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Upper Darby Township Special Meeting

January 8, 2014

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A special meeting of Upper Darby Township Council was held on Wednesday evening, January 8<sup>th</sup>, 2014 immediately following the regularly scheduled Committee Meeting in Room #202 of the Municipal Building, 100 Garrett Road, Upper Darby, Pennsylvania.

The meeting was called to order by Council President Donald P. Bonnett with the Pledge of Allegiance to the flag of the United States of America.

### **Roll Call**

Donald P. Bonnett, Thomas P. Wagner, John Rankin, Robert Gwin, Mary Ann Crawford, Marah Manners, Edward Monaghan, Sekela Coles, Jacob A. Bierling Jr, James Santora, Barbarann Keffer

### **Present at the Meeting**

Thomas N. Micozzie, Mayor  
Thomas J. Judge Jr., CAO  
Kelly Sullivan, Esq., Solicitor  
Marc Stein, Esq., Solicitor  
Richard G. Nolan, Chief Municipal Clerk

### **Public Forum**

Mr. Bonnett: This is the time set aside for the public to speak. When you hear your name come forward to the podium, and state your name and address for the records. Comments are limited to five minutes.

Alfred Aichert Jr., 7228 Radbourne Road  
Cost of Legal Notices

Colleen Kennedy, 2564 Bond Avenue  
Hate crimes against LGBT community

Their comments are stored on tape.

Mr. Rankin: That concludes the speakers for this evening.

Mr. Bonnett: Thank you, Mr. Rankin. At this time, I would like to read the Call of the Meeting.

**Call of the Meeting**

There will be a special meeting of the Upper Darby Township Council following the regularly scheduled Committee meeting on Wednesday, January 8, 2014 in Room 202 of the Upper Darby Township Municipal Building, 100 Garrett Road, Upper Darby, Pennsylvania. The purpose of the meeting is for Council to review and vote on a Resolution "authorizing the Administration to issue and participate in the sale of a Tax and Revenue Anticipation Note for the fiscal year ending December 31, 2014."

Mr. Bonnett: Before we move into the actual committee issue on this point, I would like to ask if the Honorable Thomas N. Micozzie, Mayor of Upper Darby Township has any business tonight.

**The Honorable Thomas N. Micozzie, Mayor**

Mayor Micozzie: I have nothing this evening.

Mr. Bonnett: OK, thank you. At this time we will proceed with the Committee Reports, Finance and Appropriations Committee, Mr. Wagner, please.

**Committee Reports****Finance and Appropriations Committee**

Thomas P. Wagner, Chairman

**Resolution No. 01-14, Resolution No. 01-14, a Resolution of Upper Darby Township, Delaware County, Pennsylvania authorizing the issuance and sale of a Tax and Revenue Anticipation Note of the Township in the fiscal year ending December 31, 2014; determining the principal amount of such note and the form and terms of such note; authorizing the award of such note; and making certain other determinations in connection therewith.**

Mr. Wagner: Thank you, Mr. President. Mr. Stein, will you please give us a brief on Resolution No. 01-14?

Mr. Stein: Thank you. Good evening everyone. The Resolution before you authorizes the issuance and sale of a Tax and Revenue Anticipation Note for the fiscal year ending on December 31, 2014 in the amount of \$4, 000,000.00. The note will not be pre-payable prior to its maturity date of April 15<sup>th</sup>, 2014. The principal amount of the note has been sized in accordance with both state law and federal tax laws so that it does not exceed the lesser of 85% of all of the taxes and other revenues that will come into the Township during the period while it's outstanding for the maximum anticipated cumulative cash flow deficit during that time

