

**Township of Darby
Delaware County, Pennsylvania**

**RESOLUTION NO. 2017-10
Adopted December 13th, 2017**

AUTHORIZING THE ISSUANCE OF A TAX AND REVENUE ANTICIPATION NOTE IN THE PRINCIPAL AMOUNT OF \$200,000 PROVIDING FOR THE DATE, INTEREST RATE, MATURITY DATE, PAYMENT AND PLACE OF PAYMENT IN RESPECT TO THE NOTE; ACCEPTING THE PROPOSAL OF SHARON SAVINGS BANK, PENNA. CORPORATION FOR THE PURCHASE OF THE NOTE; AUTHORIZING PROPER OFFICERS OF THE ISSUER TO CONTRACT WITH A SINKING FUND DEPOSITARY/PAYING AGENT; AUTHORIZING PROPER OFFICERS OF BOROUGH OF MORTON TO EXECUTE AND DELIVER THE NOTE AND CERTAIN OTHER DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH; DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" IN ACCORDANCE WITH SECTION 265 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE NECESSARY DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH A FORM OF THE NOTE; REPEALING INCONSISTENT RESOLUTIONS; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND PROVIDING WHEN THIS RESOLUTION SHALL BECOME EFFECTIVE.

WHEREAS, Township of Darby, Delaware County, Pennsylvania (the "Issuer"), anticipates receiving taxes and other revenues during the fiscal year, ending December 31, 2018, which taxes and other revenues are as yet uncollected; and

WHEREAS, the issuer has estimated, on an annual basis, its expected taxes, revenues and expenditures for the fiscal year ended December 31, 2018 and has determined that during a portion of such fiscal year it will experience a working capital shortfall due to a timing problem which occurs as a result the mailing of tax bills and the receipt of income as a result thereof; and

WHEREAS, the Issuer has determined to borrow funds for the purpose of funding such working capital shortfall (the "Project") by issuing a note to be repaid from the anticipated taxes and revenues, all in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82 (the "Debt Act"); and

WHEREAS, the Issuer has received an acceptable proposal for the purchase of its Tax and Revenue Anticipation Note, Series of 2018 from Sharon Savings Bank, a Penna. Corporation (the "Purchaser"); and

WHEREAS, as required by the Debt Act, officials of the Issuer have heretofore made an estimate of the taxes and revenues to be received during the fiscal year ending December 31, 2018, and, by their execution of a certificate with respect thereto dated this date, have certified to such estimate.

NOW, THEREFORE, BY IT RESOLVED by the Council of Township of Darby, Delaware County, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. For the reasons and purposes recited above, the Council of the Issuer (the "Council") hereby exercises its power and authority to borrow money and authorizes the issuance and sale of its Tax and Revenue Anticipation Note, Series of 2018, in the principal amount of \$200,000.00 the "Note" in anticipation of the receipt of current taxes and revenues during the fiscal year ending December 31, 2018 such Note to be issued, sold and delivered as hereinafter provided.

Section 2. The President or Treasurer, as appropriate, of the Council of the Issuer, attested by the Secretary of the Issuer, as appropriate, are hereby authorized and directed, in the name and on behalf of the Issuer, to prepare and file or cause to be filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania a copy of this Resolution, a certificate setting forth the taxes and revenues remaining to be collected in the fiscal year and a true copy of the acceptance of proposal for the purchase of the Note, all as set forth in and required by the Debt Act. The President or Treasurer, as appropriate, of the Council of the Issuer, attested by the Secretary of the Issuer, are also hereby authorized and directed, in the name and on behalf of the Issuer, to prepare and verify a certificate, in accordance with the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations promulgated thereunder, setting forth the anticipated use of the proceeds of the Note, to prepare and deliver to the purchaser of the Note the certificate required by the Debt Act relating to the total amount of the Issuer's tax and revenue anticipation notes outstanding on the date of closing and to take any and all other action, and to execute and deliver any and all other documents and instruments, as may be necessary, proper or desirable to effect the issuance and sale of the Note as contemplated herein.

