

NO. 541

**ORDINANCE OF THE COUNCIL OF
BOROUGH OF PARKESBURG
CHESTER COUNTY, PENNSYLVANIA**

AN ORDINANCE OF THE COUNCIL OF THE BOROUGH OF PARKESBURG, CHESTER COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE ITS GENERAL OBLIGATION NOTE, SERIES OF 2019, IN THE AGGREGATE PRINCIPAL AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) (THE "NOTE") PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, 53 PA C.S. CHS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION FOR SUCH NOTE IS IN THE BEST FINANCIAL INTERESTS OF THE BOROUGH; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THIS BOROUGH; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS OF THE BOROUGH, INCLUDING (A) THE PLANNING, DESIGN, CONSTRUCTION, RECONSTRUCTION AND RENOVATION OF AND TO THE WEST BRIDGE STREET BRIDGE IN THE BOROUGH AND THE RELATED CONSTRUCTION, RECONSTRUCTION AND RENOVATION TO CERTAIN STREETS AND SIDEWALKS OF THE BOROUGH IN CONNECTION THEREWITH AND IN PROXIMITY THERETO; (B) TO REIMBURSE CERTAIN PREVIOUS CAPITAL EXPENDITURES OF THE BOROUGH MADE IN CONNECTION THEREWITH; AND (C) TO PAY THE COSTS AND EXPENSES OF ISSUING THE NOTE; SETTING FORTH REASONABLE ESTIMATES OF THE USEFUL LIVES OF THE CAPITAL PROJECTS TO BE FINANCED; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE BOROUGH; FIXING THE DENOMINATION, DATED DATE, INTEREST PAYMENT DATE, MATURITY DATE, INTEREST RATE, REDEMPTION PROVISIONS, MANDATORY REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; AUTHORIZING SPECIFIED OFFICERS OF THE BOROUGH TO CONTRACT WITH THE PAYING AGENT; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE BOROUGH IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY FOR THE NOTE; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH NOTE WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH NOTE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE BOROUGH TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTE, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF

COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY THE NOTE, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE BOROUGH, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE BOROUGH TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE BOROUGH FROM TAKING ACTIONS WHICH WOULD CAUSE SUCH NOTE TO BECOME AN "ARBITRAGE BOND," AS THAT TERM IS USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; DESIGNATING SUCH NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" UNDER SECTION 265(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HERewith.

WHEREAS, the Borough of Parkesburg, Chester County, Pennsylvania (the "Borough"), is a Borough of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, this Borough, in contemplation of the issuance and sale of its General Obligation Note, Series of 2019, in an aggregate principal amount of \$1,200,000 (the "Note"), to provide funds for and towards certain capital projects of this Borough described herein, has determined that the Note shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as re-enacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of this Borough; and

WHEREAS, the Council of the Borough (the "Council") has determined to accept the proposal of M&T Bank, Wilmington, Delaware (the "Purchaser"), for the purchase of the Note, such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the Note; and

WHEREAS, the Council has determined to and desires to accept the proposal of the Purchaser and to incur nonelectoral debt in the amount of One Million Two Hundred Thousand Dollars (\$1,200,000) to fund certain projects (hereinafter described) of this Borough pursuant to the provisions of the Act; and

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Borough of Parkesburg, Chester, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. Pursuant to the provisions of this Ordinance, the Council hereby authorizes and directs the issuance of the Note in the aggregate principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) to be designated generally as the Borough of Parkesburg General Obligation Note, Series of 2019. The Note shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Council hereby finds and determines that a private sale by negotiation is in the best financial interests of this Borough.

Section 2. The Council determines that the debt to be incurred pursuant to this Ordinance, and which will be evidenced by the Note, shall be nonelectoral debt of this Borough.

Section 3. A brief description of the project (the "Project") to be financed with, among other things, the proceeds of the Note is as follows: to provide funds to finance certain capital projects of the Borough, including (a) the planning, design, construction, reconstruction and renovation of and to the West Bridge Street bridge in the Borough and the related construction, reconstruction and renovation to certain streets and sidewalks of the Borough in connection therewith and in proximity thereto; (b) to reimburse certain previous capital expenditures of the Borough made in connection therewith; and (C) to pay the costs and expenses of issuing the Note and effecting the Project as permitted under Section 8007 of the Act.

