

DELAWARE COUNTY, PENNSYLVANIA

TAX AND REVENUE ANTICIPATION NOTE
AUTHORIZING AND AWARDED RESOLUTION NO. 2018-06

AUTHORIZING THE ISSUANCE AND SALE OF TAX AND REVENUE ANTICIPATION NOTES, SERIES OF 2019, OF THE TOWNSHIP OF DARBY IN AN AGGREGATE PRINCIPAL AMOUNT OF \$200,000.00; ESTABLISHING THE TERMS, CONDITIONS AND FORM OF SUCH NOTES; ACCEPTING A PROPOSAL TO PURCHASE THE NOTE; PROVIDING SECURITY AND ESTABLISHING A SINKING FUND FOR THE NOTE; AUTHORIZING CERTAIN OFFICIALS TO EXECUTE AND DELIVER THE NOTE AND TO PREPARE AND FILE CERTAIN CERTIFICATES AND OTHER PROCEEDINGS; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Township of Darby, Delaware County, Pennsylvania (the "Township") anticipates the receipt during the 2019 fiscal year of taxes and other revenues as yet uncollected; and

WHEREAS, based on monthly estimates of its expected taxes, revenues and expenditures for the upcoming fiscal year, the Township anticipates that its cash on hand at certain times during such fiscal year may temporarily be reduced to undesirably low levels; and

WHEREAS, the Township is authorized, pursuant to the Local Government Unit Debt Act, as codified by the Act of December 19, 1996, P.L. 1158, No. 177 (the "Act"), to borrow money from time to time in any fiscal year in anticipation of the receipt of current taxes and other revenues and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

WHEREAS, Sharon Savings Bank (the "Purchaser") has submitted a proposal to purchase the Township's tax and revenue anticipation notes in the aggregate principal amount of \$200,000.00; and

WHEREAS, the Township desires, by the adoption of this Resolution, to accept such proposal and authorize the issuance and sale of its tax and revenue anticipation notes in accordance with the Act and the parameters set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Township of Darby (the "Board") as follows:

1. For the reasons and purposes recited above, the Board hereby authorizes the exercise of its power and authority to borrow money and authorizes the issuance and sale of the Township's Tax and Revenue Anticipation Note, Series of 2019, in an aggregate principal amount not to exceed \$200,000.00 (the "Note") in anticipation of the receipt of current taxes and revenues during the fiscal year ending June 30, 2019, such Note to be issued, sold and delivered as hereinafter provided.

2. The Note shall be issued as a registered note, in the denomination of \$200,000.00 shall be dated the date of closing (currently anticipated to be January 2, 2019) and mature on June 28, 2019. The note shall be substantially in the form attached hereto as Exhibit A, with such changes as the President shall deem appropriate.

3. The principal of and interest on the Note shall be payable at maturity, in lawful money of the United States of America at the office of Sharon Savings Bank, in Darby, Pennsylvania, which is hereby appointed paying agent and registrar for the Note and sinking fund depository and is hereinafter called the "Paying Agent".

4. The Note may not be paid in whole or in part at any time prior to maturity.

5. The proposal of the Purchaser presented to the Board this day to purchase the Note at a price of par (the "Note Purchase Proposal") is hereby accepted and approved, and the Note is hereby awarded to the Purchaser. Such sale is a negotiated sale and the Board hereby finds and determines, on the basis of all information available to the Board and to the Township Secretary, President and Manager, that a private sale of the Note by negotiation is in the best financial interest of the Township.

6. Any officer of the Township is hereby authorized and directed to notify the Purchaser of the Township's acceptance of the Note Purchase Proposal, to execute such acceptance on a duplicate original thereof, to deliver the same to the Purchaser and to file the original of the Note Purchase Proposal with the records of the Township.

7. The Notes shall be a general obligation of the Township and shall be equally and ratably secured by the pledge of, security interest in, and a first lien and charge on, the taxes and other revenues to be received by the Township during the period the Note will be outstanding, together with all proceeds thereof. Such pledge, lien and charge shall be fully perfected as against the Township, all its creditors and all third parties from and after the filing of appropriate financing statements in accordance with the Uniform Commercial Code and Section 8125 of the Act. The execution and filing of such financing statements are hereby authorized and directed.

8. The Township hereby establishes a sinking fund for the Note to be held by the Paying Agent in the name of the Township but subject to withdrawal only by the Paying Agent. The Township covenants and agrees to deposit in said sinking fund not later than June 28, 2019 the principal of and interest on the Note due on June 28, 2019. The Paying Agent shall, without further authorization, withdraw moneys from the sinking fund and apply such moneys to the payment of the principal of and interest on the Note.

9. The President or Vice-President of the Board is hereby authorized and directed to execute in the name of, on behalf of, and under the seal of, the Township, the Note in the form and containing the terms described above, and the Secretary or Treasurer of the Township is hereby authorized and directed to attest the same. Such officers are hereby authorized and directed to deliver the Note to the Purchaser upon receipt of the proceeds thereof and upon compliance with all conditions precedent to such delivery required by the Act, this Resolution and the Note Purchase Proposal. Immediately upon receipt of the purchase price for the Note, the President or Vice-President of the Board is authorized to make disbursements to pay the financing costs incurred in conjunction with the issuance of the Note.

