

TOWNSHIP OF LOWER MERION
(Montgomery County, Pennsylvania)

RESOLUTION

WHEREAS, the Township of Lower Merion (the “Township”) desires to issue approximately \$20,000,000 principal amount of its General Obligation Bonds, Series of 2019 in one or more series (the “2019 Bonds”). A maximum of \$10,000,000 in principal amount of bond proceeds will provide funds to finance various capital projects during fiscal years 2019 and 2020 (the “Capital Improvement Program”), and a maximum of \$10,000,000 of bond proceeds will be used to refund outstanding bonds of the Township for debt service savings (the “Refunding Program”); and

WHEREAS, it is necessary and desirable that the Township now engage its professional advisors to: (i) analyze whether any outstanding bond issues can be refunded to achieve debt service savings, (ii) assist with the development and structuring of the financing of the Capital Improvement Program and the Refunding Program; and (iii) authorize various actions necessary to effectuate the issuance of bonds for the Capital Improvement Program and the Refunding Program.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Township of Lower Merion as follows:

1. The Township hereby authorizes its staff, Financial Advisor (PFM Financial Advisors LLC) and Bond Counsel (Saul Ewing Arnstein & Lehr LLP), to (A) proceed with the planning, preparation and structuring of the financing of the Capital Improvement Program and the Refunding Program including, but not limited to: (i) the establishment of a financing timetable for the 2019 Bonds; (ii) the preparation of a Notice of Sale and other materials utilized in the competitive solicitation of proposals to purchase the 2019 Bonds; (iii) the preparation of a Preliminary Official Statement and appropriate disclosure materials; and (iv) other matters with respect to the authorization and issuance of the 2019 Bonds; and (B) evaluate the possibility of refunding outstanding bonds of the Township in order to achieve debt service savings.

2. The Township’s Financial Advisor is hereby authorized and directed to proceed with the competitive solicitation of proposals to purchase the 2019 Bonds and to present to the Township at a future meeting of the Board of Commissioners the specific bond purchase proposal which meets the conditions set forth in the Notice of Sale and reflects the lowest net interest cost to the Township. Any such proposal may be for, or include, refunding bonds if recommended by the Financial Advisor.

3. In accordance with Treas. Reg. §1.150-2, the Township hereby states its intention that a portion of the proceeds of the 2019 Bonds for the Capital Improvement Program will be used to reimburse itself for expenditures paid with respect to the portion of the Capital Improvement Program prior to the date of issuance of the 2019 Bonds. All original expenditures to be reimbursed will be capital expenditures (as defined in Treas. Reg. §1.150-1(b)) and other amounts permitted to be reimbursed pursuant to Treas. Reg. §1.150-2(d)(3) and (f). The Township

intends to reimburse the original expenditures through the financing to be evidenced by the 2019 Bonds for the Capital Improvement Program.

Once the 2019 Bonds for the Capital Improvement Program are issued, the Township shall allocate proceeds to reimburse a prior expenditure by making the allocation on its books and records maintained with respect to the 2019 Bonds for the Capital Improvement Program; provided that such costs to be reimbursed were paid not more than 60 days prior to the date hereof. Such allocation shall specifically identify the actual original expenditure to be reimbursed. Such allocation shall occur not later than 18 months after the later of (i) the date on which the original expenditure is paid, or (ii) the date the capital project that is part of the Capital Improvement Program is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid. If the 2019 Bonds for the Capital Improvement Program are issued before the expiration of the period prescribed in the preceding sentence, then the reimbursement allocation shall occur not later than the date the 2019 Bonds for the Capital Improvement Program are issued.

The proceeds of the 2019 Bonds for the Capital Improvement Program used to reimburse the Township for original expenditures will not be used within 1 year after the allocation in a manner that results in the creation of replacement proceeds (as defined in Treasury Regulation §1.148-1) for the 2019 Bonds for the Capital Improvement Program or for other bonds.

4. It is understood that the Township will incur no obligation to compensate its professional advisors for their services unless the financing is implemented and a closing occurs on the 2019 Bonds.

RESOLVED, this ____ day of _____ 2019.

BOARD OF COMMISSIONERS

TOWNSHIP OF LOWER MERION

By: _____
Daniel S. Bernheim, President

ATTEST:

Jody L. Kelley, Secretary