

ORDINANCE NO. 218 - 2014
OF THE BOARD OF SUPERVISORS
OF TILDEN TOWNSHIP,
BERKS COUNTY, PENNSYLVANIA

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF TILDEN TOWNSHIP, BERKS COUNTY, PENNSYLVANIA (THE "TOWNSHIP"), SETTING FORTH ITS INTENT TO ISSUE A GENERAL OBLIGATION NOTE, SERIES OF 2014 (THE "NOTE") OF THIS TOWNSHIP, IN THE AGGREGATE PRINCIPAL AMOUNT OF FOUR MILLION EIGHTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS (\$4,088,800), PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, AS RE-ENACTED, AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THIS TOWNSHIP; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THIS TOWNSHIP; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE A PROJECT OF THIS TOWNSHIP WHICH CONSISTS OF, AMONG OTHER THINGS: (A) REFUNDING THE TOWNSHIP'S GENERAL OBLIGATION NOTE, SERIES OF 2012, AND (B) PAYING THE COSTS AND EXPENSES OF ISSUING THE NOTE; SETTING FORTH A REASONABLE ESTIMATE OF THE USEFUL LIFE OF THE PROJECT TO BE FINANCED; MAKING CERTAIN FINDINGS WITH RESPECT TO THE PROJECT; ACCEPTING PROPOSALS FOR THE PURCHASE OF SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THIS TOWNSHIP; DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" OF THIS TOWNSHIP AS DEFINED IN SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); FIXING THE DENOMINATION, DATE, INTEREST PAYMENT DATES, PRINCIPAL PAYMENT DATES, MATURITY DATE, INTEREST RATE, REDEMPTION PROVISIONS AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; APPOINTING A PAYING AGENT AND AUTHORIZING SPECIFIED OFFICERS OF THIS TOWNSHIP 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 THE PAYMENT OF DEBT SERVICE APPLICABLE TO SUCH NOTE, TO THE EXTENT REQUIRED BY THE ACT, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP 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; 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 THIS TOWNSHIP 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 THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE AND OTHER SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTE, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THIS TOWNSHIP, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THIS TOWNSHIP TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THIS TOWNSHIP FROM TAKING ACTIONS WHICH WOULD CAUSE THE NOTE TO BECOME AN "ARBITRAGE BOND," AS THAT TERM IS USED IN THE CODE AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS INsofar AS THE SAME SHALL BE INCONSISTENT; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, Tilden Township, Berks County, Pennsylvania (the "Township") is a political subdivision and a local government unit of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, this Township desires to incur debt to fund a certain refunding project of the Township in accordance with the terms and provisions of the Local Government Unit Debt Act of the Commonwealth, as re-enacted, amended and supplemented (the "Act") through the issuance and sale of its General Obligation Note in the principal amount of FOUR MILLION EIGHTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS (\$4,088,800) to be designated as its "General Obligation Note, Series of 2014", to be dated as set forth therein (the "Note"); and

WHEREAS, the Board of Supervisors of the Township (the "Board"), in contemplation of the issuance and sale of the Note has determined that the Note shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Act, and has determined that a private sale by negotiation is in the best financial interests of this Township; and

WHEREAS, the Board has determined to accept the note purchase proposal attached hereto as Exhibit "A" (the "Proposal") of the purchaser named therein (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 (the "Department") relating to incurring the indebtedness to be evidenced by the Note; and

WHEREAS, the Board desires to authorize the refunding of the General Obligation Note, Series of 2012 for the purpose of reducing debt service expense over the life of the issue, all as permitted by the Act; and

WHEREAS, the Board has determined to and desires to accept the Proposal of the Purchaser and to incur nonelectoral debt pursuant to the provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of TILDEN TOWNSHIP, BERKS COUNTY, PENNSYLVANIA, in lawful session duly assembled, as follows:

Section 1. Pursuant to the provisions of this Ordinance, the Board hereby authorizes and directs the issuance of the Note in the maximum aggregate principal

amount of FOUR MILLION EIGHTY-EIGHT THOUSAND EIGHT HUNDRED DOLLARS (\$4,088,800). The Note shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Board hereby finds and determines that a private sale by negotiation is in the best financial interests of this Township.

