

**TOWNSHIP OF NEW BRITAIN
BUCKS COUNTY, PENNSYLVANIA**

ORDINANCE NO.: 2020-06-01

**AN ORDINANCE WHICH AUTHORIZES THE SALE AND ISSUANCE OF NEW
BRITAIN TOWNSHIP'S GENERAL OBLIGATION NOTE, SERIES OF 2020**

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF A GENERAL OBLIGATION NOTE OF THE TOWNSHIP OF NEW BRITAIN, BUCKS COUNTY, PENNSYLVANIA (THE "TOWNSHIP") IN THE PRINCIPAL AMOUNT OF FOUR MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND DOLLARS (\$4,178,000) FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE COSTS OF (I) THE CURRENT REFUNDING OF THE TOWNSHIP'S SERIES OF 2005 DEL VAL NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF \$657,000, (II) THE CURRENT REFUNDING OF THE TOWNSHIP'S SERIES OF 2006 DEL VAL NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF \$300,000, (III) THE CURRENT REFUNDING OF THE TOWNSHIP'S SERIES OF 2017 NOTE IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,825,000; (IV) VARIOUS CAPITAL PROJECTS INCLUDING BUT NOT LIMITED TO IMPROVEMENTS TO TOWNSHIP PARKS AND TRAILS, THE PARKS AND RECREATION COMMUNITY BUILDING AND THE TOWNSHIP PROPERTY LOCATED AT 1606 UPPER STATE ROAD; AND (V) THE COSTS AND EXPENSES OF ISSUING THE NOTE; STATING THE PURPOSE OF THE PROJECT; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE CAPITOL PROJECT AND STATING THE ESTIMATED CAPITOL PROJECT COMPLETION DATE; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE CAPITOL PROJECT; DIRECTING THE PROPER OFFICERS OF THE GOVERNING BODY TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE TOWNSHIP SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR A FULLY REGISTERED NOTE, DATED DATE OF THE NOTE, INTEREST PAYMENT DATES, PROVISIONS FOR REDEMPTION AND STATED PRINCIPAL MATURITY AMOUNTS AND FIXING THE MAXIMUM RATE OF INTEREST ON SUCH NOTE; AUTHORIZING THE PROPER OFFICERS OF THE TOWNSHIP TO CONTRACT

WITH A BANK OR BANK AND TRUST COMPANY FOR ITS SERVICES AS SINKING FUND DEPOSITORY, PAYING AGENT AND REGISTRAR AND STATING A COVENANT AS TO PAYMENT OF PRINCIPAL AND INTEREST WITHOUT DEDUCTION FOR CERTAIN TAXES; PROVIDING FOR THE REGISTRATION, TRANSFER AND EXCHANGE OF NOTE; PROVIDING FOR THE EXECUTION, DELIVERY AND AUTHENTICATION OF NOTE AND THE DISPOSITION OF THE PROCEEDS THEREOF; APPROVING THE FORM OF THE NOTE, PAYING AGENT'S AUTHENTICATION CERTIFICATE AND ASSIGNMENT; AWARDING SUCH NOTE AT NEGOTIATED SALE AND STATING THAT SUCH SALE IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP; CREATING A SINKING FUND AND APPROPRIATING ANNUAL AMOUNTS FOR THE PAYMENT OF DEBT SERVICE ON THE NOTE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; COVENANTING THAT THE PROCEEDS OF THE NOTE SHALL NOT BE USED IN SUCH A MANNER AS TO CAUSE THE NOTE TO BE AN ARBITRAGE NOTE UNDER FEDERAL TAX LAW PROVISIONS, MAKING CERTAIN REPRESENTATIONS AND DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATIONS" UNDER FEDERAL TAX LAW PROVISIONS; APPROVING THE UNDERTAKING OF CERTAIN CONTINUING DISCLOSURE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP TO PAY ISSUANCE COSTS; REPEALING ALL INCONSISTENT ORDINANCES; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND STATING THE EFFECTIVE DATE.

The Board of Supervisors (the "Governing Body") of the Township of New Britain, Bucks County, Pennsylvania (the "Township"), pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Act") hereby ORDAINS AND ENACTS as follows:

Section 1. Incurrence of Debt; Amount and Purpose of Note, Realistic Cost Estimates of Capitol Project; Estimated Capitol Project Completion Date.

The Governing Body of the Township hereby authorizes and directs the incurring of non-electoral debt through the issuance of a General Obligation Note, Series of 2020 (the "Note") of the Township in the principal amount not to exceed Four Million One Hundred Seventy Eight Thousand Dollars (\$4,178,000) to provide funds to finance the costs of the following projects (collectively, the "Project"): (A) the current refunding of: (i) the Township's Series of 2005 Del Val Note (the "2005 Del Val Note") in the aggregate principal amount of \$657,000, (ii) the current refunding of the Township's Series of 2006 Del Val Note (the "2006 Del Val Note") in the aggregate principal amount of \$300,000, and (iii) the current refunding of the Township's Series of 2017 Note (the "2017 Note") in the aggregate principal amount of \$2,825,000 (collectively the "Refunding Projects"); (B) various capital projects (the "Capital Projects") including but not limited to improvements to: (i) parks and trails in the Township, (ii) the Parks and Recreation Community Building and (iii) the Township property located at 1606 Upper State Road (collectively, the "Capital Projects"); and (C) the costs and expenses of issuing the Note.

Pursuant to the Ordinance authorizing the issuance of the 2005 Del Val Note duly enacted on August 25, 2005 (the "2005 Ordinance"), the 2005 Del Val Note is subject to redemption prior to maturity at the option of the Township, in whole or in part at any time on and after the date of issuance of the 2005 Del Val Note. Authorized officers of the Township, pursuant to authorization contained in the 2005 Ordinance and herein, are hereby authorized to elect, upon the advice of Note Counsel (defined below) and of the Township's financial advisor, PFM Financial Advisors LLC (the "Financial Advisor"), to exercise its option to redeem the 2005 Del Val Note in whole or in part on the date of closing on the Note or the first advisable date thereafter.

