

TOWNSHIP OF UPPER MORELAND
Montgomery County, Pennsylvania

ORDINANCE

AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE TOWNSHIP OF UPPER MORELAND BY THE ISSUANCE OF \$[_____] GENERAL OBLIGATION BONDS, SERIES OF 2022, FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS FINANCING VARIOUS CAPITAL PROJECTS; AUTHORIZING THE PREPARATION AND FILING OF A DEBT STATEMENT AND OTHER DOCUMENTATION; COVENANTING TO CREATE A SINKING FUND AND TO BUDGET, APPROPRIATE AND PAY DEBT SERVICE ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP FOR THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF BOND; SETTING FORTH THE STATED PRINCIPAL MATURITY AMOUNTS AND DATES, INTEREST RATES AND INTEREST PAYMENT DATES, PLACE OF PAYMENT, SINKING FUND PROVISIONS AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION OF A SUPPLEMENT TO AN EXISTING CONTINUING DISCLOSURE AGREEMENT; FINDING THAT A PRIVATE INVITED COMPETITIVE SALE OF THE BONDS IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP AND ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Township of Upper Moreland (the "Township") is granted the power by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat § 8001 *et seq.*, as amended (the "Act"), to incur indebtedness and to issue bonds for the purposes of funding capital projects; and

WHEREAS, the Township has determined to finance a capital improvement program consisting of (i) the acquisition of land with a structure thereon and the demolition of said structure; (ii) the possible purchase of certain other property and equipment; and (iii) various capital improvements of the Township (collectively, the "Projects"); and

WHEREAS, the Township now proposes to issue \$[_____] aggregate principal amount of its General Obligation Bonds, Series of 2022 (the "Bonds") to provide funds for the Projects and pay the costs and expenses of issuing [and insuring all or a portion of] the Bonds; and

WHEREAS, the Township has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania, as financial advisor in connection with the issuance of the Bonds (the "Financial Advisor"); and

WHEREAS, pursuant to an Invitation to Bid for the Bonds (the "Invitation to Bid") prepared by the Financial Advisor, the Township competitively solicited and received, via auction bidding on-line, bids for the Bonds, the results of which are summarized in the report of the Financial Advisor presented at this meeting; and

WHEREAS, upon the advice of its Financial Advisor, the Township has determined that the proposal for the purchase of the Bonds received from [_____], [_____], [_____], offers the lowest net interest cost to the Township, and the Board of Commissioners now desires to authorize the issuance of the Bonds for the purpose of financing the costs of the Projects and paying the costs and expenses of issuing [and insuring all or a portion of] the Bonds and to accept the proposal of such firm for the purchase of the Bonds.

NOW, THEREFORE, BE IT ENACTED by the Board of Commissioners of the Township of Upper Moreland and IT IS HEREBY ENACTED, as follows:

Section 1. Authorization of the Projects and Incurrence of Indebtedness and Statement of Estimated Useful Lives of the Projects. The Township hereby authorizes and shall undertake the Projects as described in the preambles to this Ordinance. The Township shall incur indebtedness pursuant to the Act in the aggregate principal amount of \$[_____] to provide funds for the Projects and pay the costs and expenses of issuing [and insuring all or a portion of] the Bonds.

The estimated average useful lives of the Projects is not less than forty (40) years. It is hereby determined and stated that the Bonds are scheduled to mature in accordance with the limitations set forth in Section 8142 of the Act taking into account the estimated useful lives of the Projects.

The Township has obtained realistic estimates of the costs of the Projects through bid or contract prices or professional cost estimates from persons qualified by experience to provide such estimates.

The Township hereby reserves the right to undertake the Projects in such order and at such time or times as it shall determine and to allocate a portion of the proceeds of the Bonds and other available moneys to the final costs of the Projects in such amounts and order of priority as it shall determine; but the proceeds of the Bonds shall be used solely to pay "costs", as defined in the Act, of the Projects or, upon appropriate amendments to this Ordinance, to pay the costs of other capital projects for which the Township is authorized to incur indebtedness.

Section 2. Authorization of Issuance of Bonds. The Township shall issue, pursuant to the Act and this Ordinance, \$[_____] aggregate principal amount of its General Obligation Bonds, Series of 2022 to provide funds for and toward the costs of the Projects and to

pay the costs of issuing [and insuring all or a portion of] the Bonds as provided in Section 1 hereof.