The Issuer hereby finds and determines that: the principal amount of the Note is not in excess of the limitation contained in the Debt Act; that the principal amount of the Note is not in excess of the limitations contained in the Code; and that there are no amounts in the general fund or any other account of the Issuer available for payment of expenditures, which amounts may, without legislative or judicial action be withdrawn from such account to pay such expenditures without a legislative or judicial action and without a legislative, judicial or contractual requirement that such account be reimbursed.

Section 3. The Note shall be designated "Township of Darby, Delaware County, Pennsylvania, Tax and Revenue Anticipation Note, Series of 2018", shall be in registered form, without coupons, shall be in the denomination of \$200,000.00, shall be dated as set forth therein, shall bear interest at the rate of 3.00% per annum (based on a 360 day year of twelve (12) thirty (30) day months) from the date of delivery until maturity, shall mature on June 30, 2018, and shall be payable as to principal and interest at the place and in the manner and be otherwise in substantially the form set forth in the Note. The Note shall not be subject to redemption prior to maturity. The Note shall be delivered to the Purchaser and shall be registered on the registration books kept by the Paying Agent (hereinafter defined) in the name of the Purchaser.

Section 4. The Note shall be executed by the President or Treasurer, as appropriate, of the Council of the Issuer, shall have the corporate seal of the Issuer affixed thereto, and shall be duly attested by the Secretary of the Issuer. The President or Treasurer, as appropriate, of the Council of the Issuer, is further authorized and directed to deliver the Note to the Purchaser hereinafter named upon the terms and conditions hereinafter provided and to execute and deliver such other documents and instruments, attested to by the Secretary of the Issuer, and to take such other action as may be necessary or appropriate to effect the issuance and sale of the Note in accordance with this Resolution and the Debt Act.

Section 5. The Note, together with any other tax and revenue anticipation notes issued, or to be issued, by the Issuer during the Issuer's fiscal year ending on December 31, 2018, shall, upon issuance thereof, be equally and ratably secured by a pledge of, security interest in, and a lien and charge on, the taxes and other revenues to be received by the Issuer during the period when the Note is outstanding; and the President or Treasurer, as appropriate, of the Council is hereby authorized and directed to prepare and file, or to have filed, such financing statements as may be necessary to fully perfect such pledge, security interest, lien and charge pursuant to the Pennsylvania Uniform Commercial Code and of the Debt Act.

Section 6. The Issuer hereby covenants that it will not make any use of the proceeds of the 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 the Note to be an "arbitrage bond" as such term is defined in Sections 103(b)(2) and 148 of the Code and the regulations applicable thereto and further covenants that it will comply with such Sections 103(b)(2) and 148 and any and all regulations promulgated thereunder throughout the term of the Note. In connection therewith, the President or Treasurer, as appropriate, of the Council of the Issuer, attested by the Secretary of the Issuer, are hereby authorized and directed to execute and deliver, in the name and on behalf of the Issuer, any and all documents or other instruments which the Solicitor of the Issuer may reasonably request to provide its opinion that interest to be received by the Purchaser, hereinafter named, of the Note is not includable in gross income for federal income tax purposes under Sections 103 or 148 of the Code.

The Issuer hereby designates the Note as a "qualified tax-exempt obligation," within the meaning of, and in accordance with Section 265(b) (3) of the Code.

Section 7. The Proposal of the Purchaser, presented to the Issuer is hereby accepted and the Note is hereby awarded to the Purchaser at private, negotiated sale for the aggregate purchase price of \$200,000.00 (which is equal to the par amount of the Note). The President or Treasurer, as appropriate, of the Council, attested by the Secretary of the Issuer, is hereby authorized and directed to accept such proposal, in the name of and on behalf of the issuer.

The President or Treasurer, as appropriate, of the Council of the Issuer is hereby authorized and directed to deliver the Note to the Purchaser upon receipt of the full principal amount of the purchase price and upon compliance with all conditions precedent to such delivery as required by the Debt Act, this Resolution and the said proposal; and the President or Treasurer, as appropriate, of the Council of the Issuer, attested by the Secretary of the Issuer, is hereby authorized and directed to prepare, verify and deliver to the Purchaser, concurrent with the delivery of the Note, the certificate required by the Debt Act, a copy of which certificate shall be retained with the records of the Issuer until all tax and revenue anticipation notes issued by the Issuer during the fiscal year ending on December 31, 2018 shall have been paid in full.