Section 2. The Board determines that the debt to be incurred pursuant to this Ordinance and evidenced by the Note shall be nonelectoral debt of this Township.

Section 3. A brief description of the project to be financed with the proceeds of the Note is as follows:

- (i) the refunding of the Township's General Obligation Note, Series 2012; and
- (ii) the payment of the costs and expenses of issuing the Note.

Section 4. A realistic estimate of the estimated remaining useful life of the capital projects being refunded is not less than twenty (20) years.

Section 5. Subject to the approval of the Department, as required by the provisions of the Act, the Board 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. The sale of the Note shall be for a purchase price equal to 100% of the principal amount of the Note. The authorized officers, of the Township are hereby authorized and directed to accept, execute and deliver the Proposal in the name and on behalf of this Township, and the Secretary or Assistant Secretary, as appropriate, of this Township is hereby authorized and directed to attest to such acceptance and execution and to affix the seal of this Township to the Proposal, if necessary. A copy of the Proposal, as presented to this Board and accepted by this Ordinance, is incorporated herein by reference and shall be attached as Exhibit A to this Ordinance and maintained with the minutes of this meeting.

Section 6. The Note, when issued, will be a general obligation of this Township. In accordance with the provisions of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), this Township hereby finds, determines and designates the Note as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code.

Section 7. The Note shall be in fully registered form and shall be in substantially the form hereinafter set forth in Section 10. The Note shall be dated as set forth therein and shall bear interest as provided therein and in the Proposal.

Section 8. Installments of principal on the Note shall be payable as provided therein and in the Proposal. The principal of and interest due on the Note may be prepaid as provided therein and in the Proposal.

Section 9. The Board appoints the Purchaser having an office located in the Commonwealth of Pennsylvania as the paying agent and sinking fund depositary for the Note (the "Paying Agent"). Proper officers of this Township are hereby authorized, empowered and directed to contract with the Paying Agent for its services as paying agent and sinking fund depositary 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 to the registered owner of the Note shall be made, when due, in accordance with the provisions of the Note, at or from the office of the Paying Agents in lawful money of the United States of America.

Section 10. The Note shall be in substantially the form set forth in Exhibit "B", which is attached hereto and made a part hereof as though fully set forth herein, with appropriate insertions, omissions and variations.

Section 11. The Note shall be executed in the name and on behalf of this Township by the Chairman or Vice Chairman of the Board and the official seal of this Township shall be affixed thereunto, duly attested by the signature of the Secretary or Assistant Secretary of this Township. Said officers are authorized and directed to execute, attest, seal and deliver the Note.

Section 12. This Township covenants to and with the registered owner of the Note, from time to time, that this Township: (i) shall include the amount of the debt service for the Note for each fiscal year in which such sums are payable in its budget in each fiscal year of this Township; (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; and, for such budgeting, appropriation and payment, this Township shall and does irrevocably pledge its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Township shall be specifically enforceable.

Section 13. This Township hereby covenants to create and there is hereby created, pursuant to the Act, a sinking fund for the Note, to be known as "Sinking Fund - General Obligation Note, Series of 2014" (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 14. The Paying Agent shall be the "Sinking Fund depository" with respect to the Sinking Fund created pursuant to Section 13. This Township 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 of the principal of, if any, and accrued interest becoming due with respect to the Note. After such deposit, the Paying Agent shall, without further authorization or direction from this Township or any of its officials, 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.

If the date for payment of the principal of or the interest on the 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 the payment of such principal or interest 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 on which banking institutions in the Commonwealth are authorized to close, with the same force and effect as if made on the nominal date for payment of the principal or the interest, and no interest shall accrue after such due date.

The Note shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, 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, her or its attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Note in the registration books of this Township maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Note(s) of authorized denomination(s) of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time. After delivering any such a new Note(s) the Paying Agent may destroy the Note surrendered for the transfer.

This Township and the Paying Agent may deem and treat the persons in whose names the Note shall be registered on the registration books of this Township 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 Notes 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 Township upon the Note so paid, to the extent of the sum or sums so paid, and neither this Township nor the Paying Agents shall be affected by any notice to the contrary.

