

TOWNSHIP OF HALFMOON
CENTRE COUNTY
PENNSYLVANIA

RESOLUTION NO. 2019-12

A RESOLUTION AUTHORIZING THE INCURRING
OF NON-ELECTORAL DEBT EXECUTION AND
PRIVATE SALE OF A FEDERALLY TAXABLE
GENERAL OBLIGATION NOTE AND PLEDGING
THE TOWNSHIP'S FULL FAITH, CREDIT, AND
TAXING AUTHORITY AS SECURITY.

WHEREAS, the Township of Halfmoon, Centre County, Pennsylvania (the "Township") is a political subdivision of the Commonwealth of Pennsylvania, is governed by the Township Board of Supervisors (the "Governing Body") and is a "local government unit within the meaning of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. § 8001 *et seq.*, as Amended (the "Act"); and

WHEREAS, in the opinion of the Governing Body of the Township it is necessary to borrow money in order to fund a rehabilitation and revitalization project at Autumn Meadow Park (the "Project"); and

WHEREAS, the Governing Body of the Township, after due deliberation and investigation, and finding that a private negotiated sale is in the best financial interest of the Township, intends to award the Note via a private negotiated sale to Manufacturers Traders and Trust Company (the "Purchaser"), having offices in Altoona, Pennsylvania.

WHEREAS, the Township desires to approve a proposal (the "Proposal") from the Purchaser for the purchase of the Note.

NOW, THEREFORE, the BOARD OF SUPERVISORS of the TOWNSHIP OF HALFMOON hereby resolves as follows:

SECTION 1. PRINCIPAL AMOUNT. The maximum aggregate principal amount of the General Obligation Note of the Township proposed to be issued is Nine Hundred Seventy-Six Thousand Dollars (\$976,000.00), the same to be issued to complete the Project.

SECTION 2. PARAMETERS; TERM OF NOTE; INTEREST. The Township hereby establishes that the issuance of the Note authorized hereunder shall be subject to the Note satisfying the following parameters: (a) the Note shall not exceed Nine Hundred Seventy-Six Thousand

Dollars (\$976,000.00) in aggregate principal amount (net original issue discount); (b) the Note shall not mature later than _____, 2031; and (c) the Township shall be permitted to draw down principal amounts under the Note for the first two years after execution.

The Township hereby agrees to sell its Note to the Purchaser subject to the Purchaser satisfying the conditions and parameters set forth herein as shall be confirmed as set forth below. A copy of the Proposal shall be delivered to the Manager of this Township and shall be affixed to and shall become part of this Resolution. Upon a determining by the Township Administrator or the Mayor that the final Proposal submitted to the Township by the Purchaser meets the parameters set forth above, the Township Manager is hereby authorized and directed to approve the sale of the Note to the Purchaser in accordance with the terms therewith, and deliver a copy of the same to the Township Manager of the Township pursuant to the procedure set forth below.

The Note is substantially in the form set forth in Exhibit A hereto. The Note shall be in registered form, without coupon, and shall be numbered in such manner as may be satisfactory to the Township and the Purchaser. So long as the Note is held by the Purchaser and its participating banks, if any, the Note shall not require numbering as recommended by the Committee on Uniform Security Identification Procedures.

The Note shall be issued in the principal amount of \$976,000, shall be dated the date of its issuance, and shall bear interest from the date of the Note on the outstanding balance of principal. During the initial two year draw down period, the Township shall make monthly interest payments of all interest then in arrears. Upon the expiration of the two year draw down period, the Township shall make principal and interest payments monthly for a term of ten years in an amount necessary to fully amortize the loan over a ten year period.

During the initial two year draw down period, interest shall accrue on the outstanding principal amount at the prevailing Daily Libor Rate plus a margin of 2.00% adjusting daily. Upon the completion of the two year draw down period, the rate of interest will be fixed at an annual rate equal to the Purchaser's 10-year Cost of Funds Rate on the date of change plus 2.00%. Interest shall be calculated on a 30/365-day basis.

SECTION 3. SECURITY FOR GENERAL OBLIGATION NOTE. The taxes and other revenue to be received by the Township are hereby pledged as security for the tax anticipation Note authorized herein, and the Note holder is hereby granted a security interest in and a lien or charge on the taxes and other revenue to be received to the extent of the obligation.

SECTION 4. EXECUTION AND DELIVERY OF NOTE; DEBT STATEMENT AND BORROWING BASE CERTIFICATE. The said Note shall be substantially in the form attached to and made part of this Resolution as an exhibit, and shall be executed in the name and under the corporate seal of the Township by the President of the Governing Body and attested by the Manager of the Township. The Manager of the Township is hereby authorized and directed to deliver said Note to the purchaser on or after execution, and receive payment therefor on behalf of the Township. The Manager of the Township is authorized and directed to prepare, verify, and file a debt statement and borrowing base certificate by the Local Government Unit Debt Act of December 19, 1996, No. 177; as amended (the "Act"), and to file with the Pennsylvania Department of Community and Economic Development certified copies of this Resolution, and other such documents, all as required by the aforesaid Act. The Manager of the Township and the Chair of the Governing Body are further authorized to execute such other documents and to perform all other actions necessary and desirable for the valid issuance, sale, and delivery of the Note in accordance with the provisions of this Resolution. In compliance with Section 8161 of the Act and after due consideration, the Township hereby determines that a private sale by invitation is in the best financial interest of the Township.

SECTION 5. NOTE AWARDED The Note is hereby authorized to be issued and sold to the Purchaser as specified in Section 2 of this Resolution.

SECTION 6. SINKING FUND DEPOSITORY The Purchaser shall be appointed Paying Agent and Sinking Fund Depository with respect to the Note.

There is hereby established with the Sinking Fund Depository a sinking fund in the name of the Township to be known as Series of 2019 General Obligation Sinking Fund (the "Sinking Fund") into which the Township covenants to deposit, and into which the Treasurer or other proper officer is hereby authorized and directed to deposit, on or before the date of delivery and the date of maturity, respectively, adequate amounts as necessary to pay the obligations of the Note. The Paying Agent shall, without further authorization from the Township, withdraw from the Sinking Fund the amounts necessary to pay principal of, and interest on, the Note when due, to the holders of the same, but only upon surrender of the Note against which payment is to be made.

SECTION 7. INVESTMENT OF FUNDS Any monies in the Sinking Fund not required for prompt expenditure may, at the direction of the authorized officer of the Township, be

invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits, except that monies held in the Sinking Fund may be secured as trust funds. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such monies are required to be paid to holder of the Note.

SECTION 8. COVENANT FOR PAYMENT. The Note issued pursuant to this Resolution shall be a general obligation of the Township. The Township hereby covenants with the holder from time to time of the Note that if funds are not available for the full payment of the Note within the fiscal year in which issued, then the Township will either (1) include the amounts necessary to pay the Note in its budget for the next fiscal year, to the extent then permitted by applicable law, or (2) fund such amounts within the next fiscal year in accordance with Section 509 of the Debt Act, or (3) provide for payment of the Note by any combination of (1) and (2).

SECTION 9. TAXABLE NOTE. The Township hereby designates the borrowing authorized herein as a federally taxable issue.

SECTION 10. CONTRACT This Resolution shall be a contract with the owner, from time to time, of the Note.

SECTION 11. REPEAL All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

RESOLVED this 12th day of September 2019

TOWNSHIP OF HALF MOON

By: *Susan Steele*

Susan Steele, Manager

(TOWNSHIP SEAL)

APPROVED this 12th of September 2019.

Danille Del Corso
Danille Del Corso, Chair of the Board of Supervisors