

TOWNSHIP OF SHAMOKIN,  
Northumberland County, Pennsylvania

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ORDINANCE NO. 1995-5

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AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THIS TOWNSHIP DETERMINING TO INCUR DEBT; DETERMINING THAT THE MAXIMUM PRINCIPAL AMOUNT OF SUCH DEBT SHALL BE \$70,900; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTEED SEWER REVENUE BOND - SERIES OF 1995, IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVENTY THOUSAND NINE HUNDRED DOLLARS (\$70,900), TO BE AUTHORIZED AND ISSUED BY THE SHAMOKIN TOWNSHIP MUNICIPAL AUTHORITY; BRIEFLY DESCRIBING THE PROJECT IN CONNECTION WITH WHICH SUCH LEASE RENTAL DEBT IS TO BE INCURRED AND SPECIFYING THE REALISTIC USEFUL LIFE OF SAID PROJECT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT REQUIRED BY SECTION 410 OF PENNSYLVANIA ACT NO. 1972-185, AS RE-ENACTED, AMENDED AND REVISED BY PENNSYLVANIA ACT NO. 1978-52, AS AMENDED AND SUPPLEMENTED, KNOWN AS THE "LOCAL GOVERNMENT UNIT DEBT ACT"; (B) TO PREPARE AND TO FILE ANY STATEMENTS REQUIRED BY ARTICLE II OF SAID ACT THAT ARE NECESSARY TO QUALIFY ALL OR ANY PORTION OF LEASE RENTAL DEBT OF THIS TOWNSHIP FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING DEBT; AND (C) TO EXECUTE, TO ATTEST AND TO DELIVER, AS APPROPRIATE, A GUARANTY AGREEMENT BETWEEN THIS TOWNSHIP, AS GUARANTOR, SAID AUTHORITY AND THE UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF AGRICULTURE, AS LENDER, WITH RESPECT TO SAID PROJECT AND SAID GUARANTEED SEWER REVENUE BOND - SERIES OF 1995; APPROVING THE FORM OF SAID GUARANTY AGREEMENT; SPECIFYING THE MAXIMUM AMOUNTS OF THE GUARANTY OBLIGATIONS OF THIS TOWNSHIP PURSUANT TO SAID GUARANTY AGREEMENT AND THE SOURCES OF PAYMENT OF SUCH GUARANTY OBLIGATIONS, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS AS PROVIDED IN SAID ACT; APPOINTING A SINKING FUND DEPOSITARY IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS; PROVIDING FOR PROPER OFFICERS OF THIS TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SAID PROJECT, SAID PROCEEDINGS UNDER SAID ACT AND SAID GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF

THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

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WHEREAS, This Township (the "Local Government Unit") is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under provisions of Act No. 1972-185, as re-enacted, amended and revised by Act No. 1978-52, as amended and supplemented, from time to time, known as the "Local Government Unit Debt Act", of the Commonwealth (the "Act"); and

WHEREAS, The Shamokin Township Municipal Authority (the "Authority") is a municipality authority organized and existing under the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented, from time to time, of the Commonwealth (the "Authorities Act"); and

WHEREAS, The Authority and the Local Government Unit have determined that the Authority shall undertake a capital project which consists of the following: (1) the acquisition and construction of certain sanitary sewage collection, transmission, treatment and disposal system facilities in and for portions of the Local Government Unit; and (2) the payment of costs, fees and expenses with respect to the foregoing purposes and to the financing (collectively, the "Project"), to be financed in part by issuance of the Guaranteed Sewer Revenue Bond - Series of 1995 (hereinafter mentioned and identified).

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors (the "Governing Body") of this Local Government Unit, as follows:

1. This Local Government Unit authorizes the Authority to undertake the Project.

2. This Local Government Unit determines to incur "debt", as such term is defined in the Act, as "lease rental debt", as such phrase is defined in the Act, in connection with the Project.

3. Such debt, which shall be incurred as such lease rental debt, shall be in the maximum principal amount of \$70,900, shall be evidenced by an obligation to be issued by the Authority under the Authorities Act and shall consist of a guaranteed bond, to be known generally as the "Guaranteed Sewer Revenue Bond - Series of 1995", dated the date of delivery thereof (the "Bond"), which Bond shall have the benefit of and shall be secured by, among other things, the guaranty obligations of this Local Government Unit pursuant to the Guaranty Agreement (hereinafter defined).