Section 8. The form of the Note shall be substantially as set forth in the form of Note attached hereto as Exhibit "A", which form is hereby incorporated by reference and adopted as if fully recited at length herein and said substantial form is hereby approved by this Issuer.

Section 9. The Issuer hereby authorizes its President, Treasurer or Secretary as appropriate, to execute payment transfer authorizations from designated Borough General Fund accounts with Sharon Bank to pay monthly interest payments as billed through the term of the Note.

The Issuer authorizes its Treasurer or Township Manager, as appropriate, to fully fund final principal repayment at any time through the term of the Note and authorizes payment transfer from designated Borough General Fund accounts with Sharon Bank for any balance outstanding on expiration date of June 30th, 2018.

The Paying Agent shall, without further authorization or direction from the Issuer or any of its officials, withdraw moneys from the general fund and apply such moneys to the payment of principal and interest then due on the Note. Deposit by the Issuer into the general fund of the full amount of such money shall satisfy in full the obligation of the Issuer to pay principal and interest with respect to the Note.

Section 10. The proper officers of the Issuer are hereby authorized and directed to pay, at or subsequent to the closing for the issuance of the Note, all costs and expenses of the issuance of the Note, if any, incurred by or on behalf of the Issuer or required to be paid by the Issuer.

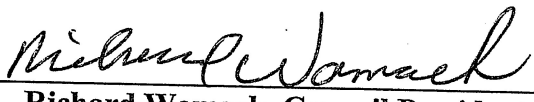
Section 11. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Issuer that the remainder of this Resolution shall remain in full force and effect.

Section 12. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.


Section 13. This Resolution shall be effective in accordance with the laws of the Commonwealth of Pennsylvania.

DULY ADOPTED AND RESOLVED, THIS 13th DAY OF DECEMBER, 2017, BY THE COUNCIL OF TOWNSHIP OF DARBY, DELAWARE COUNTY, PENNSYLVANIA, IN LAWFUL REGULAR SESSION DULY ASSEMBLED.

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

By: 
Richard Womack, Council President

(SEAL)

Attest: 
Thomas J. Judge, Sr., Secretary

COMMONWEALTH OF PENNSYLVANIA
TOWNSHIP OF DARBY, DELAWARE COUNTY, PENNSYLVANIA
TAX AND REVENUE ANTICIPATION NOTE, SERIES OF 2018

Township of Darby, Delaware County, PENNSYLVANIA (the "Issuer"), for value received, hereby promises to pay to Sharon Savings Bank, upon surrender hereof, the sum of \$200,000 on June 30th, 2018, and interest on such amount, from the date hereof until said maturity date computed on the basis of a three hundred sixty (360) day year of (12) thirty (30) day months at the interest rate of 3.00% per annum. Both the principal of and interest on this Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States (or by instrument payable in immediately available legal tender as aforesaid), at the office of Sharon Savings Bank, Darby, Pennsylvania, in its capacities as paying agent and as sinking fund depository (the "Paying Agent").

This Note is the Tax and Revenue Anticipation Note, Series of 2018 authorized and issued in the principal amount of \$200,000.00 (the "Note") in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82 (the "Debt Act"), and pursuant to a resolution adopted by the governing body of the Issuer on December 13th, 2017 (the "Resolution"). Reference is hereby made to the Debt Act and the Resolution for a complete statement of the rights and limitations of rights of holders of the Note, to all of which the holder hereof by acceptance of this Note assents.

This Note is issued under and in accordance with the Debt Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of taxes and other revenues by the Issuer from the date of original delivery of the Note to the stated maturity date thereof.

This Note is equally and ratably secured with all other tax and revenue notes which may be issued by the Issuer during the period when the Note is outstanding by the pledge of, security interest in and a lien and charge on the taxes and other revenues of the Issuer specified in the Resolution to be received during the period when the Note is outstanding. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Debt Act.

