

ORDINANCE NO. 2022-293

OF THE
BOARD OF SUPERVISORS
OF
WORCESTER TOWNSHIP

AUTHORIZING AND DIRECTING THE INCURRING OF NON-ELECTORAL DEBT BY THE TOWNSHIP OF WORCESTER, MONTGOMERY COUNTY, PENNSYLVANIA THROUGH THE ISSUANCE OF ITS GENERAL OBLIGATION NOTE, SERIES OF 2022, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF TWO MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$2,115,000) FOR THE PURPOSE OF FINANCING (1) THE ACQUISITION OF 3335 FISHER ROAD, WORCESTER, PENNSYLVANIA FOR PRESERVATION OF OPEN SPACE AND OTHER CONSERVATION PURPOSES, INCLUDING REIMBURSEMENT OF FUNDS EXPENDED FOR SUCH ACQUISITION, AND (2) THE COSTS OF ISSUING THE NOTE (COLLECTIVELY, THE "PROJECT"); DECLARING THE ESTIMATED REALISTIC USEFUL LIFE OF THE PROJECT; DIRECTING THE PROPER OFFICERS TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE TOWNSHIP SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE; SETTING FORTH THE STATED PRINCIPAL AND INTEREST PAYMENT DATES, REDEMPTION PROVISIONS, PLACE OF PAYMENT AND OTHER DETAILS OF THE NOTE; STATING A COVENANT AS TO PAYMENT OF PRINCIPAL AND INTEREST WITHOUT DEDUCTION FOR CERTAIN TAXES; PROVIDING FOR THE EXECUTION OF THE NOTE; AWARDING THE NOTE AT PRIVATE SALE AND STATING THAT SUCH PRIVATE SALE IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITARY; ESTABLISHING A SINKING FUND; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; COVENANTING THAT THE PROCEEDS OF THE NOTE SHALL NOT BE USED IN SUCH A MANNER AS TO CAUSE THE NOTE TO BE AN ARBITRAGE BOND UNDER FEDERAL TAX LAW PROVISIONS; MAKING CERTAIN TAX REPRESENTATIONS; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO

DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO PAY ISSUANCE COSTS; AND REPEALING ALL INCONSISTENT ORDINANCES.

The Board of Supervisors (the "Board of Supervisors") of the Township of Worcester, Montgomery County, Pennsylvania (the "Township"), pursuant to the Pennsylvania Local Government Unit Debt Act, as amended 53 Pa.C.S. Chs. 80-82 (the "Act"), hereby ordains and enacts as follows:

Section 1. Incurrence of Debt; Amount and Purpose of Note and Cost Estimates. The Township hereby authorizes and directs the incurring of non-electoral debt through the issuance of its General Obligation Note, Series of 2022 (the "Note") of the Township in a maximum aggregate principal amount of \$2,115,000 to finance: (1) the acquisition of certain land for preservation and other open space purposes, namely, 3335 Fisher Road, Worcester, Pennsylvania (the "Property"), including reimbursement of funds expended for such acquisitions; and (b) the costs of issuing the Note (collectively the "Project").

Section 2. Realistic Estimated Useful Life of Project; Realistic Cost Estimates. The realistic estimated useful life of the Project is estimated to be in excess of 40 years and the Note does not extend beyond the useful life thereof. Realistic cost estimates were obtained by the Township for the Project, as required by Section 8006 of the Act, through an acquisition agreement relating to acquiring the Property.

Section 3. Debt Statement and Borrowing Base Certificate. The Chairperson or Vice Chairperson of the Board of Supervisors and the Secretary or Assistant Secretary of the Township, or in either or both of their absences, any members of the Board of Supervisors, are hereby authorized and directed to prepare and certify a Debt Statement required by Section 8110 of the Act and a Borrowing Base Certificate.

Section 4. Covenant to Pay Note. It is covenanted with the registered owner from time to time of the Note that the Township shall (i) include the amount of the debt service for the Note for each fiscal year in which such sums are payable in its budget for that year, (ii) appropriate such amounts from its open space tax revenues or general revenues, as the case may be, for the payment of such debt service, and (iii) 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, the Note at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. As provided by the Act, this covenant shall be specifically enforceable.

Section 5. Form of Note. The Note shall be substantially in the form set forth in Exhibit "A" hereto, subject only to such changes as may be necessary to conform to the proposal submitted by Peoples Security Bank & Trust Company (the "Purchaser"), dated as of September 30, 2022, a copy of which is presented to this meeting (but subject to such changes as may be requested by the Purchaser and approved by the Township Manager) (the "Proposal"), accepted by Section 9 hereof or as counsel may recommend and the Chairperson or Vice Chairperson of the Board of Supervisors may approve, such approval to be conclusively evidenced by execution thereof.