4. This Local Government Unit specifies that a realistic estimated useful life of the Project being financed by issuance of the Bond is at least forty (40) years.

5. This Local Government Unit, as guarantor, shall enter into a Guaranty Agreement (the "Guaranty Agreement"), substantially in the form referred to in Paragraph 6, with the Authority and the United States of America, United States Department of Agriculture (the "Government"), as lender under a Loan Resolution (the "Loan Resolution"), with respect to the Project and the Bond, under terms and provisions of which Guaranty

Agreement, among other things, this Local Government Unit shall guaranty, unconditionally, for the benefit of the Government and any other holder, from time to time, of the Bond, full and prompt payment of Debt Service, as such phrase is defined in the Guaranty Agreement, to the extent provided in the Guaranty Agreement, as such shall be due and payable with respect to the Bond.

The Guaranty Agreement shall be for the life of the Bond and shall set forth terms, conditions, provisions, covenants and agreements to be observed by this Local Government Unit, the Authority and the Government in relation to the Sewer System, as such phrase is defined in the Loan Resolution, and in relation to the Project and the Bond.

6. The Guaranty Agreement shall be substantially in the form presented to this meeting, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved, shall be filed with the Secretary of this Local Government Unit and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

7. This Local Government Unit shall covenant in the Guaranty Agreement and does hereby covenant to and with the Authority and the Government and such other holder, from time to time, of the Bond that this Local Government Unit: (i) shall include the Debt Service, as that phrase is defined in the Guaranty Agreement, payable in respect of its guaranty pursuant to the Guaranty Agreement, for each Fiscal Year, as that phrase is defined in the Guaranty Agreement, in which such sums shall be payable, in its budget for that Fiscal Year; (ii) shall appropriate such amounts from its general revenues for payment of its obligations under the Guaranty

Agreement; and (iii) shall duly and punctually pay or cause to be paid from its sinking fund (hereinafter mentioned and identified) or any other of its revenues or funds the amount payable in respect of such guaranty, at the dates and in the manner stated in the Guaranty Agreement, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment in respect of such guaranty, this Local Government Unit shall and does pledge, irrevocably, its full faith, credit and taxing power. This covenant shall be specifically enforceable.

For the purposes of complying with the foregoing covenant, this Local Government Unit covenants that it shall budget the amounts set forth in Exhibit "A" which is attached hereto and made part hereof, such amounts being such Debt Service on the Bond for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Government such amounts; Subject, however, to provisions of the Guaranty Agreement with respect to credit for certain sums that shall be available for such Debt Service, all as more fully set forth in the Guaranty Agreement.

This Local Government Unit also shall covenant in the Guaranty Agreement and does hereby covenant that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required under the Guaranty Agreement, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or otherwise to satisfy its obligations under the Guaranty Agreement, it shall include any amounts so payable by it in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay

or shall cause to be paid its obligations incurred under the Guaranty Agreement, in the manner therein stated, according to the true intent and meaning thereof and, for such budgeting, appropriation and payment, it shall and does pledge, irrevocably, its full faith, credit and taxing power. This covenant shall be specifically enforceable.

It shall be the intent and purpose of the Guaranty Agreement that this Local Government Unit shall be required to pay over to the Government only that portion of such Debt Service that cannot be paid from other funds available for the purpose, as set forth in the Guaranty Agreement.

The phrase "Fiscal Year", as provided in the Guaranty Agreement and as used in this Ordinance and in Exhibit "A" which is attached hereto and made part hereof, shall mean the fiscal year of this Local Government Unit.

8. The guaranty obligations of this Local Government Unit, with respect to the Bond, as set forth in the Guaranty Agreement in the form referred to in Paragraph 6, which shall be payable, if and as necessary, on a semiannual basis, shall be as are set forth in Exhibit "A" which is attached hereto and made part hereof.

9. The guaranty obligations of this Local Government Unit, as set forth in Paragraph 7, shall be payable from the tax and other general revenues of this Local Government Unit.

10. This Local Government Unit hereby creates and establishes a "sinking fund", as such phrase is defined or applied in the Act, with respect to its obligations under the Guaranty Agreement with respect to such guaranty, and Guaranty Bank, N.A., Shamokin, Pennsylvania, is hereby

appointed "sinking fund depository" and "paying agent", as such phrases are defined or applied in the Act, with respect to obligations of this Local Government Unit under the Guaranty Agreement.

