TOWNSHIP OF LOWER NAZARETH
NORTHAMPTON COUNTY, PENNSYLVANIA

ORDINANCE NO. 267-05-26

AN ORDINANCE

INCREASING THE INDEBTEDNESS OF LOWER NAZARETH TOWNSHIP, NORTHAMPTON COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF $1,250,000.00 TO FUND IMPROVEMENTS TO TOWNSHIP LINE ROAD PENDING REIMBURSEMENT PURSUANT TO COMMONWEALTH OF PENNSYLVANIA, COMMONWEALTH FINANCING AUTHORITY, MULTIMODAL TRANSPORTATION FUND GRANT CONTRACT; 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 Township of Lower Nazareth, Northampton County, Pennsylvania be increased for the following purpose: to fund improvements to Township Line Road pending reimbursement pursuant to Commonwealth of Pennsylvania, Commonwealth Financing Authority, Multimodal Transportation Fund Grant Contract; and

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating that the sum of $1,250,000.00 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 Lower Nazareth Township, Northampton 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 Lower Nazareth Township, Northampton County, Pennsylvania, proposed to be issued is $1,250,000.00, 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 one hundred (100) years.

SECTION 3: Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of $1,250,000.00 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, to wit: Principal along with accrued interest at Wall Street Journal Prime Floating Rate (currently 6.75%) in full within eighteen (18) months of settlement.

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 Lower Nazareth Township, Northampton 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 Lower Nazareth Township is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay is set forth on the attached debt service schedule marked Exhibit "A."

SECTION 5: The form of said Note shall be substantially as set forth in the attached Exhibit "B."

SECTION 6: The said Note shall be executed in the name and under the corporate seal of the local government unit by the Chairman of the Board of Supervisors and Vice Chairman of the Board of Supervisors 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 Chairman of the Board of Supervisors 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: Peoples Security Bank & 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 2026 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 Chairman of the Board of Supervisors and Vice Chairman of the Board of Supervisors of the local government unit are hereby authorized to contract with Peoples Security Bank & 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 $1,250,000.00, herein authorized to be issued and sold is hereby awarded and sold to Peoples Security Bank & Trust Company in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to Peoples Security Bank & Trust Company and is in the form set forth in this Ordinance as Exhibit "B"; 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 Home News, 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 27 day of MAY, 2026.

LOWER NAZARETH TOWNSHIP
BOARD OF SUPERVISORS

ATTEST:

Tammi Dravecz

TAMMI DRAVECZ, Secretary

BY: _____
AMY L. TEMPLETON, Chairman

BY: _____
MARTIN J. BOUCHER, Vice Chairman

Peoples Secuirty Bank & Trust Company
General Obligation Debt Service Schedule
LOAN AMORTIZATION SCHEDULE
Lower Nazareth Township Board of Supervisors

Note Amount: $1,250,000.00

Interest Rate: 6.750%
WSJ Prime floating
Term 18 mos

Month	Total Payment	Principal	Monthly Interest	Cumulative Interest
1			$7,031	$7,031
2			$7,031	$14,062
3			$7,031	$21,093
4			$7,031	$28,124
5			$7,031	$35,155
6			$7,031	$42,186
7			$7,031	$49,217
8			$7,031	$56,248
9			$7,031	$63,279
10			$7,031	$70,310
11			$7,031	$77,341
12			$7,031	$84,372
13			$7,031	$91,403
14			$7,031	$98,434
15			$7,031	$105,465
16			$7,031	$112,496
17			$7,031	$119,527
18	$1,376,588	$1,250,000	$7,031	$126,558

Exhibit "A"

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF NORTHAMPTON
LOWER NAZARETH TOWNSHIP

GENERAL OBLIGATION NOTE

$1,250,000.00

DATED: 7/2, 2026

KNOW ALL MEN BY THESE PRESENTS, that Lower Nazareth Township, Northampton 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 One Million Two Hundred Fifty Thousand ($1,250,000.00) Dollars as follows:

See payment schedule attached hereto as Exhibit "A"

Principal along with accrued interest at Wall Street Journal Prime Floating Rate (currently 6.75%) in full within eighteen (18) months of date hereof. Interest shall be computed on the basis of the actual number of days in a calendar year divided by 360 days.

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 Peoples Security Bank & Trust Company (Lender), 2151 Emrick Boulevard, Bethlehem, PA 18020.

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.

Exhibit "B"

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, Lower Nazareth Township, Northampton 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 2 day of July, 2026.

LOWER NAZARETH TOWNSHIP

ATTEST:

BY: _____
AMY L. TEMPLETON, Chairman

TAMMI DRAVECZ, Secretary

BY: _____
MARTIN J. BOUCHER, Vice Chairman

Peoples Secuirty Bank & Trust Company
General Obligation Debt Service Schedule
LOAN AMORTIZATION SCHEDULE
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11			$7,031	$77,341
12			$7,031	$84,372
13			$7,031	$91,403
14			$7,031	$98,434
15			$7,031	$105,465
16			$7,031	$112,496
17			$7,031	$119,527
18	$1,376,588	$1,250,000	$7,031	$126,558

Exhibit "A"