ORDINANCE NO. 2019-160
OF THE BOARD OF COMMISSIONERS
OF THE COUNTY OF BUCKS,
COMMONWEALTH OF PENNSYLVANIA


WHEREAS, the Delaware Valley Regional Planning Commission ("DVRPC") qualifies as a "public procurement unit" as defined under Chapter 19 of the Pennsylvania Procurement Code, 62 Pa C.S. §1901 et seq. (the "Code"), and has established a Regional Streetlight Procurement Program (the "Program") for the purpose or entering into "cooperative purchasing" agreements with municipalities to (i) design improved municipal street lighting systems. (ii)
remove inefficient equipment and facilities, and (iii) acquire, construct, install, and maintain more efficient fixtures and equipment (collectively, the “Project”); and

WHEREAS, DVRPC has entered into a contract with Keystone Lighting Solutions (“KLS”) to provide professional design services to evaluate, recommend, audit, design and manage the Project; and

WHEREAS, DVRPC has entered into a contract with Armour & Sons Electric, Inc. (“Armour”) to provide construction and installation services for the Project, and has assigned its contracts for the manufacture and distribution of equipment for the Project to Armour; and

WHEREAS, participation in the Program will allow municipalities to benefit from DVRPC’s expertise and improve the performance of municipal street lighting; and

WHEREAS, participation in the Program will allow municipalities to reduce the costs of the Project by realizing the economies of scale of DVRPC’s procurement; and

WHEREAS, the Board of Commissioners of the County (the “Board”) has determined to reduce the costs of municipalities within the County that participate in the Program (the “Participating Municipalities”) by undertaking projects consisting of the conversion of cobrahead streetlights, decorative lighting, area lighting, and traffic signals to light-emitting diode technology to reduce energy consumption and costs (collectively, the “Bucks Projects”); and

WHEREAS, the Board has determined to provide loans to the Participating Municipalities (the “Municipality Loan Program”) to fund the Bucks Projects in order to reduce both the costs of issuance and the interest rates to the Participating Municipalities; and

WHEREAS, the Board has obtained preliminary cost estimates for the Bucks Projects and the Municipality Loan Program from persons qualified by experience; and

WHEREAS, the incurrence of nonelectoral debt by the issuance of the General Obligation Notes, 2019 Series (collectively, the “Participant Note”) is necessary to provide funds for the Municipality Loan Program; and

WHEREAS, that certain capital project (collectively, the “2019 Project”), consisting of (i) the Municipality Loan Program and (ii) the payment of the costs of issuance of the Participant Note, will benefit the health and welfare of the residents of the County of Bucks; and
WHEREAS, the 2019 Project shall be for the benefit and use of the general public, and no private party shall have any special legal entitlement to the beneficial use of the 2019 Project through a lease, management contract, or any other arrangement that would result in a private business use under the Internal Revenue Code of 1986, as amended; and

WHEREAS, the proposed increase of nonelectoral debt from the issuance of the Participant Note, together with the nonelectoral and lease rental debt presently outstanding, will not cause the constitutional or statutory debt limitations of the County to be exceeded; and

WHEREAS, the Delaware Valley Regional Finance Authority ("DelVal"), a public authority within the meaning of the Local Government Unit Debt Act, 53 Pa. C.S.A. §8001, et seq (the "Debt Act"), has from time to time issued Local Government Revenue Bonds (the "DelVal Bonds"), to provide funds for loans to local government units and municipal authorities (the "Loan Program"); and

WHEREAS, from time to time, DelVal has entered into interest rate swap agreements related to the DelVal Bonds (collectively, the “DelVal Swap Agreement”) in order to provide a more cost-effective Loan Program and to allow participants in the Loan Program to manage interest rate risk more efficiently; and

WHEREAS, Calhoun Baker Inc. (the “Financial Advisor”) is an “Independent Financial Advisor”, as such term is defined in the Debt Act, to DelVal, and the Financial Advisor has prepared an “Interest Rate Management Plan” (the “Plan”), as such term is defined in the Debt Act, and an Interest Rate Swap Management Policy (the “Swap Policy”) that have been adopted by the Board of DelVal; and