11. The Chairman or Vice Chairman of the Governing Body and the Secretary or Assistant Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to prepare, to certify and to file with the Department of Community Affairs (the "Department") of the Commonwealth the debt statement, as such phrase is defined in the Act, required by Section 410 of the Act, in behalf of this Local Government Unit.

The Chairman or Vice Chairman of the Governing Body and the Secretary or Assistant Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to prepare and to execute a borrowing base certificate for this Local Government Unit to be appended to such debt statement, as required by the Act.

12. The Chairman or Vice Chairman of the Governing Body and the Secretary or Assistant Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to prepare and to file appropriate statements required by Article II of the Act that are necessary to qualify all or any portion of the lease rental debt of this Local Government Unit that is subject to exclusion as self-liquidating debt for exclusion from the appropriate debt limit as self-liquidating debt.

13. The Chairman or Vice Chairman of the Governing Body and the Secretary or Assistant Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to execute, to attest and to deliver the Guaranty Agreement, in behalf of this Local Government Unit,

substantially in the form approved in Paragraph 6; Subject, however, to applicable provisions of the Act.

14. The Chairman or Vice Chairman of the Governing Body and the Secretary or Assistant Secretary, respectively, of this Local Government Unit, as appropriate, are authorized and directed to make application to the Department for approval with respect to the Guaranty Agreement, as required by Section 411(b) of the Act; and, in connection with such application, this Local Government Unit shall pay or shall cause to be paid to the Department the filing fee required by Section 803 of the Act, the payment of which filing fee is authorized and approved.

15. Proper officers of this Local Government Unit, as appropriate, are authorized and directed to execute all documents and to do all other acts as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of this Local Government Unit under the Guaranty Agreement.

16. Reference in this Ordinance to specified officers of this Local Government Unit shall include and shall be construed to include, if and as applicable, their respective successors in office.

17. This Ordinance shall become effective in accordance with provisions of Section 103 of the Act.

18. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect.



19. All ordinances or parts of ordinances that are inconsistent herewith shall be and the same expressly are repealed.

DULY ENACTED AND ORDAINED, this 8th day of November, 1995, by  
the Governing Body of this Local Government Unit, in lawful session duly  
assembled.

TOWNSHIP OF SHAMOKIN,  
Northumberland County, Pennsylvania

By: Robert Ammerman  
~~(Vice)~~ Chairman of the Board  
of Supervisors

ATTEST:

Glenn R. Hennings  
(Assistant) Secretary

(SEAL)

EXHIBIT "A"

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The maximum Debt Service, as such phrase is defined in the Guaranty Agreement referred to in the Ordinance to which this Exhibit "A" is attached, on the Bond (in the maximum principal amount of \$70,900), as such term is defined in the Ordinance to which this Exhibit "A" is attached, to be issued by The Shamokin Township Municipal Authority, is as follows:

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<u>Fiscal Year</u>	<u>Semiannual Installment of Principal and/or Interest</u>	<u>Fiscal Year Debt Service</u>
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SEE FOLLOWING PAGES<sup>1</sup>

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<sup>1</sup> Assumes that the Bond is issued to the Government on December 15, 1995, and bears interest at the rate of 5.25%, per annum, on the entire \$70,900 maximum principal amount of the Bond. Interest only on the Bond is payable on June 15, 1996, and December 15, 1996. Semiannual interest and principal amortization payments begin on June 15, 1997, and continue on June 15 and December 15 of each year thereafter, until and including December 15, 2035, on which date principal and interest on the Bond is due and payable in full.

Compounding period...: SemiAn

Nominal annual rate...: 5.250 %  
 Effective annual rate: 5.319 %  
 Periodic rate.....: 2.6250 %  
 Equivalent daily rate: 0.01438 %

CASH FLOW DATA

Event	Date	Amount	#	Period	End-date
1 Loan	12-15-95	70,900.00	1		
2 Payment	06-15-96	0.00	F 2	SemiAn	12-15-96
3 Payment	06-15-97	2,146.00	77	SemiAn	06-15-35
4 Payment	12-15-35	2,000.56	1		