period. The purchase of the note will be by Wells Fargo Bank, pursuant to a purchase contract at a private negotiated sale and if you are following along in the Resolution, I am on page 3, Section 5 which authorizes the execution of the note by appropriate authorized officers. Section 6 discusses and sets forth the terms for the rate of interest which would bear a floating rate of interest which is based on one month libor plus 228 basis points. Moving on to Section 7 on page 4 sets forth what the collateral or the security for the note is which is a pledge in security interest and a lien on all the charge of taxes and revenues that come in during the time period that the note is outstanding and it authorizes the filing of appropriate forms to evidence the lien that will be granted to the purchaser of the note. Section 8 approves the form and provisions of the Note. The form of the note is attached to Exhibit "B" to the Resolution. Section 9 discusses the mechanics for the registration and transfer of the note should the purchaser of the note desire to do so. Section 10 authorizes the execution and authentication of the note. Sections 11 and 12 authorize the creation of a sinking fund where the revenues to be paid back to the bank will be deposited and names the bank as the sinking fund depository both of which are required by state law. Section 13 describes how any funds put into the sinking fund prior to the maturity date can be invested. Section 14 talks about and authorizes how the funds in the sinking fund will be applied to repay the principal and interest on the maturity date. Section 15 sets forth certain covenants required to maintain the taxes and status of the interest on the note and also designate the note as a qualified tax exempt obligation. Section 16 discusses and describes that the note will be a general obligation of the Township. Section 17 ratifies prior action that has been taken to get us to this meeting this evening. The items on page 8, Section 18 through Section 24 are operatively mechanical provisions that you usually would find in a borrowing Resolution or Ordinance of this type. If there are any questions regarding this Resolution, it would be my pleasure to answer them at this point along with your Solicitor. I can tell you that the issuance of a Tax and Revenue Anticipation Note by a municipality early in the fiscal year when your tax bills go out before the revenues come in is customary in Pennsylvania. Municipal entities do it in January and school districts do it in July when their fiscal year begins.

Mr. Wagner: Mr. Stein, as our Counsel, do you recommend this action?

Mr. Stein: Yes I do.

Mr. Wagner: Thank you. Does any member of the Finance and Appropriations Committee have any questions for Mr. Stein? Does any member of Council have any questions for Mr. Stein or of the Administration in general? Mr. Santora?

Mr. Santora: Just one question. It's a one month libor, so the most it can go up is twice during the year?

Mr. Stein: January and February. But, it could also go down.

Mr. Wagner: Mr. Stein, would it be fair to refer to this in plain English as our cash flow measure?

Mr. Stein: That's exactly what it is. That is absolutely correct.

Mr. Wagner: Any other questions from anyone?

Ms. Keffer: What is a sinking fund?

Mr. Stein: I can describe that. A sinking fund is a fund that state law requires that you create so that you can put your debt service repayment monies into it. In this instance, you would create a sinking fund with the bank and the money won't get deposited until the date of maturity which is April 15<sup>th</sup>.

Mr. Bonnett: And I gather from your earlier comment Marc that the money is invested when it is in the sinking fund?

Mr. Stein: Yes. We put that in so that in case for any reason the Township desires to pre-pay and have it invested during that time period. But, chances are that because the principal and interest are both due on the same date of April 15<sup>th</sup>, it will be deposited on that date and there will be no reinvestment. But, this gives you the opportunity to do so if you want to.

Mr. Wagner: Are there any other questions? Mr. Gwin?

Mr. Gwin: What is the interest that is owed on this money while it's in the sinking fund?

Mr. Stein: It would be whatever the reinvestment rate would be on the funds that are deposited for the time that they are deposited. Chances are reinvestment rates... anybody who follows the municipal and financial markets knows is very limited right now so chances are you would earn less than you were paying if you deposited it early.

Mr. Gwin: It wouldn't pay us to....

Mr. Stein: This is not an "arbitrage plan". This is cash flow financing.

Mr. Wagner: Again, perhaps on a note that you have already addressed. This action is typical of that taken by many municipalities and school districts in the Commonwealth. Is that right Sir?

Mr. Stein: Yes, that is correct.

Ms. Coles: So, we did this last year?

Mr. Stein: Yes, we did.