WHEREAS, DelVal established minimum rating criteria for any counterparty to the DelVal Swap Agreement of long term, senior, unsecured debt ratings in the “AA-” or “Aa3” category or higher, or ratings equal to or higher than any active counterparty, by a Nationally Recognized Statistical Rating Organization registered with the Securities and Exchange Commission, and the Board of Directors of DelVal found that the award of transactions under the DelVal Swap Agreement by negotiation in private sales were in the best financial interests of DelVal and the participants in the Loan Program, and the Financial Advisor concluded that the financial terms and conditions of the DelVal Swap Agreement were fair and reasonable as of the dates of award; and
WHEREAS, the County wishes to utilize the DelVal Loan Program by issuing the Participant Note to DelVal; and

WHEREAS, under the terms of the Loan Agreement with DelVal, interest payments on the Participant Note (the “Loan Interest”) will equal the amounts allocable to the Participant Note for interest on the DelVal Bonds, periodic scheduled payments on the DelVal Swap Agreement, and other costs and liquidity requirements incurred by DelVal to administer the Loan Program; and

WHEREAS, under the terms of the Loan Agreement with DelVal, the principal amount outstanding of the Participant Note (the “Loan Principal”) will equal the notional amount of the DelVal Swap Agreement related to the Participant Note; and

WHEREAS, the Board of Commissioners intends to (i) designate the Loan Agreement and the allocable portion of the DelVal Swap Agreement as a Qualified Interest Rate Management Agreement related to the Participant Note, (ii) approve the Plan as the Interest Rate Management Plan required by the Debt Act, and (iii) adopt the Swap Policy.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF BUCKS, COMMONWEALTH OF PENNSYLVANIA, AND IT IS HEREBY ORDAINED AND ENACTED BY THE AUTHORITY OF SAID BOARD OF COMMISSIONERS THAT:

SECTION 1. APPROVAL OF THE 2019 PROJECT AND AUTHORIZATION TO ISSUE THE PARTICIPANT NOTE

The Board of Commissioners hereby authorizes and approves the 2019 Project. Pursuant to §8142(a)(2) of the Debt Act, the twenty-year estimated weighted average useful life of the 2019 Project exceeds the ten-year term of the Participant Note. The principal of the Participant Note shall be amortized to provide level or declining annual debt service, pursuant to §8142(b)(1) of the Debt Act. The amortization of the principal amounts of the Participant Note shall begin within two years of the date of issue in accordance with §8142(c) of the Debt Act. The Board hereby authorizes and directs the incurrence of nonelectoral, general obligation debt in the aggregate principal amount of THREE HUNDRED NINETY-SIX THOUSAND DOLLARS ($396,000) by the issuance of the Participant Note.
SECTION 2.  APPROVAL OF THE LOAN COMMITMENT

The Board, after due deliberation and investigation, hereby determines that a private sale by negotiation of the Participant Note to DelVal is in the best financial interests of the County. The Board hereby accepts the Loan Commitment from DelVal, attached hereto, to purchase the Participant Note at an aggregate price of $396,000 from the proceeds of the DelVal Bonds. The County shall be responsible for paying DelVal’s costs of origination in an amount not to exceed $2,084 for the Participant Note, as directed by DelVal’s Program Administrator upon the issuance of the Participant Note. The Participant Note shall be purchased on or about November 25, 2019, or in such installments and/or at such other times as the Chair or Vice-Chair of the Board and DelVal’s Program Administrator shall determine.

SECTION 3.  APPROVAL OF THE FORMS OF THE LOAN DOCUMENTS AND AUTHORIZATION TO EXECUTE AND DELIVER ALL NECESSARY DOCUMENTS

The substantial forms of the Loan Agreement, Participant Note, Participant Tax Compliance Agreement, and Participant Continuing Disclosure Agreement (collectively, the “Loan Documents”) attached to the Loan Commitment are hereby approved. The Chair or Vice-Chair of the Board and the Chief Clerk (collectively, the “Authorized Officers”) are hereby authorized and directed to execute and deliver the Loan Documents, in the substantial forms attached to the Loan Commitment, but with such alterations, deletions and additions as the Authorized Officers may approve (such approval to be conclusively established by the execution of the Loan Documents by the Authorized Officers). The Authorized Officers also are hereby authorized and directed (i) to execute and deliver such other certificates, instruments, and agreements (including those required by any institution issuing a financial guaranty insurance policy, municipal bond insurance policy, letter of credit, or similar instrument related to the DelVal Bonds or the Participant Note) and (ii) to take all actions that may be necessary or beneficial to issue the Participant Note.