AMORTIZATION SCHEDULE - Normal amortization

Pmt	Date	Payment	Interest	Principal	Balance
Loan	12-15-1995				70,900.00
1995 totals		0.00	0.00	0.00	
1	06-15-1996	1,861.13	1,861.13	0.00	70,900.00
2	12-15-1996	1,861.13	1,861.13	0.00	70,900.00
1996 totals		3,722.26	3,722.26	0.00	
3	06-15-1997	2,146.00	1,861.13	284.87	70,615.13
4	12-15-1997	2,146.00	1,853.65	292.35	70,322.78
1997 totals		4,292.00	3,714.78	577.22	
5	06-15-1998	2,146.00	1,845.97	300.03	70,022.75
6	12-15-1998	2,146.00	1,838.10	307.90	69,714.85
1998 totals		4,292.00	3,684.07	607.93	
7	06-15-1999	2,146.00	1,830.01	315.99	69,398.86
8	12-15-1999	2,146.00	1,821.72	324.28	69,074.58
1999 totals		4,292.00	3,651.73	640.27	
9	06-15-2000	2,146.00	1,813.21	332.79	68,741.79
10	12-15-2000	2,146.00	1,804.47	341.53	68,400.26
2000 totals		4,292.00	3,617.68	674.32	
11	06-15-2001	2,146.00	1,795.51	350.49	68,049.77
12	12-15-2001	2,146.00	1,786.31	359.69	67,690.08
2001 totals		4,292.00	3,581.82	710.18	
13	06-15-2002	2,146.00	1,776.86	369.14	67,320.94
14	12-15-2002	2,146.00	1,767.17	378.83	66,942.11
2002 totals		4,292.00	3,544.03	747.97	
15	06-15-2003	2,146.00	1,757.23	388.77	66,553.34

Pmt	Date	Payment	Interest	Principal	Balance
3	12-15-2003	2,146.00	1,747.03	398.97	66,154.37
2003	totals	4,292.00	3,504.26	787.74	
17	06-15-2004	2,146.00	1,736.55	409.45	65,744.92
18	12-15-2004	2,146.00	1,725.80	420.20	65,324.72
2004	totals	4,292.00	3,462.35	829.65	
19	06-15-2005	2,146.00	1,714.77	431.23	64,893.49
20	12-15-2005	2,146.00	1,703.45	442.55	64,450.94
2005	totals	4,292.00	3,418.22	873.78	
21	06-15-2006	2,146.00	1,691.84	454.16	63,996.78
22	12-15-2006	2,146.00	1,679.92	466.08	63,530.70
2006	totals	4,292.00	3,371.76	920.24	
23	06-15-2007	2,146.00	1,667.68	478.32	63,052.38
24	12-15-2007	2,146.00	1,655.12	490.88	62,561.50
2007	totals	4,292.00	3,322.80	969.20	
25	06-15-2008	2,146.00	1,642.24	503.76	62,057.74
26	12-15-2008	2,146.00	1,629.02	516.98	61,540.76
2008	totals	4,292.00	3,271.26	1,020.74	
27	06-15-2009	2,146.00	1,615.44	530.56	61,010.20
28	12-15-2009	2,146.00	1,601.52	544.48	60,465.72
2009	totals	4,292.00	3,216.96	1,075.04	
29	06-15-2010	2,146.00	1,587.23	558.77	59,906.95
30	12-15-2010	2,146.00	1,572.56	573.44	59,333.51
2010	totals	4,292.00	3,159.79	1,132.21	
31	06-15-2011	2,146.00	1,557.50	588.50	58,745.01
32	12-15-2011	2,146.00	1,542.06	603.94	58,141.07
2011	totals	4,292.00	3,099.56	1,192.44	
33	06-15-2012	2,146.00	1,526.20	619.80	57,521.27
34	12-15-2012	2,146.00	1,509.93	636.07	56,885.20
2012	totals	4,292.00	3,036.13	1,255.87	
35	06-15-2013	2,146.00	1,493.24	652.76	56,232.44
36	12-15-2013	2,146.00	1,476.10	669.90	55,562.54
2013	totals	4,292.00	2,969.34	1,322.66	
37	06-15-2014	2,146.00	1,458.52	687.48	54,875.06
38	12-15-2014	2,146.00	1,440.47	705.53	54,169.53
2014	totals	4,292.00	2,898.99	1,393.01	
39	06-15-2015	2,146.00	1,421.95	724.05	53,445.48
40	12-15-2015	2,146.00	1,402.94	743.06	52,702.42