Mr. Judge: There was a ten year period where we had a fund balance that allowed us not to do a borrowing of this nature. I'm going to say in 2002 we borrowed. From 2002 to 2011 we didn't.

I may not be right on all those numbers but that's it. In 2013 and now 2014 we are borrowing because we do not have enough cash flow to pay our bills in the first three months of the year.

Mr. Wagner: Does anyone else have any questions? Seeing none, I thank you Mr. Stein. With that Mr. President, I hereby move for the adoption of Resolution No. 01-14.

Mr. Bonnett: Is there a second?

Mr. Monaghan: Seconded.

Mr. Bonnett: Moved and seconded. All those in favor, signify by saying aye. Opposed? The ayes have it. The Resolution passes.

Mr. Wagner: That completes our action from the Finance and Appropriations Committee.

Mr. Bonnett: A motion therefore would be in order for adjournment.

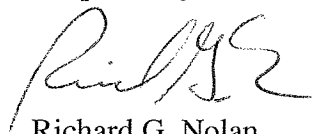
**Adjournment**

Mr. Wagner: So moved.

Ms. Coles: Seconded.

Mr. Bonnett: Moved and duly seconded. All those in favor signify by saying aye. Opposed? The ayes have it. This meeting stands adjourned.

Respectfully submitted,



Richard G. Nolan  
Chief Municipal Clerk

RGN/akc

**RESOLUTION No. 01-14 OF UPPER DARBY TOWNSHIP,  
DELAWARE COUNTY, PENNSYLVANIA  
AUTHORIZING THE ISSUANCE AND SALE OF A TAX AND REVENUE  
ANTICIPATION NOTE OF THE TOWNSHIP IN THE FISCAL YEAR ENDING  
DECEMBER 31, 2014; DETERMINING THE PRINCIPAL  
AMOUNT OF SUCH NOTE AND THE FORM AND TERMS OF SUCH NOTE;  
AUTHORIZING THE AWARD OF SUCH NOTE;  
AND MAKING CERTAIN OTHER DETERMINATIONS  
IN CONNECTION THEREWITH.**

**WHEREAS**, Upper Darby Township, Delaware County, Pennsylvania (“Township”), a home-rule municipality of the Commonwealth of Pennsylvania (“Commonwealth”), has the power and authority, pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (“Act”), to borrow money from time to time in any fiscal year in anticipation of the receipt by the Township in that fiscal year of current taxes and revenues, and to evidence such borrowing by the issuance and sale of tax and revenue anticipation notes; and

**WHEREAS**, the cash flow forecast with respect to budget requirements of the Township for fiscal year ending December 31, 2014 (“2014 Fiscal Year”) indicates that the Township will experience cash flow deficits during the 2014 Fiscal Year pending receipt of current taxes and other current revenues of the Township; and

**WHEREAS**, the Township has determined that, in light of the anticipated cash needs of the Township during the 2014 Fiscal Year, it is desirable for the Township to authorize a tax and revenue anticipation borrowing, the proceeds of which shall be applied to the funding of the Township’s cumulative cash flow deficits for the 2014 Fiscal Year; and

**WHEREAS**, the Township has determined to authorize, in accordance with the Act, in the 2014 Fiscal Year, the issuance and sale of a tax and revenue anticipation note evidencing such tax and revenue anticipation borrowing.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of Upper Darby Township, Delaware County, Pennsylvania, in lawful session duly assembled, as follows:

**Section 1. Authorization.** Authorization is hereby given for the issuance of a tax and revenue anticipation note of the Township in the 2014 Fiscal Year, designated as the “Tax

and Revenue Anticipation Note, Series of 2014", to be issued in one series in the principal amount of \$4,000,000 ("Note").

The Note is being authorized hereby and issued in the 2014 Fiscal Year for the purpose of funding the cumulative cash flow deficit of the Township forecasted to occur in the 2014 Fiscal Year.