Pursuant to the Ordinance authorizing the issuance of the 2006 Del Val Note duly enacted on November 14, 2005 (the "2006 Ordinance"), the 2006 Del Val Note is subject to redemption prior to maturity at the option of the Township, in whole or in part at any time on and after the date of issuance of the 2006 Del Val Note. Authorized officers of the Township, pursuant to authorization contained in the 2006 Ordinance and herein, are hereby authorized to elect, upon the advice of Note Counsel (defined below) and of the Financial Advisor, to exercise its option to redeem the 2006 Del Val Note in whole or in part on the date of closing on the Note or the first advisable date thereafter.

Pursuant to the Ordinance authorizing the issuance of the 2017 Note duly enacted on August 21, 2017 (the "2017 Ordinance"), the 2017 Note is subject to redemption prior to maturity at the option of the Township, in whole or in part at any time on and after the date of issuance of the 2017 Note. Authorized officers of the Township, pursuant to authorization contained in the 2017 Ordinance and herein, are hereby authorized to elect, upon the advice of Note Counsel (defined below) and of the Financial Advisor, to exercise its option to redeem the 2017 Note in whole or in part on the date of closing on the Note or the first advisable date thereafter.

The refunding of the 2005 Del Val Note, the 2006 Del Val Note and the 2017 Note is being undertaken by the Township for the purpose of reducing total debt service over the life of the series in compliance with Section 8241(b)(2) of the Act.

Realistic cost estimates have been obtained by the Township for the Capital Project through estimates made by qualified persons, as required by Section 8006 of the Act.

The Township hereby reserves the right to undertake components of the Capital Project in such order and at such time or times as it shall determine and to allocate the proceeds of the Note and other available moneys to the final costs of the Capital Project in such amounts and order of priority as it shall determine; but the proceeds of the Note shall be used solely to pay the “costs”, as defined in the Act, of the Capital Project described herein or, upon appropriate amendment hereto, to pay the costs of other projects for which the Township is authorized to incur indebtedness.

The estimated completion date for the Capital Project is December 31, 2022.

Section 2. Prior Projects, Capitol Project and Useful Lives Thereof; .

The proceeds of the 2005 Del Val Note drawn to date were used to fund a capital project (the “2005 Capital Project”) consisting of the construction of a new public works building, and the renovation and repairs to the Township Building. At the time of the issuance of the 2005 Del Val Note, the realistic estimated useful life of the 2005 Capital Project was determined to be in excess of twenty years. Such determination is hereby further ratified and confirmed.

The proceeds of the 2006 Del Val Note drawn to date were used to fund a capital project (the “2006 Capital Project”) consisting of the construction of a new public works building, and renovation and repairs to the Township Building. At the time of the issuance of the 2006 Del Val Note, the realistic estimated useful life of the 2006 Capital Project was determined to be in excess of twenty years. Such determination is hereby further ratified and confirmed and the remaining useful life is determined to be at least 15 years.

The proceeds of the 2017 Note drawn to date were used to fund a capital project (the “2017 Capital Project”) consisting of the replacement of the New Galena Road Bridge, repair and/or replacement of five culverts within the Township, repair/replacement of the Township administrative building’s roof, and various other capital projects. At the time of the issuance of the 2017 Note, the realistic estimated useful life of the 2017 Capital Project was determined to be in excess of twenty years. Such determination is hereby further ratified and confirmed and the remaining useful life is determined to be at least 15 years.

The realistic estimated useful life of the Capital Project is estimated to be in excess of twenty years and the principal amount of the Note equal to the separate cost of the Capital Project having a shorter useful life than the period during which the Note will be outstanding has been scheduled to mature prior to the end of such useful life, and the balance prior to the end of the longest useful life.

Section 3. Debt Statement and Borrowing Base Certificate.

The Chairman or Vice Chairman of the Governing Body and the Secretary or Assistant Secretary of the Township or any one of them, and/or any other duly authorized or appointed officer of the

Township, are hereby authorized and directed to prepare and certify a debt statement required by Section 8110 of the Act and a Borrowing Base Certificate.

Section 4. Covenant to Pay Note.

It is covenanted with the registered owner from time to time of the Note that the Township shall (i) include the amount of the debt service for the Note for each fiscal year in which the sums are payable in its budget for that year; (ii) appropriate those amounts from its general revenues for the payment of the debt service; and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the principal of, and the interest on, the Note at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. As provided by the Act, this covenant shall be specifically enforceable. Nothing in this Section shall be construed to give the Township any taxing power not granted by another provision of law.

Section 5. Description of Note; Maturity Schedule; Redemption of Note; Notice of Redemption.

The Note shall be a general obligation of the Township evidencing non-electoral debt, shall be in fully registered typewritten form without coupons, shall be numbered, shall be in the single denomination in the maximum principal amount of \$4,178,000, shall be dated the date of its issuance and shall bear interest until maturity or prior redemption, as set forth in the form of Note attached hereto as Exhibit A and made a part hereof.

Interest Rate and Manner of Calculation; Principal and Interest Payments: The Note will bear interest (calculated in the manner set forth therein) at the rate of 1.24% per annum, until maturity or prior redemption, subject to and in accordance with the provisions of the proposal therefor referred to in Section 10 hereof and in the form of Note attached hereto as Exhibit A. Principal of the Note shall be payable in the amounts and on the dates, all as set forth in Schedule I attached hereto and made a part hereof.

Redemption: The Note will be subject to redemption prior to maturity, at the option of the Township, in whole or in part at any time or from time to time on and after February 15, 2026 by payment of the principal amount selected for redemption, plus accrued interest to the date fixed for redemption, without premium or penalty.

Notice of Redemption: The Township shall give written notice of the redemption of all or a portion of the Note by first-class United States mail, postage prepaid, or by facsimile transmission, not less than thirty (30) days prior to the redemption date to the registered owner of the Note, unless such notice is waived by the registered owner of the Note.

Section 6. Paying Agent, Sinking Fund Depository and Registrar; Payment of Principal and Interest Without Deduction for Taxes.

The proper officers of the Township are hereby authorized and directed to contract with JPMorgan Chase Bank, N.A. for its services as paying agent and registrar with respect to the Note and such Bank is hereby appointed to act in such capacities with respect to the Note.

The principal or redemption price of, and interest on, the Note are payable without deduction for any tax or taxes, except inheritance and estate taxes or any other taxes now or hereafter levied or assessed on the Note under any present or future laws of the Commonwealth of Pennsylvania, all of which taxes, except as above provided, the Township assumes and agrees to pay.

