SUGGESTED FORMAT FOR GENERAL OBLIGATION NOTE ISSUED UNDER THE PROVISIONS OF THE LOCAL GOVERNMENT UNIT DEBT ACT

The proceedings should be submitted in duplicate, two-hole punched at the top of the page, with a filing fee made payable to the Commonwealth of Pennsylvania, calculated as follows:
Principal amount of obligation x .00003125, plus $50


THE ATTACHED APPLICATION FORM FOLLOWS THIS FORMAT

Proceedings should be submitted directly to the

Office of Chief Counsel
Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street
4th Floor
Harrisburg, PA 17120-0225
For further information, call (717)783-8452
TO:  Department of Community and Economic Development  
Harrisburg, PA 17120  

The ________________________________, _________________ County, Pennsylvania, by its duly authorized officers, hereby applies for approval to issue and deliver its general obligation Note in the principal amount of $________________________ and in support thereof the undersigned hereby certifies that attached hereto are the following:

1. A true and correct copy of an ordinance duly enacted by affirmative vote of the members of the ________________________________ authorizing and awarding the Note, prescribing the manner of sale and fixing the interest rate, with proofs of publication.

2. The proposal of ________________________________ (Lender), for the purchase of the Note which has been accepted by the said ________________________________, _________________ County.

3. The Debt Statement prepared pursuant to Section 8110 of the Local Government Debt Act, together with the Borrowing Base Certificate prepared pursuant to Section 8002 of the Act.

WITNESS my hand and the seal of the ________________________________, 
______________________________County, Pennsylvania, this _____ day of ____________, 20___.

SEAL  
Secretary of
SUGGESTED FIRST ADVERTISEMENT
OF THE ADOPTION OF THE ORDINANCE

(This Notice of Intent is required under Section 8003 of the Act and must be advertised not less than three nor more than thirty days prior to its enactment, once in a newspaper of general circulation, published or circulating in the area of the local government unit. Proofs of publication of this notice must be submitted with the proceedings for approval by the Department of Community and Economic Development.)

NOTICE

NOTICE IS HEREBY GIVEN that on _________________, 20___, at ___, at ________________, Pennsylvania, the officers of the _________________, _________________ County, Pennsylvania, will act on an ordinance (of which this notice is the summary) authorizing the issuance of an awarding of its $_______________, principal amount, general obligation Note, at a private sale. If enacted, the ordinance will award the Note to the purchaser thereof, approve the form of the Note, 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 the following purpose:

__________________________________________________________.

A copy of the full text of the proposed ordinance may be examined by any citizen in the office of the Secretary of the local government unit at _________________, Pennsylvania, on any business day (except Saturdays and Sundays) between the hours of _____ A.M. and _____ P.M., prevailing time.

Secretary of

DATED: ______________, 20__
NOTICE

NOTICE IS HEREBY GIVEN that on ____________________________ , 20___, at
______________________________, Pennsylvania, the officers of the
________________________________ , _________________ County, Pennsylvania,
enacted an ordinance authorizing the issuance of $______________, principal amount of the
general obligation Note, and the private sale thereof to ____________________, Lender, at par,
bearing interest at the rate of ______ % per annum. The Note is a general obligation of the
local government unit and its officers are directed to do all acts necessary and proper for the
issuance and securing of said Note. No amendments were made during the final passage of this
ordinance.

A copy of the full text of the ordinance as enacted may be examined by any citizen in the
office of the Secretary of the local government unit at
______________________________, Pennsylvania, on any
business day (except Saturdays and Sundays) between the hours of _____ A.M. and _____ P.M.,
prevailing time.

Secretary of

DATED: __________________, 20
CERTIFICATE

I HEREBY CERTIFY that the attached is a true copy of an ordinance passed finally at a meeting of the ________________________________ County, Pennsylvania, on ________________ , 20__; that said meeting above referred to was held with proper notice having been given to members and to the public, and was at all times open to the public; that said ordinance was duly signed by the President, attested by the Secretary, and has been duly recorded in the Ordinance Book of the said local government unit.

I FURTHER CERTIFY that a copy of the ordinance was available for inspection by any citizen in the office of the Secretary.

WITNESS my hand and seal of the ________________________________ County, Pennsylvania, on this __________ day of __________ , 20__.

Secretary of

SEAL
(Name of Local Government Unit)

________________________, County, Pennsylvania

ORDINANCE NO.