Section 3. Type of Indebtedness. The indebtedness authorized by this Ordinance is nonelectoral debt.

Section 4. Execution of Debt Statement, Bonds and Other Documents. The President or Vice President of the Board of Commissioners and the Secretary or Treasurer or any Assistant or Acting Secretary or Treasurer of the Township and their successors are hereby authorized and directed to file the debt statement required by Section 8110 of the Act, to execute and deliver the Bonds in the name and on behalf of the Township and to take all other action required by the Act or this Ordinance in connection with the issuance of the Bonds. Said officers or any of them are further authorized to apply to the Department of Community and Economic Development for approval of the debt herein authorized and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, a Debt Statement, a Borrowing Base Certificate signed by the appropriate officials of the Township or by the accountants of the Township responsible for auditing its financial affairs, and to take any and all such further action and to execute and deliver such other documents as may be necessary or proper to comply with all requirements of the Act or to carry out the intent and purpose of this Ordinance. Said officers and their successors are further hereby authorized if, in their opinion, it is advisable to do so, to prepare and file such statements and documents as may be required by Section 8024 of the Act in order to qualify all or any portion of the existing indebtedness of the Township or of the above authorized indebtedness as subsidized debt.

Section 5. Type of Bonds. The Bonds when issued will be general obligation bonds.

Section 6. Covenant to Pay Debt Service - Pledge of Taxing Power. The Township hereby covenants with the registered owners of the Bonds outstanding pursuant to this Ordinance as follows: that the Township will include in its budget for each fiscal year during the life of the Bonds, the amount of the debt service on the Bonds issued hereunder which will be payable in each such fiscal year so long as any of the Bonds shall remain outstanding; that the Township shall appropriate from its general revenues such amounts to the payment of such debt service; that the Township shall duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof; and for such budgeting, appropriation and payment the Township hereby pledges its full faith, credit and taxing power. The covenant contained in this Section 6 shall be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenant are those set forth in **Exhibit A** attached hereto and made a part hereof which are hereby incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant.

Section 7. Form of Bonds. The Bonds shall be substantially in the following form with appropriate omissions, insertions and variations:

(FORM OF BOND)

No. R-

\$ _____

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF UPPER MORELAND
Montgomery County, Pennsylvania

GENERAL OBLIGATION BOND,
SERIES OF 2022

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
	September 1, ____	April 7, 2022	

REGISTERED OWNER: **CEDE & CO.**

PRINCIPAL SUM: \$ **DOLLARS**

The Township of Upper Moreland, Montgomery County, Pennsylvania (the "Township"), for value received, hereby promises to pay to the registered owner hereof on the maturity date set forth above the principal sum set forth above, and to pay interest thereon from April 7, 2022 or the most recent Interest Payment Date to which interest has been paid or duly provided for, initially on September 1, 2022 and semiannually thereafter on March 1 and September 1 of each year (each, an "Interest Payment Date"), at the annual rate specified above, calculated on the basis of a 360-day year of twelve 30-day months until the principal sum is paid or has been provided for. The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust office of U.S. Bank Trust Company, National Association (the "Paying Agent") in Philadelphia, Pennsylvania. Interest on this Bond will be paid on each Interest Payment Date by check mailed to the person in whose name this Bond is registered on the registration books of the Township maintained by the Paying Agent, as registrar, at the address appearing thereon at the close of business on the fifteenth (15th) day (whether or not a day on which the paying agent is open for business) next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the Regular Record Date, and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "Special Record Date") for the payment of such

defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever monies become available for payment of the defaulted interest, and notice of the Special Record Date and of the payment date for such interest shall be given to registered owners of the Bonds not less than fifteen (15) days prior to the Special Record Date. The principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of General Obligation Bonds, Series of 2022, of the Township in the aggregate principal amount of \$[_____] (the "Bonds"). The Bonds are issued in fully registered book-entry only form in the denomination of \$5,000 or any integral multiple thereof, all of like date and tenor, except as to dates of maturity, rates of interest and provisions for redemption, and all issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa. Cons. Stat. § *et seq.*, as amended (the "Act"), and pursuant to an ordinance of the Township Board of Commissioners duly enacted on March 7, 2022 (the "Ordinance"). The Bonds are issued for the purpose of financing capital projects and paying the costs of issuing [and insuring all or a portion of] the Bonds.