The Issuer covenants that it will deposit in the sinking fund for the Note established by the Resolution with the Paying Agent the taxes and other revenues collected in amounts which will be sufficient to pay the principal of and interest on the Note which is issued pursuant to the Resolution as and when the same shall become due and payable, and such sinking fund shall be applied exclusively to such purpose, and such deposit shall be in full satisfaction of Issuer's obligation to pay principal and interest hereunder.

The Issuer covenants that it will not make any use of the proceeds of the 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 all regulations applicable thereto. Further, the Issuer covenants to comply with such Section 148 throughout the term of the Note.

In the Resolution, the Issuer has designated this Note as a "qualified tax-exempt obligation" within the meaning, and for the purposes, of Section 265(b)(3)(B) of the Code.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name and on its behalf by the signature of the President or Treasurer of its Council and its seal to be hereunto impressed, and to be duly attested by the signature of the Secretary of the Issuer this 3rd day of January, 2018.

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

(SEAL)

By: Richard Womack
Richard Womack Council President

Attest: Thomas J. Judge, Sr.
Thomas J. Judge, Sr. Secretary

**\$200,000 PRINCIPAL AMOUNT TAX AND REVENUE
ANTICIPATION NOTES, SERIES OF 2018**

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA
("Issuer")**

CLOSING RECEIPT

RECEIPT OF THE ISSUER

The Issuer, by its undersigned officers, hereby certifies that the Issuer has received from Sharon Savings Bank, the purchase price of \$200,000, being the purchase price for the \$200,000 principal amount of the Issuer's Tax and revenue Anticipation Note, Series of 2018 (the "Note"). The Note is initially being issued in the principal amount of \$200,000.00 bears interest at the rate of 3.00% per annum and is stated to mature on June 30th 2018.

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

By: Richard Womack
Richard Womack Council President

(SEAL)

Attest: Thomas J. Judge, Sr.
Thomas J. Judge, Sr., Secretary

Dated: 3rd day of January, 2018

3rd day of January, 2018

Sharon Savings Bank

Re: **\$200,000 Principal Amount, Township of Darby,
Delaware County, Pennsylvania Tax and Revenue
Anticipation Note, Series of 2018-- Direction to Pay Purchase Price**

Gentlemen:

Township of Darby, Delaware County, Pennsylvania (the "Issuer") hereby directs you, as purchaser of the Issuer's \$200,000 Tax and Revenue Anticipation Note, Series of 2018, to make payment to the Issuer of \$200,000 as the purchase price therefore as follows:

Deposit to General Real Estate Tax Collection Account #172956682

Payment in the amount specified above shall constitute payment in full, by you, for the Issuer's \$200,000 principal amount of Tax and Revenue Anticipation Note, Series of 2018.

Very truly yours,

TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA

By: Richard Womack
Richard Womack Council President

(SEAL)

Attest: Thomas J. Judge, Sr.
Thomas J. Judge, Sr., Secretary

TOWNSHIP OF DARBY, DELAWARE COUNTY, PENNSYLVANIA

**\$200,000 PRINCIPAL AMOUNT
TAX AND REVENUE ANTICIPATION NOTE,
SERIES OF 2018**


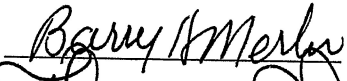
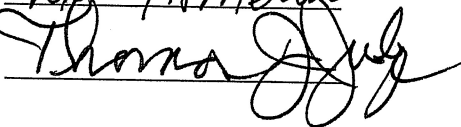
GENERAL CERTIFICATE

This General Certificate is made in connection with the issuance and sale by Township of Darby, Delaware County, Pennsylvania (the "Issuer") of the \$200,000 principal amount Tax and Revenue Anticipation Note, Series of 2018, dated January 3rd, 2017 (the "Note"). The Note is being issued this day pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82 (the "Act") and a resolution authorizing the issuance, execution, sale and delivery of the Note, adopted by the Council of the Issuer on December 13th, 2017 (the "Resolution").

WE, THE UNDERSIGNED OFFICIALS OF THE ISSUER, HEREBY CERTIFY THAT:

1. The Note has been sold at negotiated private sale to Sharon Savings Bank, upon receipt of an acceptable proposal, for an aggregate purchase price equal to the principal amount thereof, all in accordance with the provisions of the Act.