AN ORDINANCE INCREASING THE INDEBTEDNESS OF
________________________, ___________________ COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF $____________ FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the
________________________, ___________________ County, Pennsylvania be increased for the following purpose:

_________________________________________________________________________; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of $______________ will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the
________________________, ___________________ County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. That the aggregate principal amount of the Note of the
________________________, ___________________ County, Pennsylvania, proposed to be issued is $______________, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.
SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of _______ years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of $__________________ dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as 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 and known as the Local Government Unit Debt Act, at the rate of interest of ________% per annum, payable on the unpaid balance of said Note on ________________ , 20____ during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of ______% per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows:

(INsert repayment schedule here OR ATTACH AS AN EXHIBIT)

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payments dates thereof, without notice or penalty.

The principal and 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 hereby declared to be a general obligation of the _______________________, ________________ County, Pennsylvania. The local government unit hereby covenants that it shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the ____________________________ is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of ______% are as follows:
SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit N.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the ________________ and ________________ and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefor on behalf of the local government unit. The ________________ and Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act 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. __________________________ (Bank or Bank and Trust Company) 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 “Sinking Fund 20___ General Obligation Note” 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 on 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 principal and interest on the obligation.

SECTION 8. The ________________ and ________________ of the local government unit are hereby authorized to contract with (Bank or Bank and Trust Company) for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the general obligation Note in the
amount of $______________, herein authorized to be issued and sold is hereby awarded and sold to ______________________ (Lender) in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to the ______________________ (Lender) and is in the form set forth in this Ordinance as Exhibit N; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act.

SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the ______________________________, a newspaper 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 ___________ day of ____________ , 20 __.

ATTEST: (Name of Local Government Unit)

BY

Secretary

BY

(If applicable:)

Approved this __________ day of ________, 20__.

Mayor of:
SAMPLE FORM OF NOTE
EXHIBIT N

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF

(Name of Local Government Unit)

GENERAL OBLIGATION NOTE

$ DATED:

KNOW ALL MEN BY THESE PRESENTS, that the
____________________, ______________________ County, Commonwealth of Pennsylvania, a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser, or registered assigns, the sum of $____________________________ dollars ($__________) in installments as follows:

(INSERT REPAYMENT SCHEDULE)

with interest on the unpaid principal balance at the rate of _____ percent (___ %) per annum, payable on ______________ , 20__, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of ______ percent (___%) per annum (computed on the basis of 365 days to the year), with the option in the 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 of penalty.

Both principal and interest are payable 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 ______________________ (Lender), _______________________________, Pennsylvania.
It is hereby recited that this Note is authorized to be issued in accordance with the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of the 1978 Session.

It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent to and in the issuance of this Note or in the creation of the debt of which it is evidence, have been done, happened and 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 unit 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 full faith, credit and taxing power of said 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 ________________________________, __________________________, County, Pennsylvania, has caused this Note to be properly executed by the proper officers of the local government unit and its corporate seal to be hereto affixed, attested to by the Secretary as of the __________day of ____________, 20 __.

(Name of Local Government Unit)

BY

BY

ATTEST:

(Secretary)

SEAL
CERTIFICATE

I, the undersigned Secretary of ________________ , ________________ 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 ________________ day of ________________ , 20___, after due notice to the members and to the public and which was at all times open to the public, 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 ________________ , a newspaper of general circulation in said local government unit.

I further certify that the total number of members of the governing body of the local government unit is _____; that the vote upon said Ordinance was called and duly recorded on the minutes of said meeting and that the members voted in the manner following:

_______________ Aye
_______________ Aye
_______________ Aye
_______________ Aye
_______________ Aye
_______________ Aye

WITNESS my hand and the seal of the ________________ , ________________ County, Pennsylvania, this _____ day of ____________ , 20___.

Secretary of

SEAL
PROOF OF PUBLICATION
FOR FIRST ADVERTISEMENT
SHOULD BE INSERTED HERE
PROOF OF PUBLICATION
FOR SECOND ADVERTISEMENT
SHOULD BE INSERTED HERE
LENDER’S EXECUTED PROPOSAL
WHICH HAS BEEN ACCEPTED BY
THE LOCAL GOVERNMENT UNIT
SHOULD BE INSERTED HERE
DEBT STATEMENT PURSUANT TO SECTION 8110
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit ____________________________________________________________

__________________________________________ County

Statement as of ____________________________ (Date – within 60 days of filing date)