Under the laws of the Commonwealth of Pennsylvania, the interest on this Bond shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or to any other taxes not levied or assessed directly on this Bond or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of this Bond are subject to state and local taxation.

The Bonds maturing on and after September 1, [2028] are subject to redemption prior to maturity at the option of the Township as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the Township, on September 1, [2027] or any date thereafter, upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire year's maturity of Bonds are to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

The Bonds stated to mature on September 1, 20[_____] (the "Term Bonds") are subject to mandatory redemption prior to their stated maturity by lot by the Township from moneys to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of principal amount together with accrued interest to the date fixed for redemption. The Township hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem Term Bonds at said price from moneys deposited in the Sinking Fund sufficient to effect such redemption (to the extent that Term Bonds of the maturity currently required to be redeemed shall not have been previously purchased from said moneys by the Township as permitted under the Ordinance) on September 1 of the years, from the maturities and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all Term Bonds of the maturity currently required to be redeemed which shall then be outstanding):

Mandatory Redemption Schedule

Redemption Date <u>(September 1)</u>	Maturity From Which Selected	Principal Amount to be Redeemed or Purchased
		\$

*Stated Maturity.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption and upon deposit with the Paying Agent of funds sufficient for payment of the principal and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than twenty (20) nor more than forty-five (45) days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Paying Agent. Such notice shall also be sent to The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") site. Such notice shall be given in the name of the Township, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust payment office of the Paying Agent and that from the date of redemption interest will cease to accrue. The Paying Agent shall use CUSIP numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed R- printed on the Bonds. Failure to mail any notice of redemption, or any defect

therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for the redemption of other Bonds so called for redemption.

With respect to any optional redemption of Bonds, if at the time of mailing such notice of redemption, the Township shall not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such monies are so deposited.

The Bonds are transferable by the registered owners thereof, subject to payment of any required tax, fee or other governmental charge, upon presentation and surrender thereof at the designated corporate trust office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent. The Paying Agent shall not be required: (i) to issue, transfer or exchange any of the Bonds during a period beginning at the close of business on the fifth (5th) day next preceding the day of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given; or (ii) to transfer or exchange any Bond selected for redemption in whole or in part.

The Township and the Paying Agent may treat the person in whose name this Bond is registered on the Bond register maintained by the Paying Agent as the absolute owner of this Bond for all purposes and neither the Township nor the Paying Agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon, against any member of the Board of Commissioners, 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 execution and issuance of this Bond.

Whenever the due date for payment of interest on or principal of this Bond shall be a Saturday, Sunday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized or directed by law or executive order to close (a "Holiday"), then the payment of such interest or principal need not be made on such date, but may be made on the succeeding day which is not a Holiday, with the same force and effect as if made on the due date for payment of principal or interest.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Township to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, 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 of Pennsylvania; that the

Township has established a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

This Bond shall not be entitled to any benefit under the within mentioned Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Paying Agent by execution of the certificate endorsed hereon.

IN WITNESS WHEREOF, Township of Upper Moreland, Montgomery County, Pennsylvania, has caused this Bond to be signed in its name and on its behalf by the signature of the President of its Board of Commissioners and its corporate seal to be hereunto impressed and duly attested by the signature of the Township Secretary.

TOWNSHIP OF UPPER MORELAND

(SEAL)

By: _____
President, Board of Commissioners

Attest: _____
Secretary

AUTHENTICATION CERTIFICATE

This Bond is one of the Township of Upper Moreland General Obligation Bonds, Series of 2022, described in the within mentioned Ordinance.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
Paying Agent

[STATEMENT OF INSURANCE]

[TO BE INSERTED IF INSURANCE IS PURCHASED]

ASSIGNMENT AND TRANSFER

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

PLEASE INSERT SOCIAL SECURITY OR EMPLOYER
IDENTIFICATION NUMBER OF ASSIGNEE

/ _____ /

_____ the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to
transfer said Bond on the books of the within named Paying Agent, 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 Bond in every
particular, without alteration or enlargement
or any change whatever.