The realistic estimated lives of the capital projects financed with the proceeds of the Note is at least thirty (30) years. It is hereby certified that an aggregate principal amount of the Note at least equal to the realistic estimated cost of such capital projects shall mature prior to the end of the useful life of such projects. The maturity of stated installments of principal of the Note will not be deferred beyond the later of one year after the estimated date for the completion of the construction of such projects or two years from the date of issue of the Note.

Prior to the date hereof, the Council has obtained realistic cost estimates for each of the capital projects constituting the Project from registered architects, professional engineers or other persons qualified by experience. Such cost estimates were used to determine the amount of the Note to be issued.

Section 4. Subject to the approval of the Department, as required by the provisions of the Act, the Council shall and does hereby accept the proposal of the Purchaser, for the purchase of the Note in accordance with the terms and conditions of this Ordinance and Purchaser's proposal, dated September 13, 2019 (the "Proposal"), attached hereto as Exhibit "A" and incorporated herein. The sale of the Note shall be for an aggregate purchase price of \$1,200,000 plus accrued interest, if any, from the date of the Note to the date of delivery thereof. The President or Vice President of the Council is hereby authorized and directed to accept and to execute the Proposal in the name and on behalf of this Borough, and the Secretary of the Borough is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to this Council and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by this Borough with respect to such bid security, except as provided by the Act.

The Note, when issued, will constitute a general obligation of the Borough.

Section 5. The Note shall be fully registered, without coupons, in the denomination of \$1,200,000, in substantially the form hereinafter set forth in Section 8. Amounts advanced under the Note up to the maximum amount of One Million Two Hundred Thousand Dollars (\$1,200,000) shall be funded as set forth in such Note. The Note shall be dated as of its date of

issue and shall bear interest from that date at the applicable rates per annum as set forth in the Proposal herein.

Section 6.

(a) Commencing on the date of issuance of the Note through and including November 1, 2021, the Note shall bear interest at the variable rate equal to the Purchaser's one-month London Interbank Offering Rate ("LIBOR")(rounded up to the nearest 1/16th), plus 0.60%, but in no event shall such variable rate be less than 2.50% nor greater than 4.25%. The interest rate will change every thirty (30) days and be fixed for 30-day periods. Commencing on November 1, 2019, and on the first day of each February, May, August and November thereafter through November 1, 2021, the Borough shall pay monthly installments of interest. On November 1, 2021, the entire principal balance of this Note shall become due and payable. The Borough shall pay to the Purchaser annual payments of principal and interest in the maximum amounts set forth at Exhibit "B" hereto. All interest due on the Note shall be calculated on the basis of twelve (12) thirty (30) day months and a 360 day year.

(b) On November 1, 2021, the remainder principal and interest due on the Note shall be paid to the Purchaser, if not prepaid earlier as provided in subsection (e) of this Section 7.

(c) The dates upon which this Borough is required to make payments of interest and principal on the Note pursuant to subsections (a) and (b) of this Section 6 are hereinafter referred to as "Payment Dates." Whenever a Payment Date shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of such interest or principal need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to close with the same force and effect as if made on the Payment Date and no interest shall accrue thereon for any period after such Payment Date.

(d) A schedule of the maximum amounts of principal and interest on the Note to be paid on the Payment Dates is set forth in Exhibit "B" which is attached hereto and incorporated by reference as though fully set forth herein.

(e) The principal of and interest due on the Note may be prepaid at any time without notice by the Borough, as provided in the form of Note set forth at Exhibit "C" and the Proposal.

Section 7. The appropriate officers of this Borough are hereby authorized, empowered and directed to contract with M&T Bank, Wilmington, Delaware (the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Note shall be made, when due, on the Payment Dates in accordance with the provisions of the Note, at the designated corporate trust office of the Paying Agent in lawful money of the United States of America.

Section 8. The Note shall be in substantially the form set forth in Exhibit "C," with appropriate insertions, omissions and variations.