Section 6. Description of Note; Maturity Schedule. The Note shall be in fully registered form in the amount of up to \$2,115,000, shall be dated as of the date of issue, or such other date as the Purchaser shall specify, shall bear interest from the dates and payable at the rates provided herein, until maturity, all as set forth in the form of Note attached hereto as Exhibit A and made a part hereof, and shall mature on September 15, 2052.

Interest will be payable semi-annually commencing on March 15, 2023 at the interest rate described in the form of Note and principal will be payable annually substantially in the amount as set forth above and in the Note, and all unpaid principal and accrued interest thereon shall be due and payable in full on the maturity date.

The Note is subject to redemption prior to maturity at the option of the Township, at any time, without a prepayment penalty as further set forth in the form of the Note.

The stated maturities of the Note have been fixed in compliance with Section 8142(b)(1) of the Act.

Section 7. Paying Agent, Sinking Fund Depositary and Registrar; Payment of Principal and Interest without Deduction for Taxes. The proper officers of the Township are hereby authorized and directed to contract with Peoples Security Bank & Trust Company (the "Paying Agent") for its services as sinking fund depositary, paying agent and registrar with respect to the Note and such Bank is hereby appointed to act in such capacities with respect to the Note.

The principal of and interest on the Note shall be payable when due in lawful money of the United States of America at the office of the Paying Agent by automatic deduction from the Sinking Fund established by Section 10 hereof or such other place or manner as the Paying Agent may designate in writing to the Township.

If the date for payment of the principal of, and interest on, the Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized by law or executive order to close,

then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

The principal or redemption price of, and interest on, the 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 of which taxes, except as above provided, the Township assumes and agrees to pay.

Section 8. Execution of Note. The Note shall be executed by the Chairperson or Vice Chairperson of the Board of Supervisors of the Township and shall have the corporate seal of the Township affixed thereto, duly attested by the Secretary or Assistant Secretary of the Township, or in either of their absences, by any two members of the Board of Supervisors, and the said officers are hereby authorized and directed to execute the Note in such manner. If any officer whose signature appears on the Note shall cease to hold such office before the actual delivery date of such Note, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of such Note. The Chairperson or Vice Chairperson of the Board of Supervisors (or such other authorized officer of the Township) is hereby authorized and directed to deliver, or cause to be delivered, the Note to the purchaser thereof against the full balance of the purchase price therefor.

Section 9. Manner of Sale; Award of Note. The Board of Supervisors of the Township after due deliberation and investigation has found that a private sale by invitation is in the best financial interest of the Township and based upon such finding the Board of Supervisors of the Township hereby awards the Note, at private sale, to the Purchaser upon the terms set forth herein and in the Proposal, a copy of which shall be filed with the debt proceedings herein authorized. The Note shall be purchased at a bid price of up to \$2,115,000.

Section 10. Sinking Fund for Note; Appropriation of Annual Amounts for Payment of Debt Service. The Township covenants that it shall establish and maintain a sinking fund for the Township designated as "Township of Worcester, Series of 2022 Note Sinking Fund" (the "Sinking Fund") to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the Township, but subject to withdrawal only by the Paying Agent and into which there shall be paid, when and as required, all moneys necessary to pay the debt service on the Note, and the Sinking Fund shall be applied exclusively to the payment of the interest and principal covenanted to be paid upon the Note and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

Pending application to the purposes for which the Sinking Fund is established, the Chairperson, the Vice Chairperson or Treasurer of the Board of Supervisors is hereby authorized and directed to cause the moneys therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the Act. All income received on such deposits or investments of moneys in the Sinking Fund during each applicable period shall be added to the Sinking Fund and shall be credited against the deposit next required to be made in the Sinking Fund.

The Paying Agent is hereby authorized and directed, without further action by the Township, to pay by automatic deduction from the Sinking Fund the principal of and interest on the Note as the same becomes due and payable in accordance with the terms thereof, and the Township hereby covenants that such moneys, to the extent required, will be applied to such purposes.

All moneys deposited in the Sinking Fund for the payment of the Note which have not been claimed by the owners thereof after two years from the date payment is due, except where such moneys are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the Township. Nothing contained herein shall relieve the Township of its liability to the holder of an unrepresented Note.

Section 11. Debt Proceedings. The Secretary of the Township is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove, and to pay the filing fees necessary in connection therewith.

Section 12. Tax Covenants, Representations and Designations. The Township hereby covenants that:

(i) The Township will make no use of the proceeds of the Note during the term thereof which would cause such Note to be "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and will comply with the requirements of all Code sections necessary to ensure that the Note is described in Code section 103(a) and not described in Code section 103(b) throughout the term of the Note.