If the date for payment of the principal or redemption price of, and interest on, the Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in each of the cities in which the corporate trust office or payment office of the Note Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Any corporation or association into which the Note Paying Agent, or any additional or appointed alternate or successor to it, may be merged or converted or with which it, or any additional or appointed alternate or successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Note Paying Agent shall be a party, or any corporation or association to which the Note Paying Agent, or any additional or appointed alternate or successor to it, sells or otherwise transfers all or substantially all of its corporate trust business shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 7. Registration, Transfer and Exchange of Note.

The Township shall keep, at the corporate trust and/or payment office of the Note Paying Agent, as registrar, books for the registration, transfer and exchange of the Note. The Governing Body hereby authorizes and directs the Note Paying Agent, as registrar and transfer agent, to keep such books and to make such transfers or exchanges on behalf of the Township.

The ownership of the Note shall be recorded in the registration books of the Township, which shall contain such information as is necessary for the proper discharge of the Note Paying Agent's duties hereunder as Note Paying Agent, registrar and transfer agent.

The Note may be transferred or exchanged as follows:

(a) The Note may be transferred if endorsed for such transfer by the registered owner thereof and surrendered by such owner or his duly appointed attorney or other legal representative at the corporate trust office of the Note Paying Agent, but such transfer shall not be valid unless registered in the registration books of the Township maintained by the Note Paying Agent; provided, however, that in lieu of such notation on the Note and upon surrender thereof for cancellation by the registered owner or his duly appointed attorney or other legal representative, the Note Paying Agent shall authenticate and deliver to the transferee a new Note of the same maturity and in the same denomination as the Note surrendered for transfer.

(b) In the case of the Note properly surrendered for partial redemption, the Note Paying Agent shall authenticate and deliver a new Note in exchange therefor, such new Note to be of the same maturity and in a denomination equal to the unredeemed principal amount of the surrendered Note; provided that, at its option, the Note Paying Agent may certify the amount and date of partial redemption upon the partial redemption certificate, if any, appearing on the surrendered Note and return such surrendered Note to the registered owner in lieu of an exchange.

Except as provided in subparagraph (b) above, the Note Paying Agent shall not be required to effect any transfer or exchange during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Note to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange except for taxes or governmental charges related thereto.

No transfers or exchanges shall be valid for any purposes hereunder except as provided above.

A new Note delivered upon any transfer or exchange shall be a valid general obligation of the Township, evidencing the same debt as the Note surrendered.

The Township and the Note Paying Agent may treat the registered owner of the Note as the absolute owner thereof for all purposes, whether or not such Note shall be overdue, and any notice to the contrary shall not be binding upon the Township or the Note Paying Agent.

Section 8. Execution, Delivery and Authentication of Note.

The Note shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Governing Body and shall have the corporate seal of the Township or a facsimile thereof affixed, imprinted, lithographed or reproduced thereon, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Township, and the said officers are hereby authorized and directed to execute the Note in such manner. In case any official of the Township whose manual or facsimile signature shall appear on the Note shall cease to be such official before the authentication of such Note such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if such official had remained in office until authentication; and any Note may be signed on behalf of the Township, even though at the date of authentication of such Note such person was not an official. The Chairman or Vice Chairman of the Governing Body is authorized and directed to deliver, or cause to be delivered, the Note to the purchasers thereof against the full balance of the purchase price therefor. The Note shall be authenticated by the Note Paying Agent.

Section 9. Form of Note.

The form of the Note, paying agent's authentication certificate and assignment shall be substantially as set forth in Exhibit A attached hereto. The Note shall be executed in substantially the form as set forth in Exhibit A hereto with such appropriate changes, additions or deletions as may be approved by the officers executing the Note in the manner provided in Section 8 hereof; such execution shall constitute approval by such officers on behalf of the

Governing Body. The opinion of Note counsel is authorized and directed to be printed upon the Note.

Section 10. Manner of Sale; Award of Note; Bid Price; Interest Rate.

The Governing Body of the Township after due deliberation and investigation has found that a private sale by negotiation is in the best financial interest of the Township and based upon such finding the Governing Body of the Township hereby awards the Note at a private negotiated sale, to JPMorgan Chase Bank, N.A. (the "Bank"), upon the terms set forth in its proposal attached hereto and made a part hereof as Exhibit B (the "Purchase Contract").

As set forth in the Purchase Contract, the principal amount of the Note shall be \$4,178,000; the latest maturity date of the Note shall not be later than February 15, 2032 and the annual principal maturity shall be in accordance with the schedule as set forth in Exhibit C; the Note shall bear interest at a rate of 1.24% per annum.

Section 11. Sinking Fund; Appropriation of Annual Amounts for Payment of Debt Service.

There is hereby established a separate sinking fund for the Township designated as "Sinking Fund- Township of New Britain General Obligation Note, Series of 2020" (the "Sinking Fund") and into the Sinking Fund there shall be paid, when and as required, all moneys necessary to pay the debt service on the Note, and the Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Note and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

The amounts set forth in Exhibit D attached hereto and made a part hereof, or such greater or lesser amount as at the time shall be sufficient to pay the principal of and interest on the Note as they become due, shall be pledged in each of the fiscal years shown in Exhibit D to pay the debt service on the Note, and such amounts are annually hereby appropriated to the 2020 Note Sinking Fund for the payment thereof.

The Note Paying Agent is hereby authorized and directed, without further action from the Township, to pay from the 2020 Note Sinking Fund the principal or redemption price of, and interest on, the Note as the same becomes due and payable in accordance with the terms thereof.

Section 12. Debt Proceedings.

The Secretary or Assistant Secretary of the Township is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove, to prepare and file any statements required by the Act which are necessary to qualify all or any portion of non-electoral or lease rental debt of the Township as self-liquidating or subsidized debt, and to pay the filing fees necessary in connection therewith.

Section 13. Tax Covenants, Representations and Designations.

So long as the Note is outstanding, the following covenants shall apply:

(a) General Covenants: The Township hereby covenants that:

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

(ii) If and to the extent the Township is required to remit any amounts to the United States pursuant to Code section 148(f) (the “Rebate Amounts”) in order to cause the Note not to be arbitrage bond, the Township will remit such Rebate Amounts at such times and in the manner required by Code section 148(f) and the regulations thereunder. The obligation to remit the Rebate Amounts and to comply with all other requirements of this Section 13 shall survive the defeasance and payment in full of the Note.

