statutory time requirements 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 at a rate of 91% of the National Prime Rate in effect on the date of the loan closing date , not to exceed 4.6%, which Note shall mature in installments of the anniversary date of said Note (assuming a 4.6% interest rate), as follows:

Fiscal Year 2003	\$43,812.20
Fiscal Year 2004	\$43,812.20
Fiscal Year 2005	\$43,812.20
Fiscal Year 2006	\$43,812.20
Fiscal Year 2007	\$43,812.20
Fiscal Year 2008	\$43,812.20

Fiscal Year 2009	\$43,812.20
Fiscal Year 2010	\$43,812.20
Fiscal Year 2011	\$43,812.20
Fiscal Year 2012	\$43,812.20
Fiscal Year 2013	\$43,812.20
Fiscal Year 2014	\$43,812.20
Fiscal Year 2015	\$43,812.20
Fiscal Year 2016	\$43,812.20
Fiscal Year 2017	\$43,812.20
Fiscal Year 2018	\$43,812.20
Fiscal Year 2019	\$43,812.20
Fiscal Year 2020	\$43,812.20
Fiscal Year 2021	\$43,812.20
Fiscal Year 2022	\$43,812.20.

The Local Government Unit reserves the right to anticipate any and all installments of principal and any payment of interest at any time prior to the respective payment dates, without notice or penalty.

The principal 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 declared to be a General Obligation of the Borough of Orwigsburg. The municipality hereby covenants the municipality shall include the amount of debt service of the Note for each fiscal year in which the sums are payable in the budget for that year, shall appropriate such amounts to the payments of such debt service and shall duly and punctually pay or cause to be paid the principal of the Note and interest thereon at the dates and places and in the manners stated in the Note according to the true intend and meaning thereof, and for such proper budgeting, appropriation and

payment of the payment, the full faith, credit and taxing power of the Borough of Orwigsburg is irrevocably pledged.

The amounts which the Government Unit hereby covenants to pay in each year of the following fiscal years on the basis of an interest rate of 91% of prime as of the closing date shall not exceed 4.6%. Assuming the 91% of the National Prime is 4.6% on the closing date, the amounts which the government unit hereby covenants to pay is as follows:

YEAR	INTEREST	PRINCIPAL
2003	\$25,990.00	\$17,822.50
2004	25,170.18	18,642.03
2005	24,312.65	19,499.56
2006	23,415.67	20,396.54
2007	22,477.42	21,334.78
2008	21,496.03	22,316.18
2009	20,469.48	23,342.72
2010	19,395.72	24,416.49
2011	18,272.56	25,539.65
2012	17,097.73	26,714.47
2013	15,868.87	27,943.34
2014	14,583.47	29,228.73
2015	13,238.95	30,573.25
2016	11,832.58	31,979.62
2017	10,361.52	33,450.68
2018	8,822.79	34,989.41
2019	7,213.28	36,598.93
2020	5,529.73	38,282.48

2021	\$ 3,768.73	\$ 40,043.47
2022	1,926.73	41,885.47

SECTION 5: The form of the Note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF SCHUYLKILL
BOROUGH OF ORWIGSBURG
GENERAL OBLIGATION NOTE

\$565,000.00

DATED: 13 ^{MARCH} April, 2002

KNOW ALL MEN BY THESE PRESENTS, that the Borough of Orwigsburg, County of Schuylkill, Commonwealth of Pennsylvania, a Local Government Unit existing by and under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges said indebtedness and promises to make payment to the purchaser of registered assigns, the sum of Five Hundred and Sixty-Five Thousand (\$565,000.00) Dollars, installments as follows:

- Fiscal Year 2003, the sum of \$43,812.50
- Fiscal Year 2004, the sum of \$43,812.50
- Fiscal Year 2005, the sum of \$43,812.50
- Fiscal Year 2006, the sum of \$43,812.50
- Fiscal Year 2007, the sum of \$43,812.50
- Fiscal Year 2008, the sum of \$43,812.50

Fiscal Year 2009, the sum of \$43,812.50
Fiscal Year 2010, the sum of \$43,812.50
Fiscal Year 2011, the sum of \$43,812.50
Fiscal Year 2012, the sum of \$43,812.50
Fiscal Year 2013, the sum of \$43,812.50
Fiscal Year 2014, the sum of \$43,812.50
Fiscal Year 2015, the sum of \$43,812.50
Fiscal Year 2016, the sum of \$43,812.50
Fiscal Year 2017, the sum of \$43,812.50
Fiscal Year 2018, the sum of \$43,812.50
Fiscal Year 2019, the sum of \$43,812.50
Fiscal Year 2020, the sum of \$43,812.50
Fiscal Year 2021, the sum of \$43,812.50
Fiscal Year 2022, the sum of \$43,812.50.

With interest on the unpaid balance at a rate of percent (%) per annum (91% of the National Prime in effect on the date of the closing, not to exceed Four point Six Percent (\$.6%), payable on November 1, 2002 (computed on the basis of 365 days to the year), with the option of Local Government Unit to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty.