(Authorized Signature)

[END OF BOND FORM]

Section 8. Terms of Bonds. The Bonds shall be issued in fully registered book-entry only form, in the denomination of \$5,000 or any integral multiple thereof, shall be dated April 7, 2022, shall be issued in the aggregate principal amount of \$[____], shall bear interest from April 7, 2022, payable initially on September 1, 2022 and semiannually thereafter on March 1 and September 1 of each year at the rates and shall mature on September 1 of the years as set forth in the Bond Amortization Schedule attached hereto as **Exhibit A** and made a part hereof.

The principal of the Bonds shall be payable in lawful money of the United States of America at the corporate trust office of U.S. Bank Trust Company, National Association, in Philadelphia, Pennsylvania, which is hereby appointed paying agent and registrar for the Bonds and the sinking fund depository. Interest on the Bonds shall be payable in the manner provided in the Form of Bond set forth herein.

Section 9. Redemption of Bonds. The Bonds maturing on and after September 1, [2028] shall be subject to redemption prior to maturity, at the option of the Township, as a whole or in part from time to time, in any order of maturity or portion of a maturity as selected by the Township, on September 1, [2027] or any date thereafter upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire year's maturity of Bonds are to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

The Bonds stated to mature on September 1, 20[____] (the "Term Bonds") are subject to mandatory redemption prior to their stated maturity by lot by the Township from moneys to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of principal amount together with accrued interest to the date fixed for redemption. The Township hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem Term Bonds at said price from moneys deposited in the Sinking Fund sufficient to effect such redemption (to the extent that Term Bonds of the maturity currently required to be redeemed shall not have been previously purchased from said moneys by the Township as permitted under the Ordinance) on September 1 of the years, from the maturities and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all Term Bonds of the maturity currently required to be redeemed which shall then be outstanding):

Mandatory Redemption Schedule

<u>Redemption Date</u> <u>(September 1)</u>	<u>Maturity From</u> <u>Which Selected</u>	<u>Principal Amount to be</u> <u>Redeemed or Purchased</u>	\$

*Stated Maturity.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the designated corporate trust office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security hereunder, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than twenty (20) nor more than forty-five (45) days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Paying Agent. Such notice shall also be sent to The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") site. Such notice shall be given in the name of the Township, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust payment office of the Paying Agent and that from the date of redemption interest will cease to accrue. The Paying Agent shall use CUSIP numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed R- printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for the redemption of other Bonds so called for redemption.

Section 10. Appointment of Securities Depository. The Depository Trust Company, New York, New York ("DTC"), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system ("DTC Participants"). The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each Bond will be in the aggregate principal amount of such maturity as shown on **Exhibit A** attached hereto. The Township shall cause the Bonds to

be delivered to DTC or the Paying Agent, as custodian for DTC, for the benefit of the purchaser, on or before the date of issuance of the Bonds.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the "Beneficial Owner") will not receive certificated Bonds and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the Township nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The Township is authorized to execute such documents as may be necessary or desirable in connection with DTC's services as securities depository.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Township and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Township officials then holding the offices set forth in Section 19 of this Ordinance are hereby authorized to designate a successor securities depository or to deliver certificates to the Beneficial Owners of the Bonds.

The Township shall give notice or cause the Paying Agent to give notice, to DTC in accordance with the Blanket Letter of Representations for the redemption or other retirement of all of the Bonds. The Township will provide for the form of notice. Upon receipt of such notice, DTC will forward the notice to the DTC Participants for subsequent forwarding of such notice to the Beneficial Owners of the Bonds. The Township will pay the customary charges for such mailing.

Section 11. Sale of Bonds. The Bonds shall be sold competitively at an invited private sale as hereinafter set forth in Section 14. After due consideration, the Board of Commissioners hereby finds and determines, on the basis of the advice and recommendations of its Financial Advisor and all available information, that such an invited private sale of the Bonds is in the best financial interest of the Township. The form and use of various materials utilized in connection with such private sale, including the Invitation to Bid, are hereby approved and ratified.

Section 12. Creation of and Deposits in Sinking Fund. The Township covenants that there shall be and there is hereby established and that it shall hereafter maintain a sinking fund (the "Sinking Fund") designated as the "Sinking Fund – General Obligation Bonds, Series of 2022" for the Bonds to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the Township, but subject to withdrawal only by the Paying Agent.

The Township covenants and agrees to deposit in the Sinking Fund not later than March 1 and September 1 of each year beginning September 1, 2022 the debt service payable on the Bonds on such dates, all as set forth in **Exhibit A** attached hereto, or such greater or lesser amount as at the time shall be sufficient to pay principal of and interest on the Bonds becoming due on each such date.