Section 9. The Note shall be executed in the name and on behalf of this Borough by the true or facsimile signature of the President or Vice President of the Council and the true or facsimile official seal of this Borough shall be affixed thereunto, duly attested by the true or facsimile signature of the Secretary or Assistant Secretary of the Borough. Said officers are authorized and directed to execute and attest the Note.

Section 10. This Borough covenants to and with the registered owners from time to time of the Note that this Borough (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of this Borough in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Note for such year, 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 amount of the Note and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, this Borough shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of this Borough shall be enforceable specifically.

Section 11. This Borough hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for the Note, to be known as "Sinking Fund – General Obligation Note, Series of 2019" (the "Sinking Fund"), which sinking fund shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

Section 12. The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Fund created pursuant to Section 11. This Borough covenants and agrees to deposit in the Sinking Fund, on or before each Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Payment Date all principal and accrued interest becoming due with respect to the Note. After such deposit, the Paying Agent shall, without further authorization or direction from the Borough or any of its officials, on the Payment Dates, with respect to the payment of principal and interest on the Note, withdraw moneys from the Sinking Fund and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

The Note shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its principal corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Note in the registration books of this Borough maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note of the same maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

This Borough and the Paying Agent may deem and treat the persons in whose names the Note shall be registered on the registration books of this Borough maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Note shall be overdue or not, and payment of the principal of and/or interest on the Note shall be made only to

or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Note provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of this Borough upon the Note so paid, to the extent of the sum or sums so paid, and neither this Borough nor the Paying Agent shall be affected by any notice to the contrary.

This Borough shall cause to be kept, and the Paying Agent shall keep, at the principal corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Note in the manner provided herein and therein so long as the Note shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to Noteholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 13. The appropriate officials of the Borough, and, if applicable, their duly qualified respective successors, are hereby authorized and directed, in the name and on behalf of the Borough: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Note, including the debt statement and borrowing base certificate; (c) to prepare and file, or cause to be filed, all documents, certificates and instruments necessary to cause all or a portion of the debt evidenced by the Note to be excluded as self-liquidating debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (e) to pay or cause to be paid from proceeds of the Note or otherwise, all costs and expenses incurred by the Borough in connection with the issuance of the Note; (f) to advertise the adoption of this Ordinance, as required by the Act; and (g) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Note, to the extent not inconsistent with this Ordinance or applicable law.

Section 14. It is hereby declared that the debt to be evidenced by the Note, together with all other indebtedness of this Borough, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by this Borough.

Section 15. The appropriate officers of this Borough are hereby authorized and directed to deliver the Note to the Purchaser, upon due registration thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 16. This Borough covenants to and with the registered owners of the Note that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Note, would cause such Note to be an "arbitrage bond" as that term is defined in Section 148 of the Code and the applicable regulations thereunder. This Borough further covenants that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this

issue. In addition, the President or Vice President of the Council, being the official(s) responsible for issuing the Note, attested by the Secretary or Assistant Secretary of the Borough, are hereby authorized and directed to execute and deliver, in the name and on behalf of the Borough, any and all documents or other instruments which Note Counsel may reasonably request in connection with the providing of its opinion that the Note is not an "arbitrage bond" within the meaning of Section 148 and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Note, which certificate shall set forth the reasonable expectations of the Borough as to the amount and use of the proceeds of the Note.

Section 17. The Note, when issued, will be a General Obligation of this Borough. In accordance with the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), this Borough hereby finds, determines and designates the Note as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for the purposes of Section 265(b) of the Code.

Section 18. The Borough hereby ratifies and confirms its appointment of Georgeadis Setley, Wyomissing, Pennsylvania, as Note Counsel in connection with the issuance of the Note.

Section 19. 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 Borough that the remainder of this Ordinance shall remain in full force and effect.

Section 20. All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 21. This Ordinance shall be effective in accordance with Section 8003 of the Act.

DULY ENACTED, THIS 16TH DAY OF SEPTEMBER, 2019, BY THE COUNCIL OF THE BOROUGH OF PARKESBURG, CHESTER COUNTY, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.