Pmt	Date	Payment	Interest	Principal	Balance
2015	totals	4,292.00	2,824.89	1,467.11	
41	06-15-2016	2,146.00	1,383.44	762.56	51,939.86
42	12-15-2016	2,146.00	1,363.42	782.58	51,157.28
2016	totals	4,292.00	2,746.86	1,545.14	
43	06-15-2017	2,146.00	1,342.88	803.12	50,354.16
44	12-15-2017	2,146.00	1,321.80	824.20	49,529.96
2017	totals	4,292.00	2,664.68	1,627.32	
45	06-15-2018	2,146.00	1,300.16	845.84	48,684.12
46	12-15-2018	2,146.00	1,277.96	868.04	47,816.08
2018	totals	4,292.00	2,578.12	1,713.88	
47	06-15-2019	2,146.00	1,255.17	890.83	46,925.25
48	12-15-2019	2,146.00	1,231.79	914.21	46,011.04
2019	totals	4,292.00	2,486.96	1,805.04	
49	06-15-2020	2,146.00	1,207.79	938.21	45,072.83
50	12-15-2020	2,146.00	1,183.16	962.84	44,109.99
2020	totals	4,292.00	2,390.95	1,901.05	
51	06-15-2021	2,146.00	1,157.89	988.11	43,121.88
52	12-15-2021	2,146.00	1,131.95	1,014.05	42,107.83
2021	totals	4,292.00	2,289.84	2,002.16	
53	06-15-2022	2,146.00	1,105.33	1,040.67	41,067.16
54	12-15-2022	2,146.00	1,078.01	1,067.99	39,999.17
2022	totals	4,292.00	2,183.34	2,108.66	
55	06-15-2023	2,146.00	1,049.98	1,096.02	38,903.15
56	12-15-2023	2,146.00	1,021.21	1,124.79	37,778.36
2023	totals	4,292.00	2,071.19	2,220.81	
57	06-15-2024	2,146.00	991.68	1,154.32	36,624.04
58	12-15-2024	2,146.00	961.38	1,184.62	35,439.42
2024	totals	4,292.00	1,953.06	2,338.94	
59	06-15-2025	2,146.00	930.28	1,215.72	34,223.70
60	12-15-2025	2,146.00	898.37	1,247.63	32,976.07
2025	totals	4,292.00	1,828.65	2,463.35	
61	06-15-2026	2,146.00	865.62	1,280.38	31,695.69
62	12-15-2026	2,146.00	832.01	1,313.99	30,381.70
2026	totals	4,292.00	1,697.63	2,594.37	
63	06-15-2027	2,146.00	797.52	1,348.48	29,033.22
64	12-15-2027	2,146.00	762.12	1,383.88	27,649.34
2027	totals	4,292.00	1,559.64	2,732.36	

Pmt	Date	Payment	Interest	Principal	Balance
65	06-15-2028	2,146.00	725.80	1,420.20	26,229.14
66	12-15-2028	2,146.00	688.51	1,457.49	24,771.65
2028	totals	4,292.00	1,414.31	2,877.69	
67	06-15-2029	2,146.00	650.26	1,495.74	23,275.91
68	12-15-2029	2,146.00	610.99	1,535.01	21,740.90
2029	totals	4,292.00	1,261.25	3,030.75	
69	06-15-2030	2,146.00	570.70	1,575.30	20,165.60
70	12-15-2030	2,146.00	529.35	1,616.65	18,548.95
2030	totals	4,292.00	1,100.05	3,191.95	
71	06-15-2031	2,146.00	486.91	1,659.09	16,889.86
72	12-15-2031	2,146.00	443.36	1,702.64	15,187.22
2031	totals	4,292.00	930.27	3,361.73	
73	06-15-2032	2,146.00	398.66	1,747.34	13,439.88
74	12-15-2032	2,146.00	352.80	1,793.20	11,646.68
2032	totals	4,292.00	751.46	3,540.54	
75	06-15-2033	2,146.00	305.73	1,840.27	9,806.41
76	12-15-2033	2,146.00	257.42	1,888.58	7,917.83
2033	totals	4,292.00	563.15	3,728.85	
77	06-15-2034	2,146.00	207.84	1,938.16	5,979.67
78	12-15-2034	2,146.00	156.97	1,989.03	3,990.64
2034	totals	4,292.00	364.81	3,927.19	
79	06-15-2035	2,146.00	104.75	2,041.25	1,949.39
80	12-15-2035	2,000.56	51.17	1,949.39	0.00
2035	totals	4,146.56	155.92	3,990.64	
Grand totals		170,964.82	100,064.82	70,900.00	