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

The Paying Agent is hereby authorized and directed, without further action by the Township, to pay from the Sinking Fund the principal of and interest on the Bonds as the same shall become due and payable in accordance with the terms hereof, and the Township hereby covenants that such monies, to the extent required, will be applied to such purposes.

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

Section 13. No Taxes Assumed. The Township shall not assume the payment of any tax or taxes in consideration of the purchase of the Bonds.

Section 14. Award and Sale of Bonds. The Township hereby awards and sells the Bonds to [____], [____], [____], (the "Underwriter"), at a price of \$[____] (representing the face amount of the Bonds [plus/minus [net] original issue premium/discount] of \$[____], less the underwriter's discount of \$[____])) plus accrued interest, if any, from April 7, 2022 to the date of delivery and in accordance with the terms and conditions contained or incorporated in the proposal of the Underwriter dated March 7, 2022, which is hereby approved and accepted. A copy of said proposal, the Invitation to Bid and the Financial Advisor's report on the sale of the Bonds shall be attached to this Ordinance and lodged with the official minutes of this meeting and hereby incorporated herein by reference. The proper officers of the Township are hereby authorized and directed to endorse the acceptance of the Township on said proposal and to deliver copies thereof to the Underwriter. Delivery of the accepted proposal to the Underwriter shall constitute conclusive evidence that the award and sale of the Bonds under this Ordinance have become final.

Section 15. Contract with Paying Agent. The proper officers of the Township are authorized to contract with U.S. Bank Trust Company, National Association, Philadelphia, Pennsylvania, in connection with the performance of its duties as the Paying Agent and Sinking

Fund Depository on usual and customary terms, including an agreement to observe and comply with the provisions of this Ordinance and of the Act.

Section 16. Federal Tax Covenants. The Township hereby covenants not to take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated with respect thereto throughout the term of the Bonds. The Township further covenants that it will make no investments or other use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code. The Township further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

The Township hereby represents and warrants, after due investigation and to the best of its knowledge, that (i) the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code and (ii) the aggregate face amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code (which includes qualified 501(c)(3) bonds but not any other private activity bonds) issued or to be issued by the Township (and all "subordinate entities" thereof) during the 2022 calendar year, including the Bonds, is not reasonably expected to exceed \$10,000,000. The Township hereby designates each of the Bonds as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code. The Township hereby authorizes the proper officers of the Township to execute a certificate to that effect at the time of the closing.

Based on consultations with its design and construction professionals for the Projects, the Township reasonably expects that (a) the Township will enter into binding obligations to spend at least 5% of the proceeds of the Bonds on one or more of the Projects within six months of the date of issuance of the Bonds, (b) the Township will proceed with due diligence to complete the Projects, and (c) at least 85% of the proceeds of the Bonds will be expended on the Projects within three years of the date of issuance of the Bonds.

Section 17. Execution and Authentication of Bonds. As provided in Section 4, the Bonds shall be executed by the President or Vice President of the Board of Commissioners of the Township and the Secretary or any Assistant or Acting Secretary of the Township and each such execution may be by manual signature. If any officer whose signature appears on the Bonds shall cease to hold such office before the actual delivery date of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the Bonds. The Bonds shall be authenticated by the manual signature of the Paying Agent.

Section 18. Application of Bond Proceeds. The purchase price for the Bonds and any accrued interest payable by the Underwriter shall be paid to the Paying Agent on behalf of the Township. Upon receipt of the purchase price for the Bonds, including interest thereon

accrued to the date of delivery, if any, the Paying Agent shall deposit the same in a settlement account. From the settlement account, the Paying Agent shall pay, or establish reserves for payment of, the costs and expenses of the financing in the amounts substantially as set forth in the report of the Financial Advisor, which are hereby approved, and the proper officers of the Township are authorized to direct the Paying Agent to pay the issuance costs on behalf of the Township as set forth in written directions to the Paying Agent.

The Township hereby approves the establishment of a segregated account for the proceeds attributable to the costs of the Projects and such proceeds shall be deposited in such account pending disbursement to pay the costs of the Projects as set forth in instructions from the Township to the Paying Agent. The moneys in such account will be invested in accordance with Section 8224 of the Act.