BOROUGH OF PARKESBURG,
CHESTER COUNTY, PENNSYLVANIA

BY: Charles J. Pensch, Jr.
PRESIDENT, COUNCIL OF THE BOROUGH OF
PARKESBURG

ATTEST: WGA. KESA
SECRETARY (SEAL)

John P. Hagan II
MAYOR
JOHN P. HAGAN II

EXHIBIT "A"
PROPOSAL



Government Banking
1100 N Market St., 11th Floor
Wilmington, DE 19801
Phone: (302) 636-4211
Email: lhannan@mtb.com
Laura Hannan, Vice President

September 13, 2019

Borough of Parkesburg
C/O Neil Vaughan
315 West First Avenue, Building 1
Parkesburg, PA 19365

Re: Borough of Parkesburg, Drawdown Line of Credit, General Obligation Note, Series of 2019

Dear Neil,

M&T Bank (the "Bank") appreciates the opportunity to offer our services in purchasing the proposed Drawdown Line of Credit, General Obligation Note, Series of 2019 (the "Note") financing for the Borough of Parkesburg, Chester County, PA (the "Borrower") for the upcoming capital projects of the Borough.

The attached summary includes only a brief description of the principal terms of the proposed Note. The definitive terms of the proposed loan will be more fully evidenced in our intent letter and additional loan documentation including, but not limited to, a Note together with the other agreements, instruments, certificates and documents that M&T Bank may otherwise require.

- 1) Amount of Note
Up to \$1,200,000
- 2) Term of Note
2 year maturity
- 3) Type of Facility
Drawdown Line of Credit, General Obligation Note
- 4) Purpose
To provide financing for the upcoming capital projects of the Borough.
- 5) Rate of Interest Per Annum
The Note shall (subject to the following terms) bear interest on the outstanding principal balance at a Bank qualified tax-exempt rate (30/360-day basis). During the draw period, the interest rate will be variable based upon the Bank's prevailing one-month LIBOR Rate (rounded up to the nearest 1/16th) plus 0.600%. The rate will change every thirty (30) days and be fixed for 30-day periods. Currently, the one-month LIBOR rate is 2.06%; therefore, today's rate would be 3.00%. The interest rate floor is 2.500% and the interest rate ceiling is 4.250%.

Bank Qualified Tax-Exempt Rate Federal Requirement

This interest rate is issued upon borrower's compliance with all acts of appropriate legislation and all necessary documentation designating the obligation as "Bank Qualified Tax-Exempt" under

Regulation 265 (b) (3) of the Internal Revenue Code of 1986 and any applicable amendments. An opinion of the borrower's note legal counsel attesting to this is required.

If interest payable on the note is determined at any point during the term of the loan to not be "Bank Qualified Tax-Exempt" or it is determined that the note served as an arbitrage note under Federal Law, the note will reset to its taxable equivalent rate, and the borrower will pay to the bank the difference between the amount of interest which the bank should have received at the "Taxable Rate" and the actual amount of interest paid. The borrower will also pay any and all interest and penalties assessed.

6.) Repayment Terms

Interest only payments, due quarterly, with full principal balance due at maturity.

7.) Security

The Notes shall be a general obligation of the Borough, payable from the general taxes and other general revenues of the Borough. The Borough shall covenant in the Ordinance that it will include in its budget for each fiscal year the amount of the debt service for that year of the Borough in which principal and/or interest on the Notes is payable that it will appropriate from its general revenues in each such year, the amount of the debt service on the Notes for such year and will duly pay or cause to be paid when due the principal of and interest due on the Notes. For such budgeting, appropriation and payment, the Borough shall irrevocably pledge its full faith, credit and taxing power.

8.) Covenants

The Borrower will be required to submit to the bank its financial reports within 180 days from the close of the Borrower's fiscal year.

Borrower shall have delivered to M&T Bank, sufficiently in advance of closing, all documentation and other information required by M&T Bank in accordance with all applicable banking laws and regulations in effect from time to time, including, without limitation, the USA PATRIOT Act. Any failure by Borrower or any necessary third party to deliver to M&T Bank, in a timely manner, any material information requested, or any misrepresentation or inaccuracy with respect to any such information received, or if M&T's Bank due diligence reveals that opening the accounts contemplated herein would potentially violate M&T's Bank regulatory compliance policies or applicable law, shall permit M&T Bank, in its sole discretion, to withdraw and/or cancel this financing proposal/offer without liability, and retain all fees."