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

Section 15. Proper officials of this Township, and, if applicable, their duly qualified respective successors, are hereby authorized and directed, in the name and on behalf of this Township: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare and to file with the Department any statements required by the Act that are necessary to qualify all or any portion of the debt of this Township, which is subject to exclusion as self-liquidating or subsidized debt, for exclusion from the appropriate debt limit of this Township as self-liquidating or subsidized debt; (c) to prepare, execute and file with the Department, as required by the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal and a complete and accurate transcript of the proceedings relating incurring the debt to be evidenced by the Note, including the debt statement and borrowing base certificate; (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 to cause to be paid from proceeds of the Note or otherwise, all costs and expenses incurred by this Township in connection with the issuance of the Note; (f) to advertise the enactment of this Ordinance, as required by the Act; and (g) to take any and all other necessary action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal, 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 16. It is hereby declared that the debt to be evidenced by the Note, together with all other indebtedness of this Township, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by this Township.

Section 17. The proper officers of this Township are hereby authorized and directed to deliver the Note to the Purchaser, upon receipt of full and proper payment of the purchase price therefore and to pay or cause to be paid the costs of issuance of the Note; provided, however, that such delivery and such payments shall be effected only after the Department has certified its approval pursuant to the Act.

Section 18. This Township covenants to and with the Purchaser 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 the Note, would cause the Note to be an "arbitrage bond", as that term is defined in Section 148 of the Code and the applicable regulations thereunder. This Township further covenants that it will comply with the requirements of such Section 148 (including, but not limited to subsection (f) thereof) and with the regulations thereunder throughout the term of this issue. In addition, the Chairman or Vice Chairman of the Board, being the official responsible for issuing the Note, is hereby authorized and directed to execute and deliver, and the Secretary or Assistant Secretary of this Township is hereby authorized and directed to attest, in the name and on behalf of this Township, any and all documents or other instruments which counsel of this Township may reasonably request in connection with providing its opinion that the Note is not an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations promulgated thereunder, including, with limitation, a certificate dated the date of issuance and delivery of the Note, which certificate shall set forth the reasonable expectations of this Township as to the amount and use of the proceeds of the Note.

Section 19. The proceeds of the Series 2014 Note shall be used for the purpose of refunding the Series of 2012 Note and paying the cost of issuing the 2014 Note. In connection with the issuance and sale of such Note, the Board, as required by the provisions of the Act, hereby finds, determines and states that the Refunding of the 2012 Note is authorized and permitted under and pursuant to the provisions of the Act and is for the purpose of reducing debt service over the life of the issue. The Board further finds and determines that the final maturity date of the Note issued to effect the refunding of 2012 Note does not extend to a date that could not have been included in the issue of 2012 Note.

Section 20. The Board hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with effecting the Refunding of the 2012 Note. In accordance with Section 8246 of the Act, it is the intent of the Board that the 2012 Note shall no longer be outstanding from and after the date of issuance of the 2014 Note.

Section 21. 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 Township that the remainder of this Ordinance shall remain in full force and effect.

Section 22. All ordinances or resolutions or parts of ordinances or resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 23. This Ordinance shall be effective in accordance with the Act.

**DULY ENACTED AND ORDAINED THIS 11th DAY OF SEPTEMBER, 2014
BY THE BOARD OF SUPERVISORS OF TILDEN TOWNSHIP, BERKS COUNTY,
PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.**

**TILDEN TOWNSHIP,
Berks County, Pennsylvania**

By: 
(Vice) Chairman

Attest: 
(Assistant) Secretary

(SEAL)

EXHIBIT "A"

PROPOSAL

118079102

FIRST NATIONAL BANK

Of Mifflintown

Township of Tilden, Berks County, PA
General Obligation Note, Series of 2014, FORM OF PROPOSAL

SUBJECT TO FIRST NATIONAL BANK OF MIFFLINTOWN CREDIT APPROVAL

This is not a commitment to lend – Bank requests approximately 30 days' notice of Township's intent to accept subject to formal bank credit analysis and decisioning before loan closing.

