

ORDINANCE

No. 2015-05, Enacted May 6, 2015
Of

CLARKS SUMMIT BOROUGH
Lackawanna County, Pennsylvania

\$162,572.52
GENERAL OBLIGATION NOTE, SERIES-2015

WHEREAS, the Governing Body of the above-named Local Government Unit (the "Local Government Unit") deems it advisable to borrow the amount shown above, pursuant to the Local Government Unit Debt Act (the "Act"), for the purpose of capital items listed on Exhibit P hereto (the "Project"); and

WHEREAS, the Local Government Unit has obtained estimate(s) of the cost(s), and has determined the useful life, of the Project by any one or more of the following methods: taking bids, obtaining an option for a fixed price contract or obtaining estimates from registered architects, professional engineers or other persons qualified by experience; and

WHEREAS, **LANDMARK COMMUNITY BANK** (the "Bank") has presented a written purchase contract (the "Purchase Contract"), attached hereto as Exhibit PC, to purchase a note, in the amount of \$162,572.52 consisting of its General Obligation Note to be issued by the Local Government Unit in order to achieve the financing of the Project;

NOW, THEREFORE, it is hereby enacted that:

Section 1 -- Authorization.

1.01. The Local Government Unit hereby authorizes the incurrence, and the increase of its nonelectoral indebtedness in the principal amount set forth above, to be evidenced by an installment note, (the "Note"), in the form attached hereto as Exhibit N, in order to pay the costs of the Project. The Note will be dated the date of its delivery, will bear interest at the rate and will be payable (or will be subject to redemption or will mature) on the dates shown on Exhibit PC.

1.02. The Chief Legislative Officer and the Chief Administrative Officer or their duly elected and acting successors (the "Designated Officers") are hereby authorized and directed to execute and deliver such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including its execution and sealing and delivery to the Bank.

1.03. The Designated Officers are hereby further authorized and directed to provide to the Bank, a copy of the audited financial statements of the Local Government Unit no later than 180 days, and a copy of the budget of the Local Government Unit no later than 60 days, after each fiscal year end of the Local Government Unit while the Note is outstanding.

Section 2 -- Preparation of Debt Statement.

As required by §8110 of the Local Government Unit Debt Act, the Designated Officers of the Local Government Unit shall prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate, forms of which are attached hereto as Exhibit DS.

Section 3 -- Security and Payment of Note.

3.01. The Note shall be a general, full faith and credit, unlimited tax obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Bank and with subsequent holders, from time to time, of the Note that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates at the place and in the manner stated therein according to the true intent and meaning thereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

3.02. The Local Government Unit does hereby create, and orders to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with the Bank, and does further covenant to maintain such Sinking Fund with a bank, in accordance with the Local Government Unit Debt Act, until the Note is paid in full. The Designated Officer is hereby authorized and directed to contract with the Bank for its services in such capacity, except as the same may be included in the Purchase Contract.

Section 4 -- Tax Covenants.

4.01. The Local Government Unit hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder applicable to the Note and that it will comply with the requirements of that Section and the Regulations throughout the term of the Note.

4.02. If: (a) the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by or on behalf of the Local Government Unit during the current calendar year exceeds \$5,000,000 (\$10,000,000 in the case of certain debt issued for educational purposes); and if (b) the gross proceeds of the Note are invested at a yield greater than the yield on the Note; and if (c) the gross proceeds of the Note are not expended or deemed to have been expended either within six months from the date of issuance, or, if the Project is a construction project, within two years from the date of issuance (and according to certain periodic expenditure thresholds), all pursuant to §1.148.7 of the Regulations, the Local Government Unit covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, the difference (if a positive number) between the investment income received on the Note proceeds and the investment income that would have been earned had the Note proceeds been invested at the yield of the Note.

4.03. The Local Government Unit hereby designates the Note as a Qualified Tax-Exempt Obligation pursuant to Section 265(b)(3) of the Code and represents that the total amount of obligations designated and to be designated by or on behalf of the Local Government Unit during the current calendar year does not and is not expected to exceed \$10,000,000.