9.) Opinion of Counsel

An opinion of legal counsel shall be delivered in a form satisfactory to the bank evidencing the fact that this borrowing is bank qualified tax-exempt under all applicable laws of the Commonwealth of Pennsylvania and the United States of America; that this note is not an Arbitrage Bond; the Borrower is a valid and binding obligation of the Borrower.

10.) Fees and Expenses

A documentation fee will be **\$250.00** for this financing. The Borrower will be responsible for all fees and expenses of its Solicitor, Bond Counsel along with all fees and expenses related to the preparation, filing and printing of the loan documents. The Borrower agrees to indemnify the bank against any and all claims, which may be incurred in connection with this borrowing.

11.) Preparation of Documents

The Bank shall be listed as "Manufacturers and Traders Trust Company" in all documentation prepared by the Bank's legal counsel and delivered to the Bank at least seven days prior to closing for document review.

12.) Acceptance to advance

The above terms and conditions are intended to serve as an outline to support discussions of financing which may be available for the Borrower. This outline is not a commitment or an offer to provide credit accommodations and does not create any obligation on the part of the Bank. This outline is only a brief description of the principal terms of credit facility, which may be available and is intended for discussion purposes only.

On behalf of M&T Bank, we are proud of our relationship with the Borough of Parkesburg and are happy to assist in providing this General Obligation Note financing.

Sincerely,



Laura Hamman
Vice President
M&T Bank – Government Banking

Accepted:

Signature of Authorized Officer

Title

Date

Statement of Confidentiality:

The information provided in this proposal is CONFIDENTIAL in nature. It should be disclosed only to third parties who are directly involved in evaluating the proposal and who agree to maintain the confidentiality of this material. In no case should it be shared, in whole or in part, with any other parties without the written approval of M&T Bank. We thank you for your cooperation.

EXHIBIT "B"
MAXIMUM DEBT SERVICE SCHEDULE

Current Estimated Interest Rate (3.00%)

Borough of Parkesburg

\$1,200,000

	<u>Interest</u>	<u>Principal</u>	<u>Payment</u>	<u>Balance</u>
10/15/2019				\$1,200,000.00
11/01/2019	\$1,700.00		\$1,700.00	\$1,200,000.00
02/01/2020	\$9,200.00		\$9,200.00	\$1,200,000.00
05/01/2020	\$9,000.00		\$9,000.00	\$1,200,000.00
08/01/2020	\$9,200.00		\$9,200.00	\$1,200,000.00
11/01/2020	\$9,200.00		\$9,200.00	\$1,200,000.00
02/01/2021	\$9,200.00		\$9,200.00	\$1,200,000.00
05/01/2021	\$8,900.00		\$8,900.00	\$1,200,000.00
08/01/2021	\$9,200.00		\$9,200.00	\$1,200,000.00
11/01/2021	\$9,200.00	\$1,200,000.00	\$1,209,200.00	\$0.00
	\$74,800.00	\$1,200,000.00	\$1,274,800.00	

WAM = 2.0306 Years

Maximum Interest Rate (4.50%)

Borough of Parkesburg

\$1,200,000

	<u>Interest</u>	<u>Principal</u>	<u>Payment</u>	<u>Balance</u>
10/15/2019				\$1,200,000.00
11/01/2019	\$2,550.00		\$2,550.00	\$1,200,000.00
02/01/2020	\$13,800.00		\$13,800.00	\$1,200,000.00
05/01/2020	\$13,500.00		\$13,500.00	\$1,200,000.00
08/01/2020	\$13,800.00		\$13,800.00	\$1,200,000.00
11/01/2020	\$13,800.00		\$13,800.00	\$1,200,000.00
02/01/2021	\$13,800.00		\$13,800.00	\$1,200,000.00
05/01/2021	\$13,350.00		\$13,350.00	\$1,200,000.00
08/01/2021	\$13,800.00		\$13,800.00	\$1,200,000.00
11/01/2021	\$13,800.00	\$1,200,000.00	\$1,213,800.00	\$0.00
	\$112,200.00	\$1,200,000.00	\$1,312,200.00	