(b) Bank Qualified Note. In order to ensure that the registered owners of the Note, will not be subject to certain provisions of the Code as a result of acquiring and carrying the Note, the Township hereby designates the Note as a “qualified tax-exempt obligation,” within the meaning of Code section 265(b)(3)(B) or such Note shall be deemed designated within the meaning of Code section 265(b)(3)(D), and the Township hereby covenants that it will take such steps as may be necessary to cause the Note to continue to be an obligation described in such Code section during the period in which the Note is outstanding. The Township represents that it has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the Note, will result in more than \$10,000,000 of tax-exempt obligations being issued in the calendar year in which the Note is issued. For purposes only of the foregoing sentence, the term “tax-exempt obligation” shall include any “qualified 501(c)(3) bond,” as defined in Code section 145, but shall not include any other “private activity bond,” as defined in Code section 141(a), any obligation which would be an “industrial development bond” or a “private loan bond” as defined in sections 103(b)(2) and 103(o)(2)(a) of the Internal Revenue Code of 1954, as amended, but for the fact that it is issued pursuant to section 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986, or any obligation issued to currently refund any obligation to the extent the amount thereof does not exceed the outstanding amount of the refunded obligation.

Section 14. Appointment of Note Counsel.

The Township hereby appoints the law firm of Dilworth Paxson LLP to serve as Note Counsel.

Section 15. Incidental Actions.

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

Section 16. Payment of Issuance Costs.

The proper officers of the Township are hereby authorized and directed to pay the costs of issuing the Note at the time of delivery of the Note to the Bank, such costs being estimated in the proposal attached hereto.

Section 17. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent herewith be and the same are hereby repealed.

Section 18. Severability.

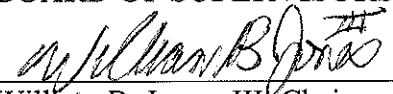
In case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

Section 19. Effective Date.

This Ordinance shall become effective on the earliest date permitted by the Act and the Pennsylvania Second Class Township Code.

ENACTED and **ORDAINED** this 22nd day of June, 2020.

**NEW BRITAIN TOWNSHIP
BOARD OF SUPERVISORS**


William B. Jones, III, Chairman


Helen B. Haun, Vice Chair

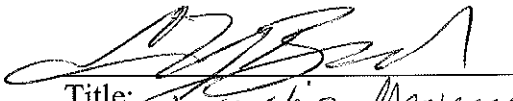

Gregory T. Hood

Cynthia M. Jones

MaryBeth McCabe, Esq.

I HEREBY CERTIFY that the foregoing is a true and correct copy of an Ordinance duly enacted by the affirmative vote of a majority of the members of the Governing Body of the Township of New Britain, Bucks County, Pennsylvania (the "Township"), at a public meeting held the 22nd day of June, 2020; that proper notice of such meeting was duly given as required by law; and that said Ordinance has been duly entered upon the Minutes of said Governing Body, showing how each member voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Township this 22nd day of June, 2020.


Title: *Township Manager/Secretary*

[SEAL]

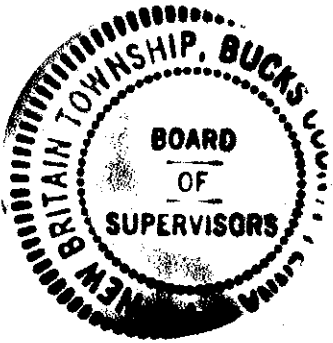


EXHIBIT A
to Ordinance of the
Township of New Britain, Bucks County, Pennsylvania
Enacted June 22, 2020

Form of Note

No. 01

\$4,178,000

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BUCKS

TOWNSHIP OF NEW BRITAIN
GENERAL OBLIGATION NOTE, SERIES OF 2020

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>SERIES ISSUANCE</u>
1.24%	February 15, 2032	

REGISTERED OWNER: JPMORGAN CHASE BANK, N.A.

PRINCIPAL AMOUNT: FOUR MILLION ONE HUNDRED SEVENTY EIGHT THOUSAND DOLLARS

The TOWNSHIP OF NEW BRITAIN, Bucks County, Pennsylvania (the "Township"), existing by and under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above (the "Bank"), or registered assigns, the principal amount of Four Million One Hundred Seventy Eight Thousand Dollars (\$4,178,000), or such lesser amount as shall, from time to time, be outstanding and unpaid, in the installments and on the dates shown herein, unless this Note (as defined below) shall have been previously called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, at the rate of interest of 1.24% per annum. The principal or redemption price of, and interest on, this Note may be paid in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. The entire principal amount of this Note shall be paid by the Bank to the Township on the date hereof.

If the date for payment of the principal or redemption price of, and interest on, the Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in each of the cities in which the corporate trust office or payment office of JPMorgan Chase Bank, N.A. in Philadelphia, Pennsylvania or any appointed alternate or successor note paying agent or agents (the "Note Paying Agent") is located are authorized by law or executive order to close, then the date for such payment shall be the next

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

The principal or redemption price of, and interest on, this Note are payable without deduction for any tax or taxes, except inheritance and estate taxes or any other taxes now or hereafter levied or assessed hereon under any present or future laws of the Commonwealth of Pennsylvania, all of which taxes, except as above provided, the Township assumes and agrees to pay.

This Note is the only one of a Series known generally as "General Obligation Notes, Series of 2020" (the "Note"), is issuable only in fully registered form, without coupons, is in the principal amount of \$4,178,000 and is issued in accordance with the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Act"), and by virtue of an ordinance of the Township duly enacted (the "Ordinance"), and the sworn statement of the duly authorized officers of the Township as appears on record in the office of the Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania.

Covenant to Pay Note

It is covenanted with the registered owners from time to time of this Note that the Township shall (i) include the amount of the debt service for each fiscal year in which the sums are payable in its budget for that year; (ii) appropriate those amounts from its general revenues for the payment of the debt service; and (iii) duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal or redemption price of, and the interest on, this Note at the dates and places and in the manner stated in this Note, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. As provided in the Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. Nothing in this paragraph shall be construed to give the Township any taxing power not granted by another provision of law.