Subject to the above statement, First National Bank of Mifflintown (the "Bank" or "Lender") hereby offers contingent terms, conditions, and rates for the purchase of the General Obligation Note, Series of 2014 (the "Note"), to be issued by the Township of Tilden, Berks County, Pennsylvania (the "Township") in the proposed principal amount of \$4,088,800 subject to the following terms and conditions set forth in the term sheet, dated August 12, 2014 (the "Term Sheet"), which is attached hereto and incorporated hereby by this reference. The final aggregate principal amount of any one maturity or the entire issue itself shall not differ from the original principal amount of any one maturity or the entire issue itself as presented on the appropriate Preliminary Note Amortization Schedule by more than \$200,000. The Bank agrees to be legally bound to such terms from the date of the Form of Proposal to the Closing Date of the Note – subject to Credit Approval.

Fixed Rate of Interest – Full Term -- A fixed rate of interest for the term of the Note equal to 3.79% per annum.

Or

Fixed/Variable Rate of Interest - (8 Year Fixed Rate, Variable Rate Thereafter)

Initial Interest Rate: The initial interest rate on the Note shall be 2.35% for a period of approximately eight years, ending October 1, 2022.

Interest Rate Reset: After the initial fixed interest rate period, the rate shall be reset at 66% of Wall Street Journal Prime Rate, adjusted quarterly.

Or

Fixed/Variable Rate of Interest - (10 Year Fixed Rate, Variable Rate Thereafter)

Initial Interest Rate: The initial interest rate on the Note shall be 2.71% for a period of approximately ten years, ending October 1, 2024.

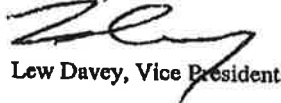
Interest Rate Reset: After the initial fixed interest rate period, the rate shall be reset at 66% of Wall Street Journal Prime Rate, adjusted quarterly.

Maximum Cap. Interest Rate (With respect to Fixed/Variable Rates Above): In no instance shall the interest rate ever exceed 5.00%.

Cost & Expenses. \$2,000.00 Origination to include all First National Bank of Mifflintown underwriting and legal costs.

The Bank acknowledges that the Township reserves the right to reject any and all proposals received in connection with this request for proposals.

Sincerely,


Lew Davey, Vice President

Accepted by:

Authorized Officer, Township of Tilden, Date

TOWNSHIP OF TILDEN,
BERKS COUNTY, PA
General Obligation Note, Series of 2014
Term Sheet and Request for Proposal
Dated August 12, 2014

The Bank (the "Bank" or "Lender") hereby agrees to the purchase of the General Obligation Note, Series of 2014 (the "Note"), to be issued by the Township of Tilden, Berks County, Pennsylvania (the "Township") in the proposed principal amount of \$4,088,800 subject to the following terms and conditions set forth in the term sheet (the "Term Sheet"). The final aggregate principal amount of any one maturity or the entire issue itself shall not differ from the original principal amount of any one maturity or the entire issue itself as presented on the Preliminary Note Amortization Schedule by more than \$200,000. The Bank agrees to be legally bound to such terms from the date of the Form of Proposal to the Closing Date of the Note.

1. **Term:** The Note shall have a stated maturity of approximately 19 years -- final principal payment to be due on January 1, 2034.
2. **Principal Payments:** The principal of the Note shall be fully amortized over the term of the loan in an amount and in the manner as set forth on the attached "Preliminary Note Amortization Schedule."
3. **Interest Rate:** Interest on the Note shall be calculated based upon a year of three hundred sixty (360) days comprised of twelve (12) thirty (30) day months, payable on January 1, April 1, July 1 and October 1, commencing January 1, 2015, at a rate set forth in the form of Proposal.
4. **Advances:** The loan shall be fully advanced closing which is expected to be on or about October 7, 2014, but not later than October 31, 2014.
5. **Optional Prepayment:** 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.
6. **Security:** The Note will be issued by the Township pursuant to and secured by an ordinance duly enacted by the Township (the "Ordinance"). The Note shall be a general obligation of the Township, payable from the general taxes and other general revenues of the Township. The Township shall covenant in the Ordinance that it will include in its budget the amount of the debt service for each fiscal year of the Township in which principal and/or interest on the Note is payable, that it will appropriate from its revenues in each such year, the amount of the debt

service on the Note for such year and will duly pay or cause to be paid when due the principal of and interest due on the Note. For such budgeting, appropriation of payment, the Township shall irrevocably pledge its full faith, credit and taxing power.