4.04. The Local Government Unit will file IRS Form 8038-G (or 8038-GC if applicable) and any other forms or information required by the Code or the Regulations to be filed with the Internal Revenue Service in order to further ensure the exclusion of the interest on the Note from gross income tax for federal income tax purposes.

Section 5 -- Award.


Having determined that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit, the Governing Body hereby awards and sells the Note to the Bank in accordance with the Purchase Contract which, as presented at this meeting, is hereby accepted and shall be executed by the Designated Officers.

Section 6 -- Note Ordinance a Contract.

This Ordinance shall be deemed to be a contract with the holders, from time to time, of the Note.

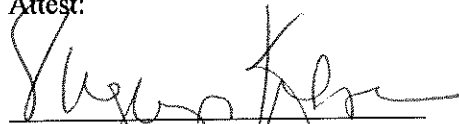
DULY ENACTED on May 6, 2015

CLARKS SUMMIT BOROUGH

By 
Germaine Carey
Council President

(SEAL)

Attest:


Virginia Kehoe
Borough Manager/Secretary

CLARKS SUMMIT BOROUGH
Lackawanna County, Pennsylvania

DESCRIPTION OF PROJECT

Purchase of 2016 Dump Truck

EXHIBIT P

FORM OF NOTE

CLARKS SUMMITT BOROUGH
Lackawanna County, Pennsylvania

GENERAL OBLIGATION NOTE, SERIES - 2015

\$162,572.52	1.54%	_____	May 15, 2020
Principal Amount	Interest Rate	Dated Date	Maturity Date

The above named Local Government Unit, intending to be legally bound, promises to pay to the registered owner shown on the attached registration form in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the Principal Amount set forth above in level payments of principal together with interest on the dates and in the amounts indicated on the attached amortization schedule. Any outstanding principal and accrued interest shall be due and payable in full on May 15, 2020. The Local Government Unit acknowledges that the level payment of principal and interest is calculated on the assumption that each periodic payment will be made on the date when due, and if there is any variation in the actual payment dates, there may be an additional amount due upon maturity of this Note. The Principal Amount outstanding under this Note will bear interest at a rate per annum which is at all times equal to 1.54%.

Interest will be calculated on the basis of a year of 360 days for the actual number of days in each interest period.

The Local Government Unit has the right to prepay all or part of the outstanding principal and interest without penalty or premium.

The Local Government Unit hereby covenants with the registered owner hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon at the place, on the dates and in the manner stated above, according to the true meaning and intent hereof, and for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and taxing power.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

In the event of a default hereunder, the entire principal balance hereof shall, at the option of the holder, accelerate and shall be and become immediately due and payable without notice or demand and the Local Government Unit will pay the registered owner's reasonable costs and expenses incurred in collection of the amounts due hereunder.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to an Ordinance of the Local Government Unit duly and regularly enacted in accordance with the provisions of the Debt Act.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

This Note is a Qualified Tax-Exempt Obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

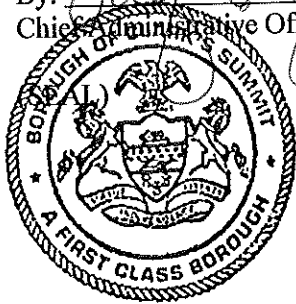
WITNESS the due execution hereof as of the Dated Date set forth above.

ATTEST:

CLARKS SUMMIT BOROUGH

By: 
Chief Administrative Officer

By: 
Chief Legislative Officer



REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below. The Local Government Unit shall treat the registered owner of this Note, as noted on this Note and on its books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner

LANDMARK COMMUNITY BANK

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.