Interest Rate

This Note will bear interest at the rate of 1.24% per annum, beginning on the date of delivery of this Note, except as provided below with respect to failures to meet the Debt Service Ratio Covenant as set forth below.

Principal

The Note will mature on February 15, 2032, and will be payable as to principal in accordance with Schedule I attached hereto.

The principal or redemption price of, and interest on, this Note is payable at the office of the Note Paying Agent.

Interest

Interest accruing on this Note shall be computed semi-annually on the basis of a 360-day year of twelve 30 day months. Interest on this Note will be payable to the registered owner hereof as shown on the registration books kept by the Note Paying Agent (hereinafter defined) semi-annually commencing August 15, 2020, and due every February 15 and August 15 thereafter until maturity; *provided, however*, that upon request of the registered owner thereof to the Note Paying Agent, such payments shall be by wire transfer or internal bank transfer by the Note Paying Agent to an account designated by the registered owner. Such interest shall be payable either until maturity or, in the event that this Note shall have been duly called for previous redemption in full and payment of the redemption price shall have been made or provided for, until the date fixed for redemption.

Redemption

This Note is subject to redemption prior to maturity, at the option of the Township, in whole or in part at any time or from time to time on and after February 15, 2026 by payment of the principal amount selected for redemption, plus accrued interest to the date fixed for redemption, without premium or penalty.

Notice of Redemption

Any redemption of this Note under the preceding paragraph shall be made as provided in the Ordinance, upon not less than thirty (30) days' notice, by mailing a copy of the redemption notice by first-class United States mail, postage prepaid, or by facsimile transmission, to the registered owner of this Note, unless such notice is waived by such registered owner.

Sinking Fund

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

Transfer

This Note is registered as to both principal and interest on the Note register to be kept for that purpose at the corporate trust office of the Note Paying Agent, and both principal and interest shall be payable only to the registered owner hereof. This Note may be transferred or exchanged in accordance with the provisions of the Ordinance, and no transfer or exchange hereof shall be valid unless made at said office by the registered owner in person or his duly appointed attorney or other legal representative and Note hereon. The Note Paying Agent is not required to transfer or exchange any Note during the fifteen days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Note to be transferred or exchanged has been called for such redemption. The Township and

the Note Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest hereon and for all other purposes, whether or not this Note shall be overdue. The Township and the Note Paying Agent shall not be affected by any notice to the contrary.

General Provisions

No recourse shall be had for the payment of the principal or redemption price 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, 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 execution and issuance of this Note.

The Township covenants that it will not make any use of the proceeds of this Note or do or suffer any other action which 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").

The Township has designated this Note as a "qualified tax-exempt obligation" for the purposes of section 265(b)(3)(B) of the Code (relating to the deductibility of interest expense by certain financial institutions).

It is hereby certified that all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and the debt represented by this Note, together with any other indebtedness of the Township, is not in excess of any applicable limitation imposed by the Act upon the incurring of the debt of the Township, which debt is evidenced by this Note.

This Note shall not be valid or become obligatory for any purpose until the Paying Agent's Authentication Certificate printed hereon is duly executed.

IN WITNESS WHEREOF, the Township of New Britain has caused this Note to be signed in its name by the manual or facsimile signature of the Chairman of its Governing Body and its corporate seal or a facsimile thereof to be affixed, imprinted, lithographed or reproduced hereon and attested by the manual or facsimile signature of its Secretary, all as of the Series Issuance Date specified above.

[SEAL]

TOWNSHIP OF NEW BRITAIN

By: _____
William B. Jones III, Chairman

Attest

Eileen M. Bradley, Secretary

SCHEDULE I

[FORM OF PAYING AGENT'S AUTHENTICATION CERTIFICATE]

This Note is one of the Notes described therein. The signed copy of the opinion of Dilworth Paxson LLP, Note Counsel, dated the date of the initial delivery of, and payment for, the Note, is on file with the undersigned.

PAYING AGENT

By: _____
Authorized Signer

AUTHENTICATION DATE:

[FORM OF ASSIGNMENT]

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

(Please type or print name, address

(including postal zip code) and social security or other tax

identification number of the transferee)

the within Note and all rights thereunder, hereby irrevocably appointing
_____ his/her attorney to transfer said Note on the Note
register with full power of substitution in the premises.

Dated:

Signature Guaranteed by:

NOTICE: signature(s) must be guaranteed by
an eligible guarantor institution, an institution
which is a participant in a Securities Transfer
Association recognized signature guaranteed
program.

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within Note in every
particular, without alteration or enlargement or
any change whatever

(Authorized Signature)

EXHIBIT B
to Ordinance of the
Township of New Britain, Bucks County, Pennsylvania
Enacted June 22, 2020

Bank Proposal



ADDENDUM TO
FORM OF LOAN PROPOSAL FOR THE TOWNSHIP OF NEW BRITAIN,
BUCKS COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE SERIES OF 2020
June 15, 2020

FORM OF NOTE:

The Bank will require a single term Note with sinking fund payments equivalent to the Estimated Principal Amortization Schedule in the Term Sheet - Request for Proposals dated May 19, 2020. The Bank shall not require the Note to be rated by any rating agency. The Bank (a) is a bank, an entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Note to maturity or earlier prepayment or mandatory tender. Presentation of the Note shall not be required until final maturity or upon earlier prepayment.

PAR AMOUNT:

Not to exceed \$4,178,000, fully funded at closing.

FINANCING TERM:

Thirteen (13) principal payments, with a final maturity of February 15, 2032.

INTEREST RATE:

The interest rates below are indicative, based upon market conditions as of June 8, 2020. The actual rate of interest borne by the Note will be fixed upon receipt of signed acceptance. Prior to acceptance, the interest rate may increase if the Bank's cost of funds increases. Bank's cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on the basis of a 360-day year of twelve 30-day months.

Option (A) 1.16% indicative, fixed rate, bank qualified tax-exempt, no optional prepayment

Option (B) 1.24% indicative, fixed rate, bank qualified tax-exempt, optional prepayment in whole, at par plus accrued interest without penalty, on or after February 15, 2026.

REPAYMENT TERMS:

Payments of principal commencing on August 15, 2020, and thereafter on February 15 of each year commencing February 15, 2021, and ending February 15, 2032, plus semi-annual payments of accrued interest on each February 15 and August 15 commencing August 15, 2020.