**Section 2. Term of Note.** The Note shall be dated the date of delivery thereof and payment therefor, and shall be stated to mature on April 15, 2014, which date is within the fiscal year of the Township in which the Note is authorized and issued. The Note is not subject to optional redemption prior to its stated maturity.

**Section 3. Principal Amount of Note Within Statutory Limit.** It is hereby determined that the principal amount of the Note does not exceed the lesser of:

(i) Eighty-five percent (85%) of the sum of taxes levied for the 2014 Fiscal Year and other current revenues for such fiscal year to be received by the Township during the period when the Note shall be outstanding and which are pledged for payment of the Note, as estimated and certified by the Mayor of the Township ("Mayor") and attested by the Chief Municipal Clerk of the Township ("Chief Municipal Clerk") in accordance with the Act (said certified estimate being annexed hereto as Exhibit "A" and made a part hereof by this reference as though fully set forth herein); or

(ii) The maximum anticipated cumulative cash flow deficit of the Township during the 2014 Fiscal Year, as computed by the administrative staff of the Township in accordance with the Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated thereunder.

**Section 4. Purchase of the Note.** It is hereby determined that it is in the best financial interest of the Township to affect a private, negotiated sale of the Note. The proposal of Wells Fargo Bank, N.A. ("Purchaser"), to purchase the Note from the Township at not less than par on the terms and conditions set forth in the written proposal presented to this meeting, a copy of which shall be filed with the records of this meeting ("Purchase Contract"), is hereby accepted.



**Section 5. Execution and Delivery of the Purchase Contract.** The Mayor, Chief Municipal Clerk, Chief Administrative Officer, the President or Vice President of the Council of the Township (each an “Authorized Officer”) is hereby authorized to evidence the acceptance of the Purchase Contract authorized hereunder by executing and delivering the Purchase Contract to the Purchaser.

**Section 6. Rate of Interest.** The Note shall bear interest, payable at maturity, at a variable rate of interest equal to the LIBOR Rate (hereinafter defined) plus the Applicable Margin (hereinafter defined); provided however, upon the occurrence of an Event of Taxability (hereinafter defined), the Note shall bear interest, payable at maturity, at a variable rate of interest equal to the Taxable Rate (hereinafter defined), retroactive to the date of occurrence of any such Event of Taxability, even if the principal of and interest due on this Note has been paid in full.

The “LIBOR Rate” means the one (1) month London Interbank official Rate for any day as found in the Wall Street Journal, Interactive Addition, or any successor edition or publication (or, if no such rate is published for any reason, then at a comparable index rate selected by the Purchaser in its commercially reasonable discretion and agreed to by the Township).

The “Applicable Margin” means 2.28%.

“Event of Taxability” means a change of law or regulation, or the final interpretation thereof, or the occurrence of any other event or the existence of any other circumstances (including without limitation the fact that any representations or warranties of the Township made in connection with the issuance of the Note is or was untrue or that a covenant of the Township has been breached) that has the effect of (a) causing more interest payable on the Note to be taken into account by “financial institutions” (as defined in Section 265(b) of the Code) for purposes of determining the allocation of interest expenses to tax-exempt interest under Sections 265(b)(1) and (2) of the Code than is currently required to be taken into account on the date of issuance of this Note or (b) causing interest payable on the Note to be includable in gross income for federal income purposes under Section 103 of the Code.

The “Taxable Rate” means the LIBOR Rate plus 2.53%.

Each change in the LIBOR Rate shall be reflected in the interest rate as of the first business day of each calendar month. The initial interest rate borne by the Note from its date of issuance until the next succeeding first business day of February, 2014, shall be the LIBOR Rate established on the first business day of January, 2014, plus the Applicable Margin. In no event shall the interest rate borne by the Note exceed 6.00% per annum (the "Maximum Rate"). All interest charges shall be computed on the basis of a year of twelve (12) thirty (30) day months.

**Section 7. Pledge and Security Interest.** As required by Section 8125(a) of the Act, the Note shall be equally and ratably secured by a pledge of, security interest in and lien and charge on, the taxes and revenues of the Township to be received during the period when the Note will be outstanding.