Section 8002 I. GROSS INCURRED DEBT

<table>
<thead>
<tr>
<th>Electoral</th>
<th>Nonelectoral</th>
<th>Lease Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Bonds outstanding</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>List and identify by year of issue</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>$________</td>
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<td>$________</td>
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<tr>
<td>$________</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>B. Notes Outstanding</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>List and identify by year of issue</td>
<td>$________</td>
<td>$________</td>
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<tr>
<td>$________</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$________</td>
<td>$________</td>
</tr>
</tbody>
</table>

II. CREDITS & EXCLUSIONS

Section 8028(b) Less:
(Where applicable)

1. Sinking Funds, reserve accounts, bond proceeds $________ $________ $________
2. Current appropriations $________ $________ $________
3. Uncollected special assessments $________ $________ $________
4. Delinquent taxes and liens $________ $________ $________
5. Surplus cash $________ $________ $________
6. Solvent debts due $________ $________ $________
7. Indemnifying insurance $________ $________ $________
8. Self-liquidating and self-sustaining debt (Excluded under Sections 8024, 8025, 8026) $________ $________ $________

TOTAL NET INDEBTEDNESS $________ $________ $________
III. The aggregate principal amount of bonds or notes being issued or evidencing lease rental debt $________

IV. The principal amount of bonds or notes which will no longer be deemed to be outstanding pursuant to Section 8250 after settlement of the issue.
   *(Refunding issues only)* $________

The borrowing base as shown by appended borrowing base certificate $________

Applicable debt limitations
   (a) nonelectoral
      *(250% of the borrowing base; 300% for counties)* $________

   (a)(1) nonelectoral plus lease rental debt limit for school district borrowings
      *(225% of the borrowing base)* $________

   (b) nonelectoral plus lease rental
      *(350% of the borrowing base; 400% for counties)* $________

Section 8110(a)  IN WITNESS WHEREOF, we, ____________________________,
______________________________ and ____________________________, being authorized to prepare, certify and file the foregoing statement, have hereunto set out hands and affixed the seal of the ____________________________, this ______ day of ____________________________, 20____.

(Name of Local Government Unit)

(SEAL)

Secretary
SECTION 8110(b) CERTIFICATE

(If claiming exclusions on the debt statement, the following certification must be included)

I hereby certify that no decrease in the amounts to be excluded is required by any change of circumstances other than decreases resulting from the payments of bonds or notes.

(note: if there is a decrease other than from payments, the Local Government Unit must reduce the amount being excluded to reflect the changed circumstances).

______________________________
BORROWING BASE CERTIFICATE - SECTION 8002

The borrowing base is the arithmetic average of total revenues received for the three fiscal years preceding the fiscal year in which the debt ordinance is enacted, as set forth in a certificate stating the total revenues for each year and stating the average. The certificate may be executed by any authorized official of the local government unit or an independent accountant. The computation of the borrowing base must be done in accordance with the definition of revenues in Section 8002. The following method may be used:

### BORROWING BASE CERTIFICATE

**Prepared as of**

*(Date)*

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Three prior fiscal years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues Received (money from all sources)</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) State and Federal subsidies and reimbursements related to a particular project financed by debt</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>(2) Revenues, receipts, assessments, etc., pledged for self-liquidating debt</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>(3) Interest on moneys in sinking funds pledged for debt</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>(4) Grants and gifts-in-aid measured by construction or acquisition of specific projects</td>
<td>$________</td>
<td>$________</td>
</tr>
<tr>
<td>(5) Nonrecurring receipts</td>
<td>$________</td>
<td>$________</td>
</tr>
</tbody>
</table>

| SUBTOTAL | $________ | $________ | $________ |
| TOTAL NET REVENUES | $ __________ |
| BORROWING BASE | (Total Net Revenues divided by 3) | $ __________ |

(SEAL)

Secretary
COMMONWEALTH OF PENNSYLVANIA : SS
COUNTY OF __________________________ : 

Before me, the undersigned Notary Public, personally appeared ____________________________,
_____________________________ and ____________________________, who being duly sworn according to law depose and say that they are the ____________________________,
_____________________________ (Title of Officer)

_____________________________ and ____________________________, (Title of Officer)

_____________________________ (Name of Local Government Unit) and that the facts set forth in the foregoing

are true and correct.

_____________________________ (Title of Officer)

_____________________________ (Title of Officer)

_____________________________ (Title of Officer)

Sworn to and subscribed before me

this _______ day of ________________, 20_____

Notary Public