7. Interest to be Tax-Exempt: The Township will enter into such covenants as shall be necessary, in the opinion of Note Counsel, to assure compliance by the Township with the Internal Revenue Code of 1986, as amended (the "Code"), and to qualify interest on the Note for exclusion from gross income for federal income tax purposes as set forth in the opinion of Note Counsel hereinafter mentioned.

In the Ordinance, the Township will designate the Note as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Code.

8. Loan Documents: Loan documents, including the form of Note embodying the terms hereof and of the accepted proposal, shall be prepared by Note Counsel for the Township, who shall provide the Lender and its Counsel with drafts thereof for review and comment at least one week prior to loan closing.

9. Closing Documents: As a condition of closing the Township shall deliver to the Lender the following:

- A. An Opinion of Note Counsel, substantially to the effect that: 1) the Township is duly authorized and empowered under the laws of the Commonwealth to issue the Note evidencing the loan; 2) the Ordinance under which the Note is issued and secured is a valid and enforceable instrument of the Township; 3) the Note is exempt from personal property taxes in the Commonwealth of Pennsylvania, and the interest on the Note is exempt from the Commonwealth of Pennsylvania Personal Income Tax and the Commonwealth of Pennsylvania Corporate Net Income Tax.; 4) interest on the Note is not includible in gross income for Federal income tax purposes under Section 103(a) of the Code; and 5) the Note is a valid and binding obligation of the Township and is enforceable in accordance with terms thereof;
- B. An affidavit or certificate of appropriate officers of the Township and its Solicitor substantially to the effect that no litigation of any nature is pending or threatened: 1) seeking to restrain or enjoin or restraining or enjoining: (a) execution and delivery by the Township of the documents evidencing and securing the Note; or (b) execution, authentication, issuance, delivery or sale of the Note; or 2) otherwise affecting the ability of the Township to carry out the terms, provisions, covenants and agreements contained in the Ordinance; or 3) in any manner affecting or questioning proceedings and authority of the Township for execution, authentication, issuance, delivery or sale of the Note; or 4) affecting, directly or indirectly, or questioning: (a) validity of the Note; or (b) creation, organization and existence of the Township; or 5) affecting ability of the Township to undertake and to complete the undertakings to be financed with proceeds of the Note;

- C. Such other documents, certificates and instruments as shall be required by Note Counsel, to evidence compliance with, or to comply with, the provisions of the Code, and applicable regulations there under, with respect to the exclusion of interest payable on the Note from gross income for federal income tax purposes.
10. Closing: It is anticipated that closing for the Note shall occur on or about October 7, 2014, but not later than October 31, 2014. Closing shall occur at a time and place mutually acceptable to the Township and the Lender.
11. Fees and Expenses: The Township shall pay all fees and expenses of its Solicitor, Note Counsel and Financial Advisor and shall pay for the preparation and printing of the loan documents and for the filing of any required financing statements. The Township shall also pay the Lender's legal counsel's fees subject to a maximum amount of \$2,000.00 as specified on the Form of Proposal.
12. Continuing Compliance: The Township shall remit, when available, annual audited financial statements to the Lender, and any other information that the Lender shall reasonably request.
13. Rejection of Proposals: The Township expressly reserves the right to reject any and all proposals received in connection with this request for proposals and thereafter to negotiate with any proposer or other bank. The basis for acceptance of any proposal shall be that which is in the best interest of the Township as determined solely by the Township.
14. Amendment: The Township reserves the right to amend or modify this Term Sheet in writing by notifying the proposers via e-mail, no later than one day prior to the proposal due date, addressed to each proposer which at the time has its name and e-mail address on file with the Financial Advisor.