WAM = 2.0306 Years

EXHIBIT "C"
FORM OF NOTE

Number 1

\$1,200,000.00

BOROUGH OF PARKESBURG
CHESTER COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE, SERIES OF 2009

KNOW ALL MEN BY THESE PRESENTS that the **BOROUGH OF PARKESBURG, CHESTER COUNTY, PENNSYLVANIA** (the "Borough"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") promises to pay to the order of M&T Bank, Wilmington, Pennsylvania ("Purchaser"), or registered assigns, on the 1st day of November, 2021, unless this Note (hereinafter defined) shall be prepaid, upon surrender hereof, the principal sum of One Million Two Hundred Thousand Dollars (\$1,200,000), as advanced from time to time through November 1, 2021, by the Purchaser (as described below), or such lesser particular sum as shall represent the unpaid balance of such principal sum, and to pay interest through and including November 1, 2021, on the principal sum hereof, which from time to time, shall be outstanding and shall remain unpaid, until the principal sum hereof fully shall have been paid. Commencing on November 1, 2019, on the first day of each February, May, August and November thereafter to and including November 1, 2021, the Borough shall pay monthly installments of interest on the outstanding principal balance hereof. On November 1, 2021, the entire principal balance of this Note shall be due and payable. This Note shall bear interest at the variable rate equal to the Purchaser's one-month London Interbank Offering Rate (rounded up to the nearest 1/16th) ("LIBOR"), plus 0.60%, subject to the limits on the fluctuations of such variable rate set forth in the next paragraph. The interest rate will change every thirty (30) days and will be fixed for 30-day periods. The 1st day of each November, February, May and August shall be referred to as a "Payment Date". On November 1, 2021, any remaining unamortized principal, accrued interest thereon and all other charges due hereunder shall be payable hereon. All interest due on the Note shall be calculated on the basis of twelve thirty (30) day months and a 360 day year.

The LIBOR is a floating rate of interest and is used by the Purchaser as a reference rate. The rate of interest payable shall change simultaneously and automatically in accordance with the terms hereof. Notwithstanding the foregoing, and so long as the interest payable on this Note shall remain federally tax-exempt, in no event shall interest charged on the outstanding principal balance hereof at any time be less than two and fifty hundredths percent (2.50%) nor exceed four and twenty five hundredths percent (4.25%).

From the date hereof through October 1, 2021, the Borough may use the commitment described above by borrowing from time to time up to an amount not to exceed \$1,200,000. Authorized officers of the Borough shall notify the Purchaser orally or in writing of each proposed borrowing under this Note, after due action of Council authorizing the same, not later than 12:00 p.m., Wilmington, Delaware, time on the date of such proposed borrowing. Each such borrowing shall be in integral multiples of \$1,000.00. The Borough authorizes and directs

the Purchaser to disburse the proceeds of each such borrowing by direct deposit to a demand deposit account of the Borough with the Purchaser. Any advances shall be conclusively presumed to have been made to and for the benefit and at the request of the Borough when made in accordance with the oral or written instructions of the Borough, or any one signing below for or on behalf of the Borough.

Whenever the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to close with the same force and effect as if made on the due date for payment of principal and interest and no interest shall accrue thereon for any period after such due date.

This General Obligation Note, Series of 2019 (the "Note"), is issued under and pursuant to provisions of the Ordinance enacted by the Borough on September 16, 2019 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as re-enacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the maximum principal amount of \$1,200,000 and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

This Note may be prepaid without penalty, by the Borough prior to maturity, at the option of the Borough, as a whole, upon payment of 100% of the outstanding principal balance thereof, together with accrued interest to the date of such prepayment. The Borough may, at its option, prepay any part of the outstanding principal balance of this Note, without penalty, by payment of the amount selected for such prepayment, together with accrued interest on the amount selected for such prepayment, to the prepayment date. Any partial payment of principal may be credited against such stated installments of principal on this Note as the Borough may designate in writing to the Purchaser at the time of prepayment; otherwise, partial prepayment of principal shall be applied in the inverse order of maturity and shall not postpone or reduce any regularly scheduled payment of principal and interest.