(ii) In order to ensure that the registered owners of the Note, if they are financial institutions, will not be subject to certain provisions of the Code as a result of acquiring and carrying the Note, the Township hereby designates the Note as a "qualified tax-exempt obligation," within the meaning of Code section 265(b)(3)(B), and the Township hereby covenants that it will take such steps as may be necessary to cause the Note to continue to be an obligation described in

such Code section during the period in which the Note is outstanding. The Township represents that it has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the Note, will result in more than \$10,000,000 of tax-exempt obligations being issued in the calendar year in which the Note is issued. For purposes only of the foregoing sentence, the term "tax-exempt obligations" shall include any "qualified 501(c)(3) Note," as defined in Code section 145, but shall not include any other "private activity bond," as defined in Code section 141(a), any obligation which would be an "industrial development bond" or a "private loan bond" as defined in sections 103(b)(2) and 103(o)(2)(a) of the Internal Revenue Code of 1954, as amended, but for the fact that it is issued pursuant to section 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986, or any obligation issued to currently refund any obligation to the extent the amount thereof does not exceed the outstanding amount of the refunded obligation.

Section 13. Incidental Actions. The proper officers of the Township are hereby authorized, directed and empowered on behalf of the Township to execute any and all agreements, papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the purposes of this Ordinance and payment of costs of issuance.

Section 14. Inconsistent Ordinances. All ordinances or parts of ordinances inconsistent herewith be and the same hereby are repealed, canceled and annulled.

Section 15. Effective Date. This Ordinance shall take effect on the earliest date permitted by the Act.

ENACTED AND ORDAINED this 19th day of October, 2022.

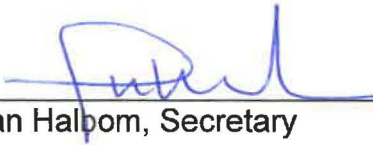
WORCESTER TOWNSHIP
BOARD OF SUPERVISORS



Rick DeLello, Chairperson

[SEAL]

Attest:



Sean Halpom, Secretary

**TOWNSHIP OF WORCESTER
COUNTY OF MONTGOMERY, PENNSYLVANIA**

CERTIFICATE OF SECRETARY

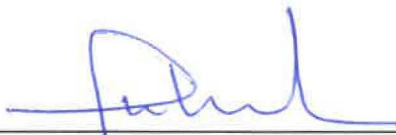
The undersigned, Secretary of the Township of Worcester HEREBY CERTIFIES that:

1. The foregoing Ordinance authorizing the issuance and sale of a General Obligation Note, Series of 2022 of the Township of Worcester, was duly moved and seconded and enacted by a majority vote of all the board members of said Township at a duly called and convened public meeting of said Board held on October 19, 2022; that public notice of said meeting was given as required by law; and that the roll of the Board was called and such members voted or were absent as follows:

Name	Vote
Rick DeLello, Chairperson	<u>✓</u>
Lou Betz, Vice Chairperson	<u>✓</u>
Stephen Quigley, Member	<u> </u>

2. Said Ordinance has not been altered, amended, modified, or suspended and is still in full force and effect as of the date of the delivery of this Certificate.

WITNESS my hand and seal of the Township of Worcester as of October 19, 2022.



Sean Halbom, Secretary

SEAL

EXHIBIT "A"

SPECIMEN

UNITED STATES OF AMERICA
WORCESTER TOWNSHIP

GENERAL OBLIGATION NOTE

Series of 2022

\$2,115,000

Worcester, Pennsylvania

October 19, 2022

FOR VALUE RECEIVED, WORCESTER TOWNSHIP (the "Township"), a municipality existing under the laws of the Commonwealth of Pennsylvania, hereby promises to pay to _____ (the "Bank"), or registered assigns, the principal sum of TWO MILLION ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$2,115,000), together with interest thereon at the rate hereinafter provided, in such coin or currency of the United States of America which, at the respective times of payment, is legal tender for payment of public and private debts.

This Note is issued in accordance with the provisions of the Pennsylvania Local Government Unit Debt Act, as amended, 53 Pa.C.S. Chs. 80-82 (the "Act") and by virtue of an Ordinance of the Board of Supervisors of the Township duly enacted October 19, 2022 (the "Ordinance"). The Ordinance shall constitute a contract between the Township and the Bank or the registered owner, from time to time, of this Note.

The proceedings pursuant to which the Township has been authorized to issue this Note and incur the indebtedness evidenced thereby have been duly authorized and approved by the Pennsylvania Department of Community and Economic Development, a copy of such approval being delivered to the Bank contemporaneously herewith. Such approval is in full force and effect, and the Township has not received notice (constructive or actual) of the commencement or threatened commencement of any proceedings to revoke or rescind such approval, or any proceedings by any party to challenge the authority of the Township to execute and deliver this Note or to incur the indebtedness evidenced by this Note.