Any reserves in the above-described account shall be disbursed from time to time by the Paying Agent pursuant to written instructions from the President or Vice President of the Township Board of Commissioners and any balance ultimately remaining in any such reserve shall, upon written instructions of the President or Vice President of the Township Board of Commissioners, be deposited in the general fund of the Township.

Section 19. Officers Authorized to Act. For the purpose of expediting the closing and the issuance and delivery of the Bonds, or in the event that the President or the Secretary of the Township shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or either of them may be authorized to take pursuant to this Ordinance, the Vice President or the Treasurer or any Assistant or Acting Secretary or Treasurer of the Township, respectively, are hereby authorized and directed to execute documents, or otherwise to act on behalf of the Township in their stead.

Section 20. Approval of Official Statement. The Preliminary Official Statement for the Bonds, in the form presented to this meeting, is hereby approved and "deemed final" by the Township as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12. A final Official Statement to be dated March 7, 2022, substantially in the form of the Preliminary Official Statement presented to this meeting and also containing the final terms of the Bonds, shall be prepared and delivered to the Underwriter within seven (7) business days from the date hereof, and the Township hereby approves the use thereof in connection with the public offering and sale of the Bonds.

Section 21. Continuing Disclosure. The Township hereby authorizes and directs the appropriate officers to execute and deliver a supplement to an existing Continuing Disclosure Agreement in order to satisfy the requirements of Rule 15c2-12 (collectively, the "Continuing Disclosure Agreement"). Notwithstanding any other provision of this Ordinance, failure of the Township to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Paying Agent, any Participating Underwriter (as defined in the Continuing Disclosure Agreement), or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Township to comply with its obligations under this Section.

Section 22. Bond Insurance. If deemed financially advantageous to the Township, the officers of the Township are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on all or a portion of the Bonds, to pay the premium for such policy from the proceeds of the Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the Bonds issued under this Ordinance may include a statement of the terms of such insurance policy and the Authentication Certificate of the Paying Agent appearing on each insured Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Paying Agent.

Section 23. Further Action. The proper officers of the Township are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the Township. The proper officers of the Township are hereby specifically authorized to make all necessary submissions to the various Departments of the Commonwealth of Pennsylvania or the County of Montgomery in order to obtain the maximum state reimbursements, if any, in connection with the Projects being financed with the proceeds of the Bonds.

Section 24. Act Applicable to Bonds. This Ordinance is enacted pursuant to, and the Bonds issued hereunder shall be subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.

Section 25. Contract with Bondholders. This Ordinance constitutes a contract with the registered owners of the Bonds from time to time outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

Section 26. Severability. In case any one or more of the provisions contained in this Ordinance or in any Bond issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said Bonds and this Ordinance or said Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

Section 27. Repealer. All ordinances and parts of ordinances heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

Section 28. Effective Date. This Ordinance shall take effect on the earliest date permitted by the Act.

ENACTED AND ORDAINED this 7th day of March, 2022.

(TOWNSHIP SEAL)

ATTEST:

BOARD OF COMMISSIONERS
TOWNSHIP OF UPPER MORELAND

Secretary of
Township Board of Commissioners

President of Township
Board of Commissioners

EXHIBIT A
TOWNSHIP OF UPPER MORELAND
MONTGOMERY COUNTY, PENNSYLVANIA
\$[_____] GENERAL OBLIGATION BONDS, SERIES OF 2022

BOND AMORTIZATION SCHEDULE

CERTIFICATE OF SECRETARY

The undersigned, Secretary of the Board of Commissioners of the Township of Upper Moreland, HEREBY CERTIFIES that:

The foregoing Ordinance authorizing the issuance of General Obligation Bonds, Series of 2022 of the Township was duly moved and seconded and enacted by a majority vote of all the Board of Commissioners of said Township at a duly called and convened public meeting of said Board held on March 7, 2022; that public notice of said meeting was given as required by law; and that the roll of the Township Board of Commissioners was called and such members voted or were absent as follows:

<u>Name</u>	<u>Vote</u>
Clifton McFatridge, President	
Cheryl Lockard, Vice President	
Anthony S. Prousi	
Nicholas O. Scull	
Kevin C. Spearling	
Charles M. Whiting	
R. Samuel Valenza	

and that such Ordinance and the votes thereon have been duly recorded in the minutes.

WITNESS my hand and seal of the Township this 7th day of March, 2022.

(TOWNSHIP SEAL)

Secretary