10. The President and Secretary of the Township have been authorized and directed to prepare a Certificate as to Taxes and Revenues to be Collected (the "Certificate") and a calculation of the maximum anticipated cumulative cash flow deficit (the "Cash Flow Calculation Worksheet"), each of which, if prepared and submitted to the Board of Commissioners in accordance with Sections 8122 and 8126 of the Act, and in accordance with United States Treasury Regulations, respectively, is hereby approved.

11. It is hereby determined that the aggregate principal amount of the Note does not exceed the lesser of: (i) eighty-five percent (85%) of the sum of the taxes and revenues to be collected or received in the 2019 fiscal year during the period when the Note will be outstanding as estimated by the President and Secretary of the Township in the Certificate; or (ii) the maximum anticipated cash flow

deficit of the Township for the 2018 fiscal year, as reported by the President and Secretary of the Township in the Cash Flow Calculation Worksheet.

12. The President or Vice-President of the Board and the Secretary of the Township are hereby authorized to certify to the Purchaser at the time of delivery of the Note that the amount of the Note to remain outstanding will not exceed the limitations of Section 8122 of the Act. A copy of such certificate shall be retained by the Township until maturity of the Note.

13. The Township covenants to comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated with respect thereto, including, but not limited to, the requirements regarding the use or investment of the proceeds of the Note and the rebate requirements in Section 148(f) of the Code.

14. The Township hereby represents and warrants, after due investigation and to the best of its knowledge, that (i) the Township is a governmental unit with general taxing powers; (ii) the Note is not "private activity bond" within the meaning of Section 141 of the Code; (iii) ninety-five percent (95%) or more of the net proceeds of the Note is to be used for local governmental activities of the Township (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Township); and (iv) the aggregate face amount of all tax-exempt obligations (other than "private activity bonds") issued or to be issued by the Township and all other entities which must be aggregated with it pursuant to the Code during the 2018 calendar year, including the Note, is not reasonably expected to exceed \$5,000,000.00. The Township hereby authorizes the proper officers of the Township to execute a certificate to that effect at the time of closing.

The Township hereby further represents and warrants, after due investigation and to the best of its knowledge, that (i) the Note is not "a private activity bond" within the meaning of Section 141 of the Code; (ii) the aggregate face amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code (which includes qualified 501(c)(3) bonds but not any other private activity bonds) issued or to be issued by the Township and all other entities which must be aggregated with it pursuant to the Code in the 2019 calendar year, including the Note, is not reasonably expected to exceed \$10,000,000.00. The Township hereby designates the Note as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code (relating to the disallowance of the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or carry tax-exempt obligations). The Township hereby authorizes the proper officers of the Township to execute a certificate to that effect at the time of closing. Therefore, the Township expects that only twenty percent (20%) of the interest deduction for indebtedness incurred by bank, thrift institutions and other financial institutions to purchase or carry the Note will be denied under Sections 265(b)(1) and 291(e)(1)(B) of the Code.

15. The President or Vice-President of the Board and the Secretary of the Township are hereby authorized and directed to cause certain documents and proceedings in connection with the authorization, issuance and sale of the Note (including certified copies of this Resolution and the Certificate and a true copy of the Note Purchase Proposal) to be filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania in accordance with Section 8128 of the Act.

16. The Township hereby warrants to the Purchaser, its successors and assigns, that it has not encumbered or pledged its anticipated tax receipts or other revenues for the 2018 fiscal year and further covenants that, except for outstanding current operating expenses incurred for the current fiscal year, for the payment of which the Note is being issued and sold, it will not, as long as the principal of or interest on the Note shall remain unpaid, incur any further obligations against such tax receipts or other revenues ranking prior to or on a parity with the Note without the prior written consent of the Purchaser.

17. The proper officers of the Township are hereby authorized and directed to perform all other actions necessary or desirable for the valid issuance, sale and delivery of the Note in accordance with the Act, the aforesaid proposal of the Purchaser and the provisions of this Resolution.

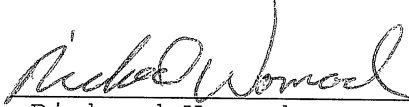
18. All resolutions or parts of resolutions heretofore adopted to the extent that the same are inconsistent in any manner herewith are hereby repealed.

19. This Resolution shall take effect immediately.

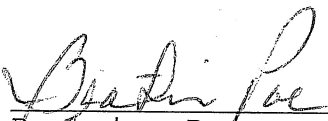
DULY ADOPTED, by the Board of Commissioners of the Township of Darby, this 12th day of December, 2018.

TOWNSHIP OF DARBY
DELAWARE COUNTY,
PENNSYLVANIA

BY:


Richard Womack,
President

ATTEST:


Beatrice Poe,
Secretary

ACCEPTANCE OF PROPOSAL OF
SHARON SAVINGS BANK TO
PURCHASE TOWNSHIP OF DARBY,
DELAWARE COUNTY, PENNSYLVANIA'S
TAX AND REVENUE ANTICIPATION NOTE,
SERIES OF 2019

The proposal of Sharon Savings Bank, dated December 11,
2018 to purchase Township of Darby, Delaware County,
Pennsylvania's Tax and Revenue Anticipation Note, Series of 2019
is hereby accepted, in accordance with the terms and provisions
of a resolution adopted on December 12, 2018.

TOWNSHIP OF DARBY,
DELAWARE COUNTY, PENNSYLVANIA

By: Richard Womack
Richard Womack,
President

ATTEST:

Beatrice Poe
Beatrice Poe,
Secretary

Dated: January 2nd, 2019