Preliminary Note Amortization Schedule

Date	Principal Installment	Date	Principal Installment
1/1/2015	62,700	1/1/2025	18,100
4/1/2015	63,200	4/1/2025	18,300
7/1/2015	63,600	7/1/2025	18,600
10/1/2015	64,200	10/1/2025	18,900
1/1/2016	63,900	1/1/2026	24,600
4/1/2016	64,400	4/1/2026	25,000
7/1/2016	64,900	7/1/2026	25,300
10/1/2016	65,500	10/1/2026	25,700
1/1/2017	47,700	1/1/2027	54,100
4/1/2017	48,100	4/1/2027	54,800
7/1/2017	48,500	7/1/2027	55,600
10/1/2017	48,900	10/1/2027	56,400
1/1/2018	49,200	1/1/2028	57,200
4/1/2018	49,700	4/1/2028	58,100
7/1/2018	50,000	7/1/2028	58,900
10/1/2018	50,400	10/1/2028	59,700
1/1/2019	50,800	1/1/2029	60,600
4/1/2019	51,200	4/1/2029	61,500
7/1/2019	51,600	7/1/2029	62,400
10/1/2019	52,000	10/1/2029	63,300
1/1/2020	52,500	1/1/2030	64,200
4/1/2020	52,800	4/1/2030	65,100
7/1/2020	53,300	7/1/2030	66,000
10/1/2020	53,700	10/1/2030	67,000
1/1/2021	53,300	1/1/2031	67,900
4/1/2021	53,800	4/1/2031	68,900
7/1/2021	54,200	7/1/2031	69,900
10/1/2021	54,700	10/1/2031	70,900
1/1/2022	55,000	1/1/2032	71,900
4/1/2022	55,500	4/1/2032	73,000
7/1/2022	55,900	7/1/2032	74,000
10/1/2022	56,400	10/1/2032	75,100
1/1/2023	34,700	1/1/2033	76,200
4/1/2023	35,100	4/1/2033	77,300
7/1/2023	35,700	7/1/2033	78,400
10/1/2023	36,200	10/1/2033	79,500
1/1/2024	23,000	1/1/2034	69,100
4/1/2024	23,300		
7/1/2024	23,700		
10/1/2024	24,000		
		Total	4,088,800

EXHIBIT "B"

Dated: _____, 2014

\$4,088,800

**TILDEN TOWNSHIP, BERKS COUNTY, PENNSYLVANIA
General Obligation Note, Series of 2014**

KNOW ALL MEN BY THESE PRESENTS that TILDEN TOWNSHIP, BERKS COUNTY, PENNSYLVANIA (the "Township"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") promises to pay to the order of FIRST NATIONAL BANK OF MIFFLINTOWN (the "Bank") or registered assign(s), the principal sum of Four Million Eighty-Eight Thousand Eight Hundred Dollars (\$4,088,800), or such lesser particular sum as shall represent the unpaid balance of such principal sum, and to pay interest on the principal sum hereof or as much as is advanced to the Township, which, from time to time, shall be outstanding and shall remain unpaid, together with interest and in accordance with the payment schedule as set forth on Schedule I attached hereto and incorporated herein, as follows:

Fixed Rate of Interest - Full Term - A fixed rate of interest for the term of the Note equal to 3.79% per annum.

or

Fixed / Variable Rate of Interest - (____ Year Fixed Rate, Variable Rate Thereafter)

Initial Interest Rate: The initial interest rate on the Note shall be ____% for a period of ____ years, ending October 1, 20__.

Interest Rate Reset: After the initial fixed interest rate period, the rate shall be reset at sixty-six percent (66%) of Wall Street Journal Prime Rate, adjusted quarterly.

Maximum Cap. Interest Rate (With respect to Fixed / Variable Rates Above): In no instance shall the interest rate ever exceed five percent (5%).

Whenever the due date for payment of the principal of or interest due on this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions

118079102

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 or interest and no interest shall accrue thereon for any period after such due date.

This Note is issued under and pursuant to provisions of the Ordinance enacted by the Board of Supervisors of the Township on September 11, 2014 (the "Ordinance") and 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. This Note is subject to provisions and is entitled to benefit of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The principal amount of and interest due on this 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 this 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. All payments of principal or interest due hereunder shall be payable to the Bank in its capacity as paying agent (the "Paying Agent"), at its principal office 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 Township has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it: (i) shall include the amount of the debt service for this Note, for each fiscal year of the Township in which such amounts are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year; 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 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 and for such budgeting, appropriation and payment the Township has pledged, irrevocably, its full-faith, credit and taxing power. In the Ordinance, the Township has covenanted to and with registered owner 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 this 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 Township 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.

This 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 on this Note.

This Note is transferable by the registered owner hereof, but only upon surrender of this Note to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Township and the Paying Agent, duly executed by the registered owner of this Note or his, her or its 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 Township and the Paying Agent shall 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 on account of principal hereof and interest due hereon and for all other purposes, and the Township and the Paying Agent shall not be affected by any notice to the contrary.