Any Authorized Officer of the Township is hereby authorized and directed to prepare and file, or have filed, on behalf of the Township, in favor of the Fiscal Agent (hereinafter defined), as secured party on behalf of the holders of the Note, and cause the filing of an appropriate financing statement in accordance with the Pennsylvania Uniform Commercial Code in order to perfect such pledge, security interest, lien and charge.

The Fiscal Agent (hereinafter defined) shall enforce such pledge, security interest and lien and charge on behalf of the holder of the Note, in accordance with the provisions of this Resolution and the Act, including, without limitation, Section 8125 of the Act. The registered owner of the Note shall deliver its Note to the Fiscal Agent upon request of the Fiscal Agent (hereinafter defined) in order to enable the Fiscal Agent (hereinafter defined) to implement such enforcement.

**Section 8. Form and Provisions of the Note.** The form and provisions of the Note shall be as set forth in the form of Note annexed hereto as Exhibit "B" and made a part hereof by this reference as though fully set forth herein, which form and provisions are hereby affirmed, approved and adopted. The Note shall be issued in fully registered form, in the denomination of \$4,000,000.

**Section 9. Registration and Transfer.**

(a) The Township shall keep at the designated corporate trust office of the Fiscal Agent (hereinafter defined), books for the registration, exchange and transfer of Note and hereby appoints the Fiscal Agent (hereinafter defined) its registrar and transfer agent to keep such books and to make such registrations, exchanges and transfers under such regulations as the Township or the Fiscal Agent (hereinafter defined) may prescribe and as set forth in the form of Note.

(b) The Note may be transferred upon the registration books upon delivery to the Fiscal Agent (hereinafter defined) of the Note accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Fiscal Agent (hereinafter defined), duly executed by the registered owner of the Note to be transferred or his duly authorized attorney-in-fact or other legal representative, containing written instructions as to the details of the transfer of such Note. No transfer of any Note shall be effective until entered on the registration books maintained by the Fiscal Agent (hereinafter defined) or its successor. In like manner Note may be exchanged by the registered owners thereof or by their duly authorized attorneys-in-fact or other legal representative for Notes of authorized denomination or denominations in the same aggregate principal amount.

**Section 10. Execution and Authentication of Note.** The Note shall not be valid or obligatory in the hands of the holder thereof unless executed in the name and on behalf of the Township by the facsimile or manual signature of the Mayor, with the seal of the Township impressed, imprinted or otherwise reproduced thereon, attested by the facsimile or manual signature of the Chief Municipal Clerk.

**Section 11. Sinking Fund Depository and Fiscal Agent.** Wells Fargo Bank, N.A., having an office in the City of Philadelphia, Philadelphia County, Pennsylvania, is hereby appointed sinking fund depository and fiscal agent ("Fiscal Agent") to act as registrar and transfer agent, sinking fund depository, fiscal and paying agent for the Note. Any successor Fiscal Agent shall be a bank or national banking association or a trust company.

**Section 12. Sinking Fund.** There is hereby established a sinking fund for the Note to be designated "Upper Darby Township, Delaware County, Pennsylvania, Tax and Revenue

Anticipation Note, Series of 2014 Sinking Fund” (“Sinking Fund”), to be held by the Fiscal Agent irrevocably in trust for the benefit of the holders of the Note. The Sinking Fund shall be held by the Fiscal Agent separate and apart from all other funds of the Township and the Fiscal Agent.

The Township hereby covenants, and appropriate officers of the Township are hereby authorized and directed, to pay to the Fiscal Agent for irrevocable deposit into the Sinking Fund the principal of and interest due on the Note on April 15, 2014.

Failure of the Township to make any payment in full when due on the date specified in the preceding paragraph shall be cause for the immediate enforcement of the pledge, security interest, lien and charge granted in Section 8125 of the Act and in Section 7 hereof. The Fiscal Agent shall enforce such pledge, security interest, lien and charge as provided in Section 8125 of the Act and in Section 7 hereof.