8/15/2020	\$193,000	2/15/2027	\$340,000
2/15/2021	288,000	2/15/2028	344,000
2/15/2022	292,000	2/15/2029	350,000
2/15/2023	297,000	2/15/2030	355,000
2/15/2024	327,000	2/15/2031	360,000
2/15/2025	332,000	2/15/2032	365,000
2/15/2026	335,000		

BANK QUALIFIED:

The Note will be designated as a "bank qualified" tax-exempt obligation under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

LEGAL OPINION:

Purchase of the Note will be subject to the satisfactory opinion of Bond Counsel addressed to the Bank, to the effect that: (1) the Note is a legal, valid, binding and enforceable general obligation of the Township; (2) the Note is payable from general revenues of the Township currently including ad valorem taxes which may be levied on all property taxable for Township purposes within the Township without limitation as to rate or amount; (3) interest on the Note is excluded from gross income for purposes of federal income taxation and that interest on the Note is also not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the federal alternative minimum tax; (4) the Note is a qualified tax-exempt obligation under Section 265(b)(3) of the Code; and (5) the interest on the Note is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

USE OF PROCEEDS:

The proceeds of the Note will be used to refund on a current refunding basis the Township's i) Series of 2005 Del Val Loan, currently outstanding in the amount of \$657,000; ii) Series of 2006 Del Val Loan, currently outstanding in the amount of \$300,000; iii) Series of 2017 Note, currently outstanding in the amount of \$2,825,000; iv) project costs and v) pay the cost associated with issuing the Note.

SECURITY:

The Note will be a general obligation of the Township, payable from its tax and other general revenues. The Township will covenant in a debt authorizing ordinance that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Note for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its revenues or funds, the principal of the Note and the interest thereon at the dates and place and in the manner stated in the Note, and for such budgeting, appropriation and payment the Township will irrevocably pledge its full faith, credit and available taxing power.

DOCUMENTATION:

Documentation shall be prepared by Bond Counsel, Dilworth Paxson LLP, which represents the Township at the Township's

expense. This Proposal Addendum is subject to approval of the documentation by the Bank and its independent Bank counsel, Cozen O'Connor, in the Bank's reasonable discretion, including, but not limited to, the form of Note resolution and form of Note.

BANK COUNSEL FEES:

Fees and costs of Bank's counsel will not exceed \$7,500.00 and will be paid by the Township at closing.

PAYING AGENT/REGISTRAR:

The Bank could serve as Paying Agent, at no additional cost, subject to the following provisions: a.) the Bank will have no other duties as Paying Agent other than paying itself; b.) the Bank will be permitted to resign as Paying Agent in the event the Bank is no longer the holder of the Note; c.) the Bank will not be required to present the Note; d.) the Bank will not be required to issue any special form of invoice or statement; and e.) the Bank will not enter into any Paying Agent Agreement. Notwithstanding the foregoing, the Bank will not serve in the capacity as sinking fund depository or establish a sinking fund.

FINANCIAL REPORTING:

Unless available electronically on a public website, the Township will be required to provide Bank with audited annual financial statements prepared by an independent Certified Public Accountant within 270 days of the close of its fiscal year.

ADDITIONAL REPORTING:

The Township shall provide the Bank, within 270 days after the close of each fiscal year, if not otherwise then disclosed by a Comprehensive Annual Financial Report or a Continuing Disclosure filing with EMMA (MSRB) the following information relating to the Township:

Ad Valorem tax collection rate,

Listing of the top ten taxpayers,

Statement of Direct and Overlapping Debt.

MISCELLANEOUS:

This proposal must be accepted on or before 4 pm EDT on June 15, 2020 with funding and closing to occur on or before July 25, 2020 but in no event later than 45 days after the receipt of the signed term sheet, unless the 45th day is a weekend in which case it will default to the previous weekday. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate. *The interest rate will remain indicative until signed acceptance has been received by the Bank.*

Any change (whether material or not) in the aggregate amount to be financed, weighted average life, or a material change in the financial condition or prospects of the Township may constitute a re-pricing event and Bank may, at its option and in

its sole discretion, terminate this Proposal and/or the Interest Rate may be adjusted.

MUNICIPAL DISCLOSURE:

The Township acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Township and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Township, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Township with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Township on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the Township, and (vi) the Township has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

WEBSITE DISCLOSURE:

As a best practice to maintain transparency, final Note documentation may be posted by the Township on a national public market repository provided that certain information be redacted by the Township as directed by the Bank. Items that should be redacted include signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

Submitted by:

JPMORGAN CHASE BANK, NA



Peter H Cunningham, Vice President
Mail Code PA1-2032
1650 Market St
Philadelphia PA 19103-7301
(215) 640-3658 office
(201) 562-7071 mobile
peter.cunningham@chase.com
cc: jmills@cozen.com

[Signature Page Follows]

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.

ACCEPTED BY: (for the) Township of New Britain, Bucks County, Pennsylvania

Rate Option: B

By: William B. Jones III

Name: William B. Jones III

Title: Chairman

Date: 6/15/20

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

EXHIBIT C
To Ordinance of the
Township of New Britain, Bucks County, Pennsylvania
Enacted June 22, 2020

Maturity Schedule

<u>Date</u>	<u>Principal</u>	<u>Rate</u>
8/15/2020	\$193,000	1.240%
2/15/2021	288,000	1.240
2/15/2022	292,000	1.240
2/15/2023	297,000	1.240
2/15/2024	327,000	1.240
2/15/2025	332,000	1.240
2/15/2026	335,000	1.240
2/15/2027	340,000	1.240
2/15/2028	344,000	1.240
2/15/2029	350,000	1.240
2/15/2030	355,000	1.240
2/15/2031	360,000	1.240
2/15/2032	365,000	1.240
TOTALS	\$4,178,000	

Redemption Provisions

The Note is subject to redemption prior to maturity, at the option of the Township, in whole or in part at any time or from time to time on and after February 15, 2026 by payment of the principal amount selected for redemption, plus accrued interest to the date fixed for redemption, without premium or penalty.