2. The persons identified below are the duly elected or appointed incumbents of the designated offices of the Issuer, and the signatures of such officials who executed the Note and other documents delivered at closing are:

<u>Name</u>	<u>Specimen Signature</u>	<u>Official Title</u>
Richard Womack		Council President
Barry Merlino		Treasurer
Thomas J. Judge, Sr.		Secretary

3. The seal affixed to the Note is the genuine and proper corporate seal of the Issuer; the signatures of various officials appearing on the Note and other documents delivered at Closing are their genuine and proper signatures and such persons were, at the date of the execution of the Note and other documents, the duly elected or appointed incumbents in their respective offices and were duly authorized to execute such documents.

4. To the best of our knowledge and belief, after such investigation as we deem appropriate, there is no litigation pending or threatened which attacks the validity of the Note or the incurring of indebtedness by the Issuer or which attacks the validity of any action taken by the Issuer, the Council of the Issuer or any official of the Issuer in connection with the authorization or issuance of the Note or which otherwise affects the validity of the Note, the security thereof or the ability of the Issuer to perform its obligations to holders of the Note.

5. The Resolution of the Issuer, which authorized and awarded the issuance of this Note, copies of which were delivered at the Closing held this day, remains in full force and effect on the date hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and affixed the seal of the Issuer this 3rd day of January, 2018.

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

By: Richard Womack
Richard Womack Council President

(SEAL)

Attest: Thomas J. Judge, Sr.
Thomas J. Judge, Sr. Secretary

**ACCEPTANCE OF PROPOSAL OF
SHARON SAVINGS BANK TO
PURCHASE TOWNSHIP OF DARBY,
DELAWARE COUNTY, PENNSYLVANIA'S
TAX AND REVENUE ANTICIPATION NOTE,
SERIES OF 2018**

The proposal of Sharon Savings Bank, dated December 5th, 2017 to purchase Township of Darby, Delaware County, Pennsylvania's Tax and Revenue Anticipation Note, Series of 2018 is hereby accepted, in accordance with the terms and provisions of a resolution adopted on December 13, 2017.

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

By: Richard Womack
Richard Womack - Council President

(SEAL)

Attest: Thomas J. Judge, Sr.
Thomas J. Judge, Sr., Secretary

Dated: January 3, 2018

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

**CERTIFICATE AS TO AMOUNT OF TAX AND
REVENUE ANTICIPATION NOTES OUTSTANDING**

As required by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82 (the "Debt Act"), the undersigned, being respectively the President of the Council and Secretary of Township of Darby, Delaware County, Pennsylvania (the "Issuer"), hereby certify to Sharon Savings Bank (the "Purchaser"), in connection with its purchase, this day of the Issuer's \$200,000 principal amount Tax and Revenue Anticipation Note, Series of 2018 (the "Note"), that the aggregate principal amount of all tax and revenue anticipation notes issued by the Issuer, including the Notes, will not exceed the limitations of the Debt Act, calculated from the date hereof through and including the respective maturity dates of all such notes to remain outstanding.

IN WITNESS WHEREOF, the undersigned have set their hands and affixed the seal of Township of Darby, Delaware County, Pennsylvania this 3rd day of January, 2018.

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

By: Richard Womack
Richard Womack, Council President

Attest: Thomas J. Judge
Thomas J. Judge, Sr., Secretary

(SEAL)

TOWNSHIP OF DARBY, DELAWARE COUNTY, PENNSYLVANIA

CERTIFICATE AS TO TAXES AND REVENUES REMAINING TO BE COLLECTED

Pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82, the undersigned officials of Township of Darby, Delaware County, Pennsylvania (the "Issuer"), hereby certify in connection with the proposed issuance by the Issuer of its Tax and Revenue Anticipation Note, Series of 2018, in aggregate principal of \$200,000 (the "Note"), as follows:

1. The undersigned have carefully estimated that the following amounts will be received by the Issuer from taxes levied and assessed and revenues including, without limitation, subsidies and reimbursements to be received during the period when the Note will be outstanding, through June 30, 2018, the maturity date of the Note.