Both principal and interest in such coin or currency as at the respective dates of payment thereof, shall be legal tender for the payment of public and private debts at the office of First Federal Bank, Hazleton, Pennsylvania.

IT IS HEREBY RECITED that this Note is authorized to be issued in accordance with the Act of General Assembly of the Commonwealth of Pennsylvania, approved the 28th day of April 1978 being Act 42 of the 1978 Session.

IT IS HEREBY CERTIFIED that all acts, conditions, and things required to be or be done

happen or be performed precedent to and in the issuance of this Note or in the creation of the debt of which it is evidenced, have been done, happened or been performed in regular and due form and manner as required by law, and that this Note, together with all other indebtedness of the said local government is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note, the entire faith, credit and taxing power of the Local Government Unit are hereby irrevocably pledged.

IT IS HEREBY FURTHER CERTIFIED that the said Local Government Unit has effectively covenanted to include the amount of the debt service on this Note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

IN WITNESS WHEREOF, the Borough of Orwigsburg, has caused this Note to be properly executed by the proper officers of the Borough of Orwigsburg and its corporate seal to the hereto affixed, attested to by the Secretary as of the 13 day of ^{MARCH} April, 2002.

BOROUGH OF ORWIGSBURG
BY: Charles J. Sterner
CHARLES J. STERNER

COUNCIL PRESIDENT
BY: Frank A. Rogers
FRANK A. ROGERS
VICE PRESIDENT

ATTEST:
Kathleen M. Consugar, Borough Secy
KATHLEEN M. CONSUGAR
BOROUGH SECRETARY
(SEAL)

SECTION 6: The said Note shall be executed in the name and under the corporate seal of the Borough of Orwigsburg by the President and Vice President and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser, and receive payment thereof on behalf of the local government unit. The President and Secretary of the Borough of Orwigsburg are authorized and directed to prepare, verify and file the debt statement required by Section 410 of Act 52 of 1978, 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. Sovereign Bank 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 the FHA Sinking Fund, 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 of 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 the principal of and interest of the obligation.

SECTION 8. The President and Borough Manager of the Borough of Orwigsburg are authorized to contract with Sovereign Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 701 of Act 52 of 1978, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best interest of the local government unit. Therefore, the General Obligation Note in the amount of Five Hundred Sixty-five Thousand (\$565,000.00) Dollars, herein authorized to be issued and sold is hereby awarded and sold to the First Federal Bank in

accordance with its proposal to purchase the said Note at par; provided the said Note is dated the date of delivery thereof to the First Federal Bank and is in the form set forth in Section 5 of this Ordinance; and further provided that the proceedings have been approved by the Department of Community Affairs is such approval is required under the provisions of the Act.

SECTION 10: The action of the proper officers and the advertising of the summary of this Ordinance as required by law in the Pottsville Republican and Evening Herald, newspapers 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 13 day of ^{MARCH.} April, 2002, by the Council of the Borough of Orwigsburg, Schuylkill County, Pennsylvania in lawful session duly assembled.

BOROUGH OF ORWIGSBURG
By: Charles J. Sterner

CHARLES J. STERNER, PRESIDENT

By: Frank A. Rogers

FRANK A. ROGERS, VICE PRESIDENT

ATTEST:
Kathleen M. Consugar Borough Secy.

KATHLEEN M. CONSUGAR
BOROUGH SECRETARY

EXAMINED AND APPROVED this 13 day of ^{MARCH.} April, 2002.

Austin Scandiber

AUSTIN SCANDIBER, MAYOR
BOROUGH OF ORWIGSBURG

CERTIFICATE

I, the undersigned Secretary of the Borough of Orwigsburg, Schuylkill County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said Local Government Unit, which was duly enacted by the affirmative vote of the members of the governing body at a meeting thereof duly called and held on the 13 day of ^{MARCH} ~~April~~, 2002, after due notice to the members and to the public, and which was, at all times, open to the public, and that the same was examined and approved by the members of the governing body, and was duly recorded in the Ordinance Book of said local government unit, and was published as required by law in the Pottsville Republican and Evening Herald, newspapers in general circulation in said Borough of Orwigsburg.

I FURTHER CERTIFY that the total number of members of the governing body of the Local Government Unit is seven; that the vote upon such Ordinance was called and duly recorded on the minutes of said meeting, and that the members voted in the following manner:

ABSENT

Charles J. Sterner, ~~Aye~~

AYE

Darle W. Cresswell, Aye

AYE

Susan L. Murphy, Aye

AYE

Steven J. Zimmerman, Aye

AYE

Frank A. Rogers, Aye

ABSENT

John J. Fenstermacher, ~~Aye~~

AYE

John M. Rehrig, Aye

WITNESS my hand and seal of the Borough of Orwigsburg this 13 day of ^{MARCH} ~~April~~, 2002.

(SEAL)

Kathleen M. Consugar
Kathleen M. Consugar

Borough Secy.

Orwigsburg Borough Secretary