All payments of principal or interest due hereunder shall be payable to M&T Bank, Wilmington, Delaware, as paying agent (the "Paying Agent"), at the bank branch office located at 1100 North Market Street, 11th Floor, Wilmington, Delaware 19801, in lawful money of the United States of America in immediately available funds which, at the time of payment, shall be legal tender for the payment of all debts, public and private.

The Borough has covenanted in the Ordinance, to and with the registered owners(s) hereof, that it (i) shall include the amount of debt service for this Note, for each fiscal year of the Borough in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and (iii) that it shall duly and punctually pay or cause to be paid from the

sinking fund established under the Ordinance or any other of its revenues or funds the principal amount of this Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Borough has pledged, irrevocably, its full-faith, credit and taxing power. In addition, in the Ordinance the Borough has pledged certain other revenues of the Borough to the repayment of the principal amount of the loan (evidenced by this Note) used for non-refunding purposes. In the Ordinance, the Borough has covenanted to and with registered owners of this Note that it will make no use of the proceeds of this Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause this Note to be an "arbitrage bond" as such term is defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The Borough has further covenanted that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this Note.

The Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest of this Note.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

This Note is transferable by the registered owner hereof, but only upon surrender of this Note to the Paying Agent, at its principal office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Borough and the Paying Agent, duly executed by the registered owner of this Note or his attorney-in-fact or legal representative, for registration of transfer. Upon surrender, the Paying Agent shall enter any transfer of ownership of this Note in the registration books maintained for the purpose and shall deliver this Note to the transferee with notation of such registration written hereon. The Borough and any paying agent designated by the Borough may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Note shall be overdue) for the purposes of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Borough shall not be affected by any notice to the contrary.

Any notice to the Borough with respect to this Note shall be served sufficiently for all purposes if placed in the United States mail addressed to, or if left upon the premises at the address shown on records of the Paying Agent.

This Note has been designated, in the Ordinance, by the Borough as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3)(B) of the Code.

So long as the Purchaser is the registered owner of this Note, commencing in fiscal year 2020, the Borough shall submit, on an annual basis to the registered owners of this Note, within one hundred eighty (180) days after the close of each fiscal year, the Borough's annual, audited financial statements prepared and audited by an independent accountant (satisfactory to the

Purchaser) in accordance with the General Accounting Standards Board prescribed pronouncements.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Borough or of any successor body, as such, either directly or through the Borough or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of the Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the Borough to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Borough are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the Borough has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Borough are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Borough of Parkesburg, Chester County, Pennsylvania has caused this Note to be executed in its name and on its behalf by its President or Vice President and its official seal to be affixed hereto, duly attested by its Secretary or Assistant Secretary, all as of the ____ day of October, 2019.

**BOROUGH OF PARKESBURG
CHESTER COUNTY, PENNSYLVANIA**

By: _____
President,
Council of the Borough

Attest: _____
Secretary

REGISTRATION RECORD

Date of Registration	Name of Registered Owner	Registrar (Registered By Authorized Representative of Paying Agent)
October ____, 2019	M&T Bank	

ASSIGNMENT

FOR VALUE RECEIVED, _____
hereby sells, assigns and transfers unto

Name (the "Transferee")

Address

Social Security or Federal Employer Identification No. _____
the within Note and all rights thereunder and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Note on the books kept for
registration thereof, with full power of substitution in the premises.

Date:

Notice: No transfer will be issued in the name of
the Transferee unless the signature (s) to this
assignment correspond (s) with the name as it
appears upon the face of the within Note in every
particular, without alteration or enlargement or any
change whatever and the Social Security or Federal
Employer Identification Number of the Transferee
is supplied. If the Transferee is a trust, the names
and Social Security or Federal Employer
Identification Numbers of the settlor and
beneficiaries of the trust, the Federal Employer
Identification Number and the name of the trustee
should be supplied.