January, 2018 through June, 2018

\$3,234,826.00

2. In making the foregoing estimate, the undersigned have considered the past and anticipated collection experience of the Issuer and current economic conditions.

IN WITNESS WHEREOF, the undersigned have set their hands and affixed the seal of the Issuer this 3rd day of January, 2018.

**TOWNSHIP OF DARBY
DELAWARE COUNTY,
PENNSYLVANIA**



Richard Womack, Council President

(SEAL)

Attest:


Thomas J. Judge, Sr., Secretary

**TOWNSHIP OF DARBY
DELAWARE COUNTY, PENNSYLVANIA**

**\$200,000 PRINCIPAL AMOUNT
TAX AND REVENUE ANTICIPATION NOTE, SERIES OF 2018**

NON-ARBITRAGE CERTIFICATE

Pursuant to the regulations promulgated (the "Treasury Regulations") under the Internal Revenue Code of 1986, as amended ("Code"), the undersigned President or Treasurer, as appropriate, of the Council and Secretary of Township of Darby, Delaware County, Pennsylvania (the "Issuer"), being the officials responsible for issuing the Issuer's \$200,000 Tax and Revenue Anticipation Note, Series of 2018 ("Note"), dated January ____, 2018, and bearing interest from that date to maturity, June 30, 2018, do hereby certify as follows:

1. **Issuance of the Note.** The Note is authorized and being issued on this date pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82 ("Debt Act") and the terms and principal amount of the Note are within the limitations provided therein.

2. **Use of Proceeds.** As of the date hereof, the Issuer intends, in accordance with 1.148-2(e)(3)(i) of the Treasury Regulations, to use the proceeds of the Note to finance restricted working capital expenditures within 12 months after the issue date of January ____th, 2018. The Issuer has covenanted in its resolution adopted on December 13, 2017 (the "Resolution") that it will not make any use of the proceeds of the Note or do or suffer any other action which would cause any of the Note to be an "arbitrage bond" as such term is defined in Sections 103(b)(2) and 148 of the Code and the regulations applicable thereto and that it will comply with such Sections 103(b)(2) and 148 of the Code and any and all regulations promulgated thereunder throughout the term of the Note.

To the best of our knowledge and belief, the expectations of the Issuer are reasonable and the estimates of revenues and expenditures used to determine the Issuer's "Maximum Allowable Borrowing Year Ended December 31, 2018 exceed the amounts that are available to the Issuer for working capital expenditure purposes, excluding proceeds of the Note, but including cash, investments, and other amounts held in accounts or otherwise by the Issuer if those amounts were used by the Issuer for working capital expenditures of the type being financed with proceeds of the Note without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed.

The Issuer covenants that it will compute, or cause to be computed, within 60 days after all of the principal of and interest due on the Note is paid to the registered owners of the Note, the amount, if any, rebatable to the United States Government with respect to the Note in accordance with Section 148(f) of the Code. If any rebate amount is payable, the Issuer shall prepare, or cause to be prepared, an IRS Form 8038-T (or other appropriate form) for execution by the Issuer to be filed in connection with payment of such rebate amount.

The Issuer will not have to compute, or cause to be computed, the amount if any which is rebatable to the United States Government (as set forth above) if it receives an opinion of a nationally recognized bond counsel to that effect.

3. **Representations and Warranties.** The Issuer further represents and warrants that no portion of the proceeds of the Note: (i) will be used by the Issuer, directly or indirectly, for any "private business use," as such phrase is defined in Section 141(b)(6) of the Code; (ii) will be secured, directly or indirectly, by any interest in (A) property used or to be used for a private business use, or (B) payments in respect of such property; (iii) will be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; (iv) will be used directly or indirectly, to make or finance loans to persons other than governmental units; and (v) will be used: (A) for any private business use that is not related to any governmental use of the proceeds of the Note; or (B) for a "disproportionate related business use" as such term is defined in Section 141(b)(3) of the Code.