EXHIBIT D
To Ordinance of the
Township of New Britain, Bucks County, Pennsylvania
Enacted June 22, 2020

Annual Amounts Appropriated to Sinking Fund

<u>Year</u>	<u>Amount</u>
2020	\$196,022.09
2021	335,628.40
2022	336,032.40
2023	337,380.60
2024	363,511.80
2025	364,426.00
2026	363,290.60
2027	364,105.60
2028	363,864.80
2029	365,562.00
2030	366,191.00
2031	366,758.00
2032	367,263.00

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

Name of Bank

Phone and Fax Numbers

Authorized Officer

Date

Name:

Title:

Approved by:

Township of New Britain

(Vice) Chairman of Board of Supervisors

Date



ADDENDUM TO
FORM OF LOAN PROPOSAL FOR THE TOWNSHIP OF NEW BRITAIN,
BUCKS COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE SERIES OF 2020
June 15, 2020

FORM OF NOTE:

The Bank will require a single term Note with sinking fund payments equivalent to the Estimated Principal Amortization Schedule in the Term Sheet - Request for Proposals dated May 19, 2020. The Bank shall not require the Note to be rated by any rating agency. The Bank (a) is a bank, an entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Note to maturity or earlier prepayment or mandatory tender. Presentation of the Note shall not be required until final maturity or upon earlier prepayment.

PAR AMOUNT:

Not to exceed \$4,178,000, fully funded at closing.

FINANCING TERM:

Thirteen (13) principal payments, with a final maturity of February 15, 2032.

INTEREST RATE:

The interest rates below are indicative, based upon market conditions as of June 8, 2020. The actual rate of interest borne by the Note will be fixed upon receipt of signed acceptance. Prior to acceptance, the interest rate may increase if the Bank's cost of funds increases. Bank's cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on the basis of a 360-day year of twelve 30-day months.

Option (A) 1.16% indicative, fixed rate, bank qualified tax-exempt, no optional prepayment

Option (B) 1.24% indicative, fixed rate, bank qualified tax-exempt, optional prepayment in whole, at par plus accrued interest without penalty, on or after February 15, 2026.

REPAYMENT TERMS:

Payments of principal commencing on August 15, 2020, and thereafter on February 15 of each year commencing February 15, 2021, and ending February 15, 2032, plus semi-annual payments of accrued interest on each February 15 and August 15 commencing August 15, 2020.

8/15/2020	\$193,000	2/15/2027	\$340,000
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2/15/2023	297,000	2/15/2030	355,000
2/15/2024	327,000	2/15/2031	360,000
2/15/2025	332,000	2/15/2032	365,000
2/15/2026	335,000		

BANK QUALIFIED:

The Note will be designated as a “bank qualified” tax-exempt obligation under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

LEGAL OPINION:

Purchase of the Note will be subject to the satisfactory opinion of Bond Counsel addressed to the Bank, to the effect that: (1) the Note is a legal, valid, binding and enforceable general obligation of the Township; (2) the Note is payable from general revenues of the Township currently including ad valorem taxes which may be levied on all property taxable for Township purposes within the Township without limitation as to rate or amount; (3) interest on the Note is excluded from gross income for purposes of federal income taxation and that interest on the Note is also not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of the federal alternative minimum tax; (4) the Note is a qualified tax-exempt obligation under Section 265(b)(3) of the Code; and (5) the interest on the Note is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

USE OF PROCEEDS:

The proceeds of the Note will be used to refund on a current refunding basis the Township’s i) Series of 2005 Del Val Loan, currently outstanding in the amount of \$657,000; ii) Series of 2006 Del Val Loan, currently outstanding in the amount of \$300,000; iii) Series of 2017 Note, currently outstanding in the amount of \$2,825,000; iv) project costs and v) pay the cost associated with issuing the Note.

SECURITY:

The Note will be a general obligation of the Township, payable from its tax and other general revenues. The Township will covenant in a debt authorizing ordinance that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Note for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its revenues or funds, the principal of the Note and the interest thereon at the dates and place and in the manner stated in the Note, and for such budgeting, appropriation and payment the Township will irrevocably pledge its full faith, credit and available taxing power.

DOCUMENTATION:

Documentation shall be prepared by Bond Counsel, Dilworth Paxson LLP, which represents the Township at the Township’s

expense. This Proposal Addendum is subject to approval of the documentation by the Bank and its independent Bank counsel, Cozen O'Connor, in the Bank's reasonable discretion, including, but not limited to, the form of Note resolution and form of Note.

BANK COUNSEL FEES:

Fees and costs of Bank's counsel will not exceed \$7,500.00 and will be paid by the Township at closing.

PAYING AGENT/REGISTRAR:

The Bank could serve as Paying Agent, at no additional cost, subject to the following provisions: a.) the Bank will have no other duties as Paying Agent other than paying itself; b.) the Bank will be permitted to resign as Paying Agent in the event the Bank is no longer the holder of the Note; c.) the Bank will not be required to present the Note; d.) the Bank will not be required to issue any special form of invoice or statement; and e.) the Bank will not enter into any Paying Agent Agreement. Notwithstanding the foregoing, the Bank will not serve in the capacity as sinking fund depository or establish a sinking fund.

FINANCIAL REPORTING:

Unless available electronically on a public website, the Township will be required to provide Bank with audited annual financial statements prepared by an independent Certified Public Accountant within 270 days of the close of its fiscal year.

ADDITIONAL REPORTING:

The Township shall provide the Bank, within 270 days after the close of each fiscal year, if not otherwise then disclosed by a Comprehensive Annual Financial Report or a Continuing Disclosure filing with EMMA (MSRB) the following information relating to the Township:

Ad Valorem tax collection rate,

Listing of the top ten taxpayers,

Statement of Direct and Overlapping Debt.

MISCELLANEOUS:

This proposal must be accepted on or before 4 pm EDT on June 15, 2020 with funding and closing to occur on or before July 25, 2020 but in no event later than 45 days after the receipt of the signed term sheet, unless the 45th day is a weekend in which case it will default to the previous weekday. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate. *The interest rate will remain indicative until signed acceptance has been received by the Bank.*

Any change (whether material or not) in the aggregate amount to be financed, weighted average life, or a material change in the financial condition or prospects of the Township may constitute a re-pricing event and Bank may, at its option and in

its sole discretion, terminate this Proposal and/or the Interest Rate may be adjusted.