SECTION 4.  AMORTIZATION SCHEDULE AND MAXIMUM ANNUAL DEBT SERVICE PAYMENTS

The indebtedness of the Participant Note shall be nonelectoral debt and a general obligation of the County and shall be evidenced by one or more Promissory Notes (in the form attached hereto as Exhibit A) in the aggregate par amount of THREE HUNDRED NINETY-SIX THOUSAND DOLLARS ($396,000). The Participant Note shall bear interest (the “Loan Rate”) at the rate
specified in the Loan Agreement and the Participant Note, the substantial forms of which are attached to the Loan Commitment. The Participant Note shall be subject to optional redemption by the County as set forth in the Participant Note and the Loan Agreement. The amortization schedule of the Loan Principal and the maximum Loan Interest payments under the Participant Note, based upon the maximum Loan Rate of 15%, are shown below:

**General Obligation Notes, 2019 Series**  
**Principal Amortization Schedule and Maximum Annual Debt Service Payments**

<table>
<thead>
<tr>
<th>Bond Year Ending</th>
<th>Principal (1)</th>
<th>Maximum Interest Rate</th>
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(1) Principal is payable annually, commencing on: 25-Oct-20  
Principal is amortized to provide level or declining annual debt service.  
(2) Interest is payable monthly on the 25th, commencing: 25-Dec-19  
Interest is calculated for the period beginning on: 25-Nov-19

**SECTION 5. AUTHORIZATION AND AWARD OF A QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT**

The County is incurring indebtedness under the Debt Act that will be issued to DelVal, a public authority, and the County, by execution of the Loan Agreement, will become obligated for a notional amount of the DelVal Swap Agreement equal to the outstanding principal amount of the Participant Note. The Board hereby accepts and adopts the Plan as the Interest Rate Management Plan fulfilling the requirements of §8281(b)(2) of the Debt Act. The Board hereby adopts the Swap Policy, accepts and ratifies the minimum criteria used by DelVal to select the counterparties of the DelVal Swap Agreement, and accepts and ratifies the award of the DelVal
Swap Agreement in a private sale by negotiation. The Board hereby authorizes and awards the Loan Agreement and the portion of the DelVal Swap Agreement allocable to the Participant Note as the Qualified Interest Rate Management Agreement with respect to the Participant Note, pursuant to §8281(a)(2) of the Debt Act. The Board hereby authorizes and directs the filing, to the Department of Community and Economic Development ("DCED") within fifteen days of enactment, of a certified copy of this Ordinance and the following documents, in accordance with §8284(a)(1) of the Debt Act:

1) Form of the Loan Agreement, the Qualified Interest Rate Management Agreement pursuant to §8281(b)(1) of the Debt Act, and the form of the confirmation related to the Participant Note,

2) The Interest Rate Management Plan pursuant to §8281(b)(2) of the Debt Act, and

3) The finding of the Financial Advisor that the financial terms and conditions of the DelVal Swap Agreement were fair and reasonable as of the date of the award by DelVal, pursuant to §8281(e)(5) of the Debt Act.

SECTION 6. PLEDGE OF THE FULL FAITH, CREDIT, AND TAXING POWER

The County hereby covenants to:

1) Include all payments of Loan Interest and Loan Principal payable under the Loan Agreement and the Participant Note in the budget of the fiscal year in which such amounts are due and payable,

2) Appropriated such amounts from its taxes and other general revenues, and

3) Pay, or cause to be paid, punctually and duly, such amounts that are due and payable under the Participant Note and the Loan Agreement on the dates, at the places, and in the manner stated in the Participant Note and the Loan Agreement.

For such budgeting, appropriation, and payment, the County irrevocably pledges its full faith, credit, and taxing power. As provided by the Debt Act, this covenant shall be specifically enforceable.

SECTION 7. OBLIGATIONS OF THE COUNTY RELATED TO THE QUALIFIED INTEREST RATE MANAGEMENT AGREEMENT

The County’s obligations related to the Qualified Interest Rate Management Agreement are set forth in the Loan Agreement. In accordance with §8281 of the Debt Act:
1) The County pledges its full faith, credit, and taxing power to make any periodic scheduled payments due and payable under the DelVal Swap Agreement related to the Participant Note and Loan Agreement (the "Periodic Payments"). The County covenants to (a) include all Periodic Payments in the budget of the fiscal year in which such amounts are due and payable, (b) appropriate such amounts from its taxes and other general revenues, and (c) pay, or cause to be paid, punctually and duly, such amounts that are due and payable on the dates, at the places, and in the manner stated in the Participant Note and the Loan Agreement. As provided by the Debt Act, this covenant shall be specifically enforceable.