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

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 Township or of any successor body, as such, either directly or through the Township 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 this Note.

It is hereby certified that: the approval of the Department of Community and Economic Development of the Commonwealth for the Township to issue and deliver

this Note has been duly given pursuant to the Act; 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 evidences, exist, have happened and have been performed in regular and due form and manner as required by law; this Note, together with all other indebtedness of the Township is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; the Township 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 for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

IN WITNESS WHEREOF, Board of Supervisors of Tilden Township, Berks County, Pennsylvania has caused this Note to be executed in its name and in its behalf by its Chairman or Vice Chairman and its official seal to be affixed hereto, duly attested by its Secretary or Assistant Secretary, all as of the ____ day of ____, 2014.

TILDEN TOWNSHIP,
Berks County, Pennsylvania

By: _____
(Vice) Chairman

Attest: _____
(Assistant) Secretary

Schedule I

118079102

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
as 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 date of the trust and the name of the trustee should be supplied.

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF, ACTING AS REGISTRAR, ON BEHALF OF TILDEN TOWNSHIP, BERKS COUNTY, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)

118079102

EXHIBIT "C"
DEBT SERVICE SCHEDULE



Township of Tilden
General Obligation Note Series of 2014

DATED 10/7/2014

Date	Principal Instalment	Rate* 2.350 5.000	Interest	Debt Service	Annual Debt Service
10/7/2014					
1/1/2015	62,700	2.350	22,420.25	85,120.25	
4/1/2015	63,200	2.350	23,853.34	86,853.34	
7/1/2015	63,600	2.350	23,282.04	86,882.04	
10/1/2015	64,200	2.350	22,908.39	87,108.39	345,964.02
1/1/2016	63,900	2.350	22,531.21	86,431.21	
4/1/2016	64,400	2.350	22,155.80	86,555.80	
7/1/2016	64,900	2.350	21,777.45	86,677.45	
10/1/2016	65,500	2.350	21,398.16	86,896.16	346,560.63
1/1/2017	47,700	2.350	21,011.35	68,711.35	
4/1/2017	48,100	2.350	20,731.11	68,831.11	
7/1/2017	48,500	2.350	20,448.53	68,948.53	
10/1/2017	48,900	2.350	20,163.59	69,063.59	275,554.58
1/1/2018	49,200	2.350	19,876.30	69,076.30	
4/1/2018	49,700	2.350	19,587.25	69,287.25	
7/1/2018	50,000	2.350	19,295.26	69,295.26	
10/1/2018	50,400	2.350	19,001.51	69,401.51	277,060.33
1/1/2019	50,800	2.350	18,705.41	69,505.41	
4/1/2019	51,200	2.350	18,408.98	69,608.98	
7/1/2019	51,600	2.350	18,108.16	69,708.16	
10/1/2019	52,000	2.350	17,803.01	69,803.01	278,621.55
1/1/2020	52,500	2.350	17,497.51	69,997.51	
4/1/2020	52,800	2.350	17,189.08	69,989.08	
7/1/2020	53,300	2.350	16,878.88	70,178.88	
10/1/2020	53,700	2.350	16,565.74	70,265.74	280,431.20
1/1/2021	53,300	2.350	16,250.25	69,550.25	
4/1/2021	53,800	2.350	15,937.11	69,737.11	
7/1/2021	54,200	2.350	15,621.04	69,821.04	
10/1/2021	54,700	2.350	15,302.61	70,002.61	279,111.01
1/1/2022	55,000	2.350	14,981.25	69,981.25	
4/1/2022	55,500	2.350	14,658.13	70,158.13	
7/1/2022	55,900	2.350	14,332.06	70,232.06	
10/1/2022	56,400	2.350	14,003.65	70,403.65	280,775.09
1/1/2023	34,700	5.000	29,090.00	63,790.00	
4/1/2023	35,100	5.000	28,856.25	63,756.25	
7/1/2023	35,700	5.000	28,217.50	63,917.50	