1. Interest Rate.

a. Interest shall accrue on this Note at a rate of 4.75% per annum through September 15, 2052, when the Note shall mature. The interest rate will be reduced to 4.65 per annum if the Township maintains a deposit account with Peoples Security Bank & Trust Company with a balance of at least 10% of the outstanding Note amount.

b. Interest will be calculated based on a 360-day year comprised of twelve 30-day months.

2. Payments. The Township shall make payments of principal and interest on this Note, as billed by the Bank, as follows:

a. The Township shall pay annual payments of principal, without any form of setoff or deduction, in the amounts and on the dates shown on the attached schedule and shall pay the remaining principal balance of this Note on September 15, 2052 (the "Maturity Date").

b. The Township shall promptly pay semi-annual payments of interest, without any form of setoff or deduction, on each March 15 and September 15 during the term of this Note, commencing March 15, 2023 until the Maturity Date, at the Rate.

3. Prepayment Penalties. The principal amount of and interest due on the Note shall be subject to prepayment prior to maturity, at the option of the Township, as a whole or, from time to time, in part, on any date, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the Township may designate in writing to the Bank at the time of prepayment; otherwise a partial prepayment shall be applied against the principal installments last, by date, due and payable.

4. Security. The Township has covenanted, in the Ordinance, to and with the registered owner, from time to time, of this Note, that the Township: (i) shall include the amount of the debt service for this Note, for each fiscal year of the Township in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its open space tax or general revenues, for the payment of such debt service, and (iii) 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 of this Note and the interest hereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation and payment, the Township has pledged and does pledge, irrevocably, its full faith, credit and taxing power. The Act provides that the foregoing covenant of the Township shall be enforceable specifically.

5. Sinking Fund Debt Service. The Township, in the Ordinance, has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the disbursement thereof. The Township has covenanted, in the Ordinance, to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual

amount, as shall be sufficient for prompt and full payment of all obligations of this Note.

6. Loan Documents. Reference is hereby made to this Note, the Ordinance and the accepted Proposal (which are collectively hereinafter referred to as the "Bank Loan Documents") for a statement of the covenants, conditions, security, events of default and remedies applicable to the Township's obligations hereunder.

7. Severability. In the event that for any reason one or more of the provisions of this Note or its or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8. Successors and Assigns. This Note inures to the benefit of the Bank, binds the Township, and benefits and binds the respective successors and assigns of the Township and the Bank; the words "Bank" and "Township", whenever occurring herein, shall be deemed and construed to include such respective successors and assigns.

9. Assignment and Transfer. This Note is transferable in whole by the registered owner hereof or the registered owner's attorney duly authorized in writing at the principal office of the Township, which shall act as registrar and transfer agent of this Note, upon surrender of this Note accompanied by a duly executed instrument of transfer, in form and with guarantee of signature satisfactory to the Township, and upon payment of the governmental charges or taxes thereof and any fees and expenses of the Township. Upon any such transfer a new fully registered Note of the same maturity as this Note and in the then outstanding principal balance of the indebtedness evidenced hereby, and bearing the same rate of interest, will be issued to the transferee.

10. No Personal Liability of Township Officials. No covenant or agreement contained in this Note shall be deemed to be the covenant or agreement of any member, official, officer, agent or employee of the Township in his or her individual capacity, and neither the member of the Township nor any official executing this Note shall be liable personally on this Note or be subject to any personal liability or accountability by reason of the issuance hereof.

11. Notices. All notices required or desired to be given to any of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party or sent by certified or registered mail, to such party at its address set forth below.

Township:

Worcester Township

1721 S. Valley Forge Rd
Worcester, Pennsylvania 19490
Attention: Township Manager

Bank: Peoples Security & Trust Company
325 South Main Street
Doylestown, PA 18901
Attention: Charles F. "Rick" Miller,
Senior Vice President

Such notice shall be deemed to be given when received if delivered personally or two days after the date mailed if sent by certified or registered mail. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

12. Incorporation by Reference. All of the terms and provisions of the Bank Loan Documents are hereby incorporated herein by reference.


13. Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Township has caused this Note to be executed in its name and on it behalf by its Chairperson and its corporate seal to be affixed hereto, duly attested by its Secretary, all as of the day and year first above written.

Attest:

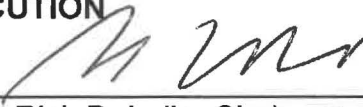
WORCESTER TOWNSHIP

**SPECIMEN ONLY NOT FOR
EXECUTION**



Secretary

By:



Rick DeLello, Chairperson

(Corporate Seal)