2) The notional amount of the DelVal Swap Agreement related to the Participant Note is equal to the outstanding principal amount of the Participant Note, initially $396,000.

3) The County's obligations under the DelVal Swap Agreement end when the County repays or prepays the amounts outstanding under the Participant Note and the Loan Agreement. The scheduled term of the County's obligations related to the DelVal Swap Agreement ends on October 25, 2029.

4) The County pledges to budget, appropriate, and pay any termination payment due and payable under the DelVal Swap Agreement related to the Participant Note and Loan Agreement (the "Termination Charge"). The County covenants to (a) include any Termination Charge in the budget of the fiscal year in which such amounts are due and payable, (b) appropriate such amounts from its taxes and other general revenues, and (c) pay, or cause to be paid, punctually and duly, such amounts that are due and payable on the dates, at the places, and in the manner stated in the Participant Note and the Loan Agreement. The County's obligations to make Periodic Payments are senior to any obligation for a Termination Charge.

5) The maximum annual Periodic Payments, not including any Termination Charge, shall not exceed the maximum annual debt service payments authorized for the Participant Note. The maximum Loan Rate under the Loan Agreement and the maximum floating rate payable under the DelVal Swap Agreement is 15%.

SECTION 8. APPOINTMENT OF SINKING FUND DEPOSITORY AND CREATION OF SINKING FUND
Pursuant to §8221 of the Debt Act, the Board hereby appoints Wells Fargo Bank, N.A. (the "Bank"), or its successors or assigns, as the Sinking Fund Depository for the Participant Note, and the Board hereby irrevocably creates and establishes a sinking fund (the "Sinking Fund") to be used exclusively for the repayment of the Participant Note. The County shall deposit into the Sinking Fund sufficient amounts for debt service payments on the Participant Note no later than the date upon which such payments shall become due. The Bank shall maintain a separate account for the Sinking Fund until the Participant Note is paid in full. The Bank shall, as and when said payments are due, without further action by the County, withdraw available monies in the Sinking Fund and apply said monies to payment of Loan Interest on and Loan Principal of the Participant Note. The Board hereby authorizes and directs the Authorized Officers to contract with the Bank, by the execution of the Loan Agreement, to serve as the Sinking Fund Depository and paying agent for the Participant Note.

**SECTION 9. AUTHORIZATION TO SUBMIT STATEMENTS TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

The Board hereby authorizes and directs the Authorized Officers to prepare and submit an application for approval of the incurrence of the nonelectoral, Guaranteed Revenue debt evidenced by the Participant Note to DCED, including the proceedings that authorize issuance, the debt statement required by §8110 of the Debt Act, any statements or certificates required to qualify the 2019 Notes as self-liquidating debt pursuant to §8026 of the Debt Act, and any other documents required by the Debt Act or DCED.

**SECTION 10. LEGAL ADVERTISEMENTS**

The Board hereby ratifies and directs the advertisement of a summary of this Ordinance as finally enacted, as required by the Debt Act, in The Intelligencer, a newspaper of general circulation in the County of Bucks, within fifteen (15) days following the date of final enactment.

**SECTION 11. CONFLICTING ORDINANCES**

All Ordinances or parts of Ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.
IN WITNESS WHEREOF, we, the undersigned Authorized Officers, have hereunto set our signatures and affixed hereto the Seal of the COUNTY OF BUCKS, COMMONWEALTH OF PENNSYLVANIA.

Dated: September 4, 2019

[Signature]

ROBERT G. LOUGHRAN
Chairman, Board of Commissioners

[Seal]

ATTEST:

[Signature] 9/4/19

DEANNA GIORNO
Chief Clerk
Exhibit A

Form of the Participant Note
The COUNTY OF BUCKS, Commonwealth of Pennsylvania (the “Participant”), existing by and under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges itself indebted and promises to pay to the order of the DELAWARE VALLEY REGIONAL FINANCE AUTHORITY, its successors and assigns (“DelVal”), in lawful money of the United States of America, in such amounts which, together with other moneys held by the Trustee for such purpose, will be sufficient to pay (i) the principal of this General Obligation Notes, 2019 Series (collectively, this “Participant Note”), in the amount of THREE HUNDRED NINETY-SIX THOUSAND DOLLARS ($396,000), on the dates and in the amounts set forth on Schedule A attached hereto, and (ii) the interest on this Participant Note, calculated pursuant to the Loan Agreement (as hereafter defined) and such other amounts due under the Loan Agreement on the dates set forth in the Loan Agreement and on Schedule A attached hereto.