MUNICIPAL DISCLOSURE:

The Township acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Township and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Township, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Township with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Township on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the Township, and (vi) the Township has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

WEBSITE DISCLOSURE:

As a best practice to maintain transparency, final Note documentation may be posted by the Township on a national public market repository provided that certain information be redacted by the Township as directed by the Bank. Items that should be redacted include signatures/names, account numbers, wire transfer and payment instructions and any other data that could be construed as sensitive information.

Submitted by:

JPMORGAN CHASE BANK, NA



Peter H Cunningham, Vice President
Mail Code PA1-2032
1650 Market St
Philadelphia PA 19103-7301
(215) 640-3658 office
(201) 562-7071 mobile
peter.cunningham@chase.com
cc: jmills@cozen.com

[Signature Page Follows]

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS TERM SHEET, BUT BEFORE CLOSING, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, BANK MAY MODIFY THE INDICATIVE PRICING DESCRIBED ABOVE.

ACCEPTED BY: (for the) Township of New Britain, Bucks County, Pennsylvania

Rate Option: B

By: William B. Jones III
Name: William B. Jones III
Title: Chairman
Date: 6/15/20

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

**TOWNSHIP OF NEW BRITAIN
COUNTY OF BUCKS
COMMONWEALTH OF PENNSYLVANIA**

**DEBT STATEMENT
(Pursuant to Section 8110 of the
Pennsylvania Local Government Unit Debt Act)
Dated as of June 15, 2020**

		<u>Electoral Debt</u>	<u>Non-Electoral Debt</u>	<u>Lease Rental Debt</u>
I.	GROSS INDEBTEDNESS			
A.	Bonds Outstanding (List and identify by year and issue)	N/A	N/A	N/A
	Total Bonds Outstanding		-0-	
B.	Notes Outstanding (List and identify by year and issue) ¹			
	2005 Del Val Note (GON-11907)		\$880,000	
	2006 Del Val Note (GON-12002)		\$300,000	
	2017 Note (GON-179092801)		\$2,825,000	
	Total Notes Outstanding		\$4,005,000	
	TOTAL INDEBTEDNESS		\$4,005,000	

¹ All of the outstanding 2006 Del Val Note and the 2017 Note and a portion of the 2005 Del Val Note will be refunded with the proceeds of the Series of 2020 General Obligation Note issued pursuant to these proceedings. A portion of the \$223,000 of the 2005 Del Val Note will remain outstanding.

**II. CREDITS AND EXCLUSIONS
PRESENTLY CLAIMED**

Less: (where applicable)

1. Sinking Funds, reserve accounts, bond Proceeds
2. Current Appropriations to pay principal
3. Uncollected Special Assessments
4. Delinquent Taxes and Liens
5. Surplus Cash
6. Solvent Debts Due
7. Indemnifying Insurance
8. Self-Liquidating or Subsidized Debt presently claimed

TOTAL INDEBTEDNESS	-0-	-0-	-0-
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III. AGGREGATE PRINCIPAL AMOUNT OF NEW BONDS OR NOTES BEING ISSUED OR EVIDENCING LEASE RENTAL DEBT	N/A	\$4,178,000	N/A
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IV. PRINCIPAL AMOUNT OF BONDS OR NOTES NO LONGER OUTSTANDING PURSUANT TO SECTION 8250(b) FOLLOWING SETTLEMENT OF NEW ISSUE (Refunding Issues Only)	N/A	\$3,800,000	N/A
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V. PRINCIPAL AMOUNT OF BONDS AND NOTES OUTSTANDING FOLLOWING SETTLEMENT OF NEW ISSUE	N/A	\$4,401,000	N/A
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VI. BORROWING BASE AS SHOWN ON APPENDED BORROWING BASE CERTIFICATE			\$9,108,332
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VII. APPLICABLE DEBT LIMITS

A.	Non-Electoral (250% of borrowing base; 300% for counties)	\$22,770,830
B.	Non-Electoral plus Lease Rental debt limited for school district borrowings (225% of borrowing base)	
C.	Non-Electoral plus Lease Rental (350% of borrowing base; 400% for counties)	\$31,879,162

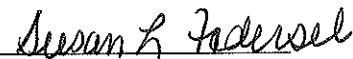
(Remainder of Page Intentionally Left Blank)

The undersigned authorized officers of the Local Government Unit, being duly sworn according to law, do hereby verify that the foregoing Debt Statement is a full and accurate statement of the debt of the Local Government Unit as of the date thereof, prepared in accordance with the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended.

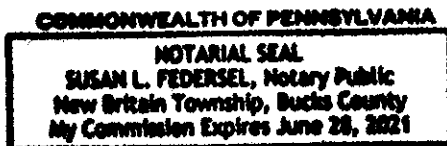

Chairman


Secretary

Sworn to and subscribed
before this 22nd day of
June, 2020.


Notary Public

My Commission Expires



BORROWING BASE CERTIFICATE

(Pursuant to Section 8002 of the
Pennsylvania Local Government Unit Debt Act,
53 Pa. Cons. Stat. §8001 *et seq.*, as amended)

Local Government Unit: Township of New Britain
County: Bucks
Post Office Address: 207 Park Avenue, Chalfont, Pennsylvania
Prepared as of: June 15, 2020

	<u>Township Fiscal Year</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Adjusted Revenues and Financing Sources	\$9,527,887	\$7,737,161	\$10,059,948
 TOTAL ADJUSTED REVENUES FOR THREE YEARS			\$27,324,996
 BORROWING BASE (Total Adjusted Revenues divided by 3)			\$9,108,332
 GROSS BORROWING CAPACITY			
 Non-Electoral Debt Limit (250% of Borrowing Base)			\$22,770,830
 Non-Electoral Debt Limit and Lease Rental Debt Limit (350% of Borrowing Base)			\$31,879,162

The undersigned authorized officials of the Township of New Britain, Bucks County, Pennsylvania (the "Local Government Unit") do hereby verify the foregoing Borrowing Base Certificate as a full and accurate statement of the borrowing base of the Local Government Unit as of the date hereof prepared in accordance with the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended.

By: William B. Jones III
Chairman, Board of Supervisors

By: [Signature]
Secretary

Sworn to and subscribed
before this 22nd day of
June, 2020.

Susan L. Federsel
Notary Public

My Commission Expires