**Section 13. Investment of Sinking Fund Moneys.** The Fiscal Agent shall, to the extent not required for immediate payment of the Note, invest the moneys held in the Sinking Fund, at the written direction of the Township, in direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America (“Government Obligations”). All Government Obligations shall mature or be subject to redemption all at the option of the holder at not less than par on or prior to the maturity date of the Note.

**Section 14. Application of Sinking Fund Moneys.** The Fiscal Agent shall apply the moneys, deposits and investments held in the Sinking Fund to the payment of the Note when the same become due and payable, all in accordance with the Act, the Note and the provisions hereof. Payments from the Sinking Fund shall be applied first to interest and then to principal. When payment in full of the Note has been made from the Sinking Fund, any balance in the Sinking Fund shall be paid by the Fiscal Agent to the Township, at the written direction of the Township.

**Section 15. Covenants in Respect of Federal Tax Laws.** The Township hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of the Note of

the interest on the Note under Section 103 of the Code and the regulations promulgated thereunder. The Township hereby further covenants that it will not directly or indirectly use or permit the use of any proceeds of the Note or any other funds of the Township, or take or omit to take any action that would cause the Note to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and that it will comply with all requirements of Section 148 of the Code to the extent applicable to the Note. In the event that at any time the Township is of the opinion that for purposes of this Section 15 it is necessary to restrict or limit the yield on the investment of any moneys held by the Fiscal Agent, if any, the Township shall so instruct the Fiscal Agent in writing, and the Fiscal Agent shall take such action as may be necessary to comply with such instructions.

Without limiting the generality of the foregoing, the Township shall pay or cause to be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Note from time to time. This rebate obligation shall survive payment in full or defeasance of the Note.

In accordance with Section 265(b)(3)(D) of the Code, the Township hereby designates the Note as "qualified tax-exempt obligations", as defined in and for the purposes of Section 265(b)(3) of the Code.

**Section 16. Note to be a General Obligation of the Township.** The Note shall be a general obligation of the Township and, if the same shall not be paid within the fiscal year in which it is issued, shall be deemed to be non-electoral debt of the Township enforceable in the manner of a general obligation which, unless funded pursuant to the Act, shall be included in the budget of the Township for the ensuing fiscal year and shall be payable from the taxes and revenues of such ensuing fiscal year, as required by the Act.

**Section 17. Ratification of Prior Action.** All actions heretofore taken and all documents heretofore prepared by all officers of the Township, in connection with the Note and other matters contemplated hereby, are hereby ratified, confirmed and adopted.

**Section 18. Resolution and Act a Contract.** This Resolution and the Act as in force on the date hereof shall constitute a contract between the Township and the registered owners from time to time of the Note.

**Section 19. Appointment of Bond Counsel.** The law firm of Blank Rome LLP of Philadelphia, Pennsylvania, is hereby appointed Bond Counsel in connection with the Note.

**Section 20. Further Action.** The Authorized Officers of the Township are hereby severally authorized and directed to take or cause to be taken such further action and to prepare, execute and file such documents and instruments as they may consider necessary or appropriate to implement the purposes of this Resolution and the Purchase Contract.

The Authorized Officers of the Township are hereby authorized and directed to pay, at or subsequent to the closing for the issuance of the Note, all costs and expenses of the issuance of the Note incurred by or on behalf of the Township or required to be paid by the Township.

**Section 21. Filing with the Pennsylvania Department of Community and Economic Development.** Proper officers of the Township are hereby authorized and directed to cause the filing of a certified copy of this Resolution, the certificate as to the taxes and revenues remaining to be collected and a true copy of the Purchase Contract with the Pennsylvania Department of Community and Economic Development, as required by Section 8128 of the Act.

**Section 22. Headings.** Headings used in this Resolution are for the ease of reference only and do not form a part hereof.