FIRST ADVERTISEMENT

CLARKS SUMMIT BOROUGH

At a meeting to be held on May 6, 2015 at the address stated below, the Governing Body of the above Local Government Unit will act on an Ordinance (of which this notice is a summary) authorizing the issuance of and awarding its \$162,572.52, principal amount, Note, at a private sale. If enacted, the Ordinance will award the Note to the purchaser thereof, approve the form of Note, and fix the rate of interest to be paid, pledge the full faith and credit of the Local Government Unit for the payment thereof, create a Sinking Fund and authorize the proper officers to take the necessary steps to issue the Note. The Funds to be obtained from the borrowing will be used for capital acquisition, including the purchase of a 2016 dump truck.

A copy of the full text of the proposed Ordinance may be examined by any citizen in the office of the Local Government Unit at 304 South State Street, Clarks Summit, Pennsylvania, between the hours of 9 A.M. and 3 P.M., on regular business days.

CLARKS SUMMIT BOROUGH

By: Virginia Kehoe

Title: Borough Manager

Telephone: 570-586-9316

Virginia Kehoe

From: legals legals <legals@timeshamrock.com>
Sent: Wednesday, April 22, 2015 12:40 PM
To: Virginia Kehoe
Subject: Fwd: Confirmation: Ad 81736231 for CLARKS SUMMIT BOROUGH
Attachments: AD81736231_jnl.pdf

Virginia:

Here is a copy of the ad, along with the cost that my colleague sent to me. Any problems, you can either let me know or you can let Joann know. Her email is jcoles@timeshamrock.com.

Sharon Venturi
Legal Clerk

----- Forwarded message -----

From: THE SCRANTON TIMES <jcoles@timeshamrock.com>
Date: Wed, Apr 22, 2015 at 9:57 AM
Subject: Confirmation: Ad 81736231 for CLARKS SUMMIT BOROUGH
To: legals@timeshamrock.com

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Sharon Venturi
Legal Clerk
Times Shamrock
570-348-9100; 570-622-6632; 570-644-6397;
570-265-2151 or 800-228-4637
ext. 5270
email: legals@timeshamrock.com or
sventuri@timeshamrock.com

Scranton Times-Tribune
The Daily Review
Pottsville Republican and Evening Herald
Shamokin News Item
Wyoming County Examiner
Susquehanna Independent
Citizen Standard

THE SCRANTON TIMES
DBA THE TIMES TRIBUNE
PO BOX 3478
SCRANTON PA 18505-0478
(570)348-9183

ORDER CONFIRMATION

Salesperson: COLES-SAFFEL JOANNE X535 Printed at 04/22/15 09:57 by jcole

Acct #: 6290

Ad #: 81736231

Status: N

CLARKS SUMMIT BOROUGH
304 S STATE STREET
CLARKS SUMMIT PA 18411

Start: 04/26/2015 Stop: 04/30/2015
Times Ord: 1 Times Run: ***
6COL 1.00 X 28.00 Words: 127
Total 6COL 28.00
Class: X1905 CARS
Rate: CLCBL Cost: 179.25

Contact: UNISYS CREATED
Phone: (570)586-9316
Fax#: (570)586-3024
Email: VIRGINIAKEHOE@EPIX.NET
Agency:

Ad Descript: INVITATION TO BID 2004 C
Given by: *
Created: jcole 04/22/15 09:54
Last Changed: jcole 04/22/15 09:57

PUB	ZONE	ED	TP	START	INS	STOP	SMTWTFS
STTT	CL		3 S	04/26			
STTT	HOTP		3 S	04/26			
STIN	INTR		6 S	04/26			
PSPS	CL		3 S	04/26			
TSEC	CL		3 S	04/30			

AUTHORIZATION

Under this agreement rates are subject to change with 30 days notice. In the event of a cancellation before schedule completion, I understand that the rate charged will be based upon the rate for the number of insertions used.

Name (print or type)

Name (signature)

INVITATION TO BID

2004 Chevrolet 2500 4X4 pickup with 81,000 miles. Truck includes 8ft. Western Salt Spreader with motor and cab controls and 8ft Western 1993 GMC Top Kick 4-wheel drive with 36,220 GVW. 6 speed standard transmission with hi/lo transfer box. Truck includes 10ft Glenhill Jet Stream and 10ft dump body broken hoist. Central hydraulics and air ride seat.