4. **Qualified Tax-Exempt Obligation.** In the Resolution, the Issuer has designated the Note as a "qualified tax-exempt obligation" for the purposes, and within the meaning of Section 265(b)(3)(B)(i)(III) of the Code. In connection with such designation, the Issuer further represents as follows:

(a) The Note is being issued after August 7, 1986, within the meaning of Section 265(b)(3)(B)(i)(I) of the Code and are tax-exempt obligations which are not "private activity bonds" (as defined in Section 141 of the Code) within the meaning of Section 265(b)(3)(B)(i)(II) of the Code;

(b) The Issuer is a "qualified small issuer" pursuant to Section 265(b)(3)(B)(i)(I) and Section 265(b)(3)(C)(i) of the Code, as the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer and any of the entitles described within Section 265(b)(3)(E) of the Code during the 2018 calendar year will not exceed \$10,000,000;

(c) The Issuer has not made, and does not reasonably anticipate making any allocations pursuant to Section 265(b)(3)(C)(iii) of the Code during calendar year 2018 in excess of \$10,000,000; and

(d) Pursuant to Section 265(b)(3)(D)(i), the Issuer is aware that not more than \$10,000,000 of obligations issued by the Issuer and any of the entities described within Section 265(b)(3)(E) of the Code during calendar year 2018 may be designated as "qualified tax-exempt obligations." Accordingly, the Issuer covenants to comply with Section 265(b)(3)(D)(i).

5. **Sinking Fund.** The only repayment general fund with respect to the Note is the fund (the "General Fund") established with Sharon Savings Bank (the "Paying Agent") under the provisions of the Resolution. The Issuer has not created or established and does not expect to create or establish any other sinking fund or similar fund with respect to the Note. No amounts in any other account or fund of the Issuer are reserved or pledged for debt service on the Note, and it is not expected that any such other accounts or funds will be so reserved, pledged or used. The Issuer does not expect to receive any federal, state or other grants, reimbursement or amounts with respect to the Project, which amount: (i) has not been considered by the Issuer in determining the principal amount of the Note; and (ii) will be reserved or pledged or available for the payment of debt service. The Issuer further expects that any amounts deposited in the general fund, and any amounts received from the investment of amounts in the general fund, will be used during the year to pay the principal of and interest on the Note, when billed and due.

6. **Reasonableness.** To the best of our knowledge, information and belief, the expectations of the Issuer as to future events and as to the representations set forth herein are reasonable.

7. **Other Information.** To the best of our knowledge, information and belief, there are no other facts, estimates or circumstances which would materially change the conclusions set forth herein. We have no reason to believe that the proceeds will be used in a manner which would cause the Note to be an "arbitrage bond" as that term is defined in Section 148 of the Code and the regulations applicable thereto. The Issuer has not been notified of and has no reason to believe that the Internal Revenue Service or any other government entity has taken or will take any action pertaining to the issuance of the Note. Further, we have no reason to believe that the amounts of the Note issued will cause the aggregate amount of the Issuer's debt to exceed the limitations contained in the Debt Act and the Constitution of the Commonwealth of Pennsylvania.

8. **Date.** This certificate is dated and is given the date of issuance and delivery of the Note.

IN WITNESS WHEREOF, THE UNDERSIGNED President and Secretary of the Township of Darby, Delaware County, Pennsylvania have set their hands and affixed the seal of the issuer as of the 3rd day of January, 2018.

**Township of Darby,
Delaware County, Pennsylvania**

BY: Richard Womack
Richard Womack, Council President

(SEAL)

Attest: Thomas J. Judge, Sr.
Thomas J. Judge, Sr., Secretary

RECEIPT OF PURCHASER

Sharon Savings Bank, by its duly authorized representative, hereby certifies that it has received Township of Darby, Delaware County, Pennsylvania's Tax and Revenue Anticipation Note, Series of 2018 (the "Note"), dated January 3rd, 2018 which Note is in the denomination and the principal amount of \$200,000 and matures and bears interest as set forth below.

<u>Maturity Date</u>	<u>Interest</u>
June 30, 2018	3.00%

Dated 3rd day of January, 2018

Sharon Savings Bank

By: _____
Craig W. Mann Vice President