**Section 23. Repeals.** All resolutions and parts of resolutions, to the extent the same are inconsistent herewith, are hereby rescinded and repealed.

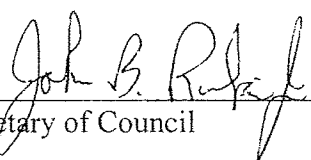
**Section 24. Effective Date.** This Resolution shall be effective immediately, this 8<sup>th</sup> day of January, 2014.

DULY ADOPTED AND RESOLVED, THIS 8<sup>th</sup> DAY OF JANUARY, 2014.

UPPER DARBY TOWNSHIP, DELAWARE  
COUNTY, PENNSYLVANIA

[SEAL]

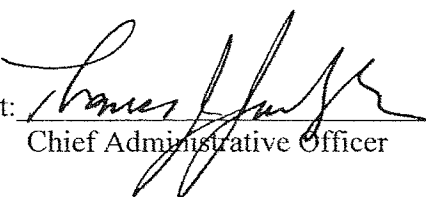
By:   
President of Council

Attest:   
Secretary of Council

APPROVED THIS 8<sup>th</sup> DAY OF JANUARY, 2014.

UPPER DARBY TOWNSHIP, DELAWARE  
COUNTY, PENNSYLVANIA

By:   
Mayor

Attest:   
Chief Administrative Officer

**EXHIBIT "A"****UPPER DARBY TOWNSHIP, DELAWARE COUNTY,  
PENNSYLVANIA****Certificate as to Amount of Township  
Taxes and Revenues to be Collected or Received  
During the Period When the Tax and Revenue  
Anticipation Note, Series of 2014  
Will Be Outstanding**

The undersigned, Mayor and Chief Municipal Clerk of Upper Darby Township, Delaware County, Pennsylvania ("Township"), hereby certify, pursuant to Section 8126 of the Pennsylvania Local Government Unit Debt Act, Act No. 53 Pa.C.S. Chs. 80-82 ("Act"), as follows:

1. This Certificate is given as of a date not more than thirty (30) days prior to the authorization, by resolution of the Council of the Township, duly adopted January 9, 2014, of the issuance and sale of \$4,000,000 principal amount of the Township's Tax and Revenue Anticipation Note, Series of 2014 ("Note");
2. The Note will be outstanding for a period ending no later than April 15, 2014.
3. The amount of moneys estimated to be received by the Township during the period when the Note will be outstanding from taxes then levied and assessed and from other revenues, including, without limitation, subsidies and reimbursements, is at least \$32,641,386; and
4. The foregoing estimate takes due account of the past and anticipated collection experience of the Township and of current economic conditions.



WITNESS the due execution of this Certificate this 8<sup>th</sup> day of January, 2014.

[SEAL]

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Chief Municipal Clerk

**EXHIBIT "B"**  
**FORM OF NOTE**

United States of America  
Commonwealth of Pennsylvania  
UPPER DARBY TOWNSHIP, DELAWARE COUNTY, PENNSYLVANIA

TAX AND REVENUE ANTICIPATION NOTE, SERIES 2014

| <u>DUE</u>     | <u>PRINCIPAL<br/>AMOUNT</u> |
|----------------|-----------------------------|
| April 15, 2014 | \$4,000,000                 |

**REGISTERED OWNER: WELLS FARGO BANK, N.A.**

Upper Darby Township, Delaware County, Pennsylvania (the "Township") for value received hereby promises to pay to the registered owner of this note, upon surrender hereof, the sum of Four Million Dollars (\$4,000,000) on the 15th day of April, 2014, together with interest on said sum from the 10th day of January, 2014, to but not including April 15, 2014, (the "Maturity Date"), at a variable rate of interest, calculated as provided herein. Both the principal of and interest on this Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States or by instrument payable in immediately available legal tender as aforesaid.