This Participant Note evidences the payment obligations of the Participant to repay the loan (the “Loan”) made by DelVal to the Participant under a certain Loan Agreement (the “Loan Agreement”) by and between DelVal, as lender, and the Participant, dated as of November 25, 2019. All terms used herein and not defined shall have the meaning set forth in the Loan Agreement.

The amounts payable under this Participant Note are payable in immediately available funds on or before the twenty-fifth day of each month, commencing on December 25, 2019, at the corporate trust office of TD Bank, N.A., as Trustee (the “Trustee”) for DelVal.

The amounts payable under this Participant Note are payable without deduction for any tax or taxes, except gift, succession, franchise, excise or inheritance taxes, now or hereafter levied, or assessed thereon under any present or future laws of the Commonwealth of Pennsylvania, all which taxes, except as above provided, the Participant assumes and agrees to pay.

This Participant Note is issued pursuant to an Ordinance of the Board of Commissioners of the County of Bucks, Pennsylvania duly enacted on September 4, 2019 (the “Participant Ordinance”).

This Participant Note is issued in accordance with the provisions of the Local Government Unit Debt Act, 53 Pa. C.S.A. §8001 et seq (the “Debt Act”).

The Participant hereby certifies that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Participant to issue and deliver this Participant Note has been duly given pursuant to the Debt Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Participant Note or in the creation of the debt of which this Participant Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Participant Note,
together with all other indebtedness of the Participant, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; and that the Participant has established a sinking fund for this Participant Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Participant Note as the same shall become due and payable.

The Participant hereby covenants with the registered owner of this Participant Note that the Participant (i) shall include the amounts payable for principal of and interest on this Participant Note, for each fiscal year in which such debt service is payable in its budget for that year, (ii) shall appropriate such amounts from its revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal of and the interest on this Participant Note at the dates and places and in the manner stated in this Participant Note, according to the true intent and meaning hereof. FOR SUCH BUDGETING, APPROPRIATION AND PAYMENT OF PRINCIPAL OF AND INTEREST ON THIS PARTICIPANT NOTE, THE PARTICIPANT HAS PLEDGED ITS FULL FAITH, CREDIT AND TAXING POWER. This covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies, to any applicable bankruptcy, insolvency, moratorium or similar laws or equitable principles affecting the enforcement of creditors’ rights generally. Nothing in this paragraph shall be construed to give the Participant any taxing power not granted by another provision of law.

The Participant’s obligation to make the payment of a Termination Charge related to the Participant Note shall be subordinate to the regularly scheduled payments of principal of and interest on the Participant Note.

This Participant Note may be prepaid, in whole or in part, as set forth in Article VI of the Loan Agreement.

DeVal shall pledge and assign this Participant Note to the Trustee. The Participant and Trustee may deem and treat the person in whose name this Participant Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest hereon and for all other purposes, whether or not this Participant Note shall be overdue. The Participant and Trustee shall not be affected by any notice to the contrary.

No covenant or agreement contained in this Participant Note shall be deemed to be the covenant or agreement of any officer, agent or employee of the Participant in his or her individual capacity, and no official executing this Participant Note shall be liable personally on this Participant Note or be subject to any personal liability or accountability by reason of the issuance of this Participant Note.

No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver hereunder.

[Signature Page Follows]
IN WITNESS WHEREOF, we, the undersigned authorized officials, have hereunto set our signatures and affixed hereto the Seal of the COUNTY OF BUCKS, Commonwealth of Pennsylvania.

Dated: November 25, 2019

________________________________________
ROBERT G. LOUGHERY
Chairman, Board of Commissioners

[Seal]

ATTEST:

________________________________________
DEANNA GIORNO
Chief Clerk
Schedule A

County of Bucks
General Obligation Notes, 2019 Series
Principal Amortization Schedule and
Maximum Annual Debt Service

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Interest is calculated from the closing date on: 25-Nov-19