10/1/2023	36,200	5.000	27,771.25	63,971.25	255,435.00
1/1/2024	23,000	5.000	27,318.75	50,318.75	
4/1/2024	23,300	5.000	27,031.25	50,331.25	
7/1/2024	23,700	5.000	26,740.00	50,440.00	
10/1/2024	24,000	5.000	26,443.75	50,443.75	201,533.75
1/1/2025	18,100	5.000	26,143.75	44,243.75	
4/1/2025	18,300	5.000	25,917.50	44,217.50	
7/1/2025	18,600	5.000	25,688.75	44,288.75	
10/1/2025	18,900	5.000	25,456.25	44,356.25	177,106.25
1/1/2026	24,600	5.000	25,220.00	49,820.00	
4/1/2026	25,000	5.000	24,912.50	49,912.50	
7/1/2026	25,300	5.000	24,600.00	49,900.00	
10/1/2026	25,700	5.000	24,283.75	49,983.75	169,616.25
1/1/2027	54,100	5.000	23,962.50	78,062.50	
4/1/2027	54,800	5.000	23,286.25	78,086.25	
7/1/2027	55,600	5.000	22,601.25	78,201.25	
10/1/2027	56,400	5.000	21,908.25	78,308.25	312,656.25
1/1/2028	67,200	5.000	21,201.25	78,401.25	
4/1/2028	58,100	5.000	20,486.25	78,586.25	
7/1/2028	58,900	5.000	19,760.00	78,660.00	
10/1/2028	69,700	5.000	19,023.75	78,723.75	314,371.25
1/1/2029	60,600	5.000	18,277.50	78,877.50	
4/1/2029	61,500	5.000	17,520.00	79,020.00	
7/1/2029	62,400	5.000	16,751.25	79,151.25	
10/1/2029	63,300	5.000	15,971.25	79,271.25	316,320.00
1/1/2030	64,200	5.000	15,180.00	79,380.00	
4/1/2030	65,100	5.000	14,377.50	79,477.50	
7/1/2030	66,000	5.000	13,563.75	79,563.75	
10/1/2030	67,000	5.000	12,738.75	79,738.75	318,160.00
1/1/2031	67,900	5.000	11,901.25	79,801.25	
4/1/2031	68,900	5.000	11,052.50	79,952.50	
7/1/2031	69,900	5.000	10,191.25	80,091.25	
10/1/2031	70,900	5.000	9,317.50	80,217.50	320,082.50
1/1/2032	71,900	5.000	8,431.25	80,331.25	
4/1/2032	73,000	5.000	7,532.50	80,532.50	
7/1/2032	74,000	5.000	6,620.00	80,620.00	
10/1/2032	75,100	5.000	5,695.00	80,795.00	322,278.75
1/1/2033	76,200	5.000	4,756.25	80,956.25	
4/1/2033	77,300	5.000	3,803.75	81,103.75	
7/1/2033	78,400	5.000	2,837.50	81,237.50	
10/1/2033	79,500	5.000	1,857.50	81,357.50	324,855.00
1/1/2034	69,100	5.000	863.75	69,963.75	
4/1/2034	0	5.000	0.00	0.00	
7/1/2034	0	5.000	0.00	0.00	
10/1/2034	0	5.000	0.00	0.00	69,963.75
TOTALS	4,088,800		1,407,437.14	5,496,237.14	5,496,237.14


CERTIFICATE

I, the undersigned, (Assistant) Secretary of Tilden Township, Berks County, Pennsylvania (the "Township"), hereby certify that attached hereto is a true and correct copy of an Ordinance which was duly enacted by affirmative vote of a majority of all members of the Board of Supervisors of the Township at a meeting duly advertised and held on the 11th day of September, 2014; said Ordinance has been duly recorded in the minute book of the Board of Supervisors; a notice with respect to the intent to enact said Ordinance has been published as required by law; said Ordinance was available for public inspection by any interested citizen requesting the same in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended; and said Ordinance has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the total number of members of the Board of Supervisors of the Township is three (3); the vote of the members of the Board of Supervisors of the Township upon said Ordinance was called and duly recorded upon the minutes of said meeting; and the members of the Board of Supervisors of the Township voted upon said Ordinance in the following manner:

<u>Name</u>	<u>Office</u>	<u>Vote</u>
Gene Schappell	Chairman	Aye / Nay
Frederick Herman	Vice Chairman	Aye / Nay
Carl Spatz, Jr.	Supervisor	Aye / Nay

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 11th day of September, 2014.


Cheryl A. Haus, Secretary

(SEAL)