This Note is the sole Tax and Revenue Anticipation Note, Series 2014 (the "Note"), authorized to be issued in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. Chs. 80-82 ("Act") and pursuant to an authorizing resolution of the Council of the Township ("Council") duly adopted January 8, 2014, providing for the issuance and sale of the Note (the "Resolution"). Reference is hereby made to the Act and the Resolution, for a complete statement of the provisions thereof, to all of which provisions each registered owner or beneficial owner of this Note, assents as an explicit and material portion of the consideration running to the Township to induce it to adopt the Resolution and issue this Note.

*Terms used herein and not defined shall have the meanings set forth in the Resolution.*

The interest rate on this Note shall be equal to the LIBOR Rate plus the Applicable Margin; provided, however, after the occurrence of an Event of Taxability, the interest rate on this Note shall be equal to the Taxable Rate (retroactive to the date of occurrence of any such Event of Taxability, even if the principal of and interest due on this Note has been paid in full); provided, further, however, the interest rate borne by this Note shall not exceed the Maximum Rate. Interest on this Note shall be based on a 360-day year of twelve 30-day months but calculated for the actual number of days elapsed. Interest on this Note shall be payable at

maturity. The principal of and interest due on this Note may not be prepaid prior to the Maturity Date.

This Note is issued under and in accordance with the Act, for the purpose of providing funds for current expenses payable in the current fiscal year in anticipation of the receipt of current taxes and other current revenues by the Township from the date of original delivery of the Note to the Maturity Date thereof.

As required by the Act, this Note is equally and ratably secured with only other tax and revenue anticipation notes under the Resolution by the pledge of, security interest in and a lien and charge on the taxes and other revenues of the Township specified in the Resolution to be received during the period. Such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act.

This Note is fully registered in the name of the owner on the Note Register kept for the purpose by the Fiscal Agent, such registration to be noted hereon by the Fiscal Agent. No transfer or exchange shall be valid as against the Fiscal Agent unless made by the registered owner in person or by his/her duly authorized attorney or legal representative upon surrender hereof to the Fiscal Agent, and similarly noted upon the Note Register and hereon. This Note may be exchanged for notes of different authorized denominations of the same series. Upon any such transfer or exchange the Fiscal Agent shall issue and, shall deliver to or upon the order of the registered owner, a new registered Note in authorized denominations aggregating the principal amount hereof, bearing the same series designation as this Note and registered in such names as shall be requested.

The Township has covenanted in the Resolution that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the holders of this Note of the interest on this Note under Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and the applicable United States Treasury regulations promulgated thereunder. The Township has further covenanted in the Resolution that it will not directly or indirectly use or permit the use of any proceeds of this Note or of any other funds of the Township, or take or omit to take any action that would cause this Note to be an "arbitrage bond" within the meaning of Section 148(a) of the Code and that it will comply with all the requirements of Section 148 of the Code to the extent applicable to this Note.

In accordance with Section 265(b)(3) of the Code, the Township has designated this Note as a "qualified tax-exempt obligation" as defined in and for the purposes of Section 265(b)(3) of the Code.

All acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done and performed as required by law.

IN WITNESS WHEREOF, Upper Darby Township, Delaware County, Pennsylvania, has caused this Note to be executed in its name on its behalf by the manual signature of the Mayor, the official corporate seal of the Township or a facsimile thereof to be affixed or imprinted hereon, duly attested by the manual signature of the Chief Municipal Clerk, this 10th day of January, 2014.

UPPER DARBY TOWNSHIP, DELAWARE  
COUNTY, PENNSYLVANIA

[SEAL]

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Chief Municipal Clerk

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, and hereby irrevocably constitutes and appoints his/her attorney to transfer said Note on the books of the within described transfer agent with full power of substitution in the premises.

Dated:

\_\_\_\_\_

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

In the presence of:

Signature Guaranteed:

\_\_\_\_\_

\_\_\_\_\_ (Type or Print Name)

NOTICE: Signature must be guaranteed by an approved eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
(Signature)