All equipment has been well maintained and can be viewed at the Borough Garage at 308 Davis Street, Clarks Summit by appointment.

Sealed bids to purchase the above equipment will be accepted at the Borough Office, 304 South State Street, Clarks Summit, until 3:00 pm on May 6, 2015. Please contact the Clarks Summit Borough Office at 586-9316 for more details.

Virginia Kehoe
Clarks Summit Borough Manager#

SECOND ADVERTISEMENT

CLARKS SUMMIT BOROUGH

At a meeting held May 6, 2015, the Governing Body of the above-captioned Local Government Unit enacted an ordinance authorizing issuance of \$162,572.52, principal amount of its Capital Note, and the private sale thereof to LANDMARK COMMUNITY BANK, at par bearing interest at the rate of 1.54%, per annum.

The Note is a general obligation of the Local Government Unit and the officers of the Local Government Unit are directed to do all acts necessary and proper for the issuance and securing of said Note. No amendments were made during final passage of the Ordinance.

The final text of the Ordinance as enacted is available for examination by any citizen in the office of the Local Government Unit at 304 South State Street, Clarks Summit, Pennsylvania, between the hours of 9 A.M. and 3 P.M. on regular business days.

By: Virginia Kehoe

Title: Borough Manager

Telephone: 570-586-9316

CLARKS SUMMIT BOROUGH

Lackawanna County, Pennsylvania

TERMS OF PROPOSAL

I, a duly authorized officer of Landmark Community Bank, certify that this Proposal was duly made and delivered to the Local Government Unit not later than the date of the enactment of the Ordinance and, on behalf of the Bank, do hereby covenant and agree, upon award and acceptance of this Purchase Contract, to purchase the General Obligation Note of the Local Government Unit described in the attached Ordinance, upon satisfaction of the conditions and/or receipt of the materials listed in Section B hereof, and having the terms described in Section A hereof, as follows:

SECTION A:

1. Principal Amount: \$162,572.52
2. Maturity Date: May 15, 2020
3. Interest Rate: 1.54% per annum, per 360 day year.
4. Interest Payment Dates: See attached amortization schedule.
5. Principal Payment Dates and amounts: See attached amortization schedule.
6. Prepayment penalty: None
7. The Project is described as: Purchase of a 2016 dump truck.
8. Project Cost: \$162,572.52
10. Estimated (weighted average) useful life of Project: 7 Years.

EXHIBIT PC

SECTION B:

1. A duplicate original of the transcript of proceedings authorizing the issuance of the Note;
2. If the Note is in a principal amount more than the lesser of \$125,000 or 30% of the nonelectoral debt limit of the Local Government Unit, satisfactory evidence of the approval, or deemed approval, by the Department of Community and Economic Development of such transcript.
3. A Federal Tax Certificate, in form and substance satisfactory to the Bank;
4. An Opinion of the Solicitor for the Local Government Unit dated the date of delivery of and payment for the Note to the effect that the proceedings for the authorization and issuance of the Note have been duly and properly taken; that the Note will be a valid and binding obligation of the Local Government Unit, enforceable in accordance with its terms; that the Federal Tax Certificate of the Local Government Unit is not unreasonable; that interest on the Note is exempt from Federal, Commonwealth of Pennsylvania and local taxation; and that the Note is a Qualified Tax-Exempt Obligation under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended;
5. Executed Note;
6. Designation of the Note as a Qualified Tax-Exempt Obligation under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended;
7. Annually, no later than 180 days after the fiscal year end of the Local Government Unit, a copy of the audited financial statements of the Local Government Unit; and
8. Annually, no later than 60 days after the fiscal year end of the Local Government Unit, a copy of the budget of the Local Government Unit.

This proposal is subject to acceptance no later than 10:00 P.M., March 6, 2015.

LANDMARK COMMUNITY BANK

By: _____
Title: Assistant Vice President