

BOROUGH OF MILLERSBURG,
Dauphin County, Pennsylvania

RESOLUTION NO. 24-13

OF THIS BOROUGH INCURRING NONELECTORAL DEBT TO BE EVIDENCED BY A GENERAL OBLIGATION NOTE, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$70,000 TO FINANCE THE DEMOLITION OF REAL PROPERTY LOCATED WITHIN THE BOROUGH; SETTING FORTH THE FINDING THAT IT IS IN THE BEST FINANCIAL INTEREST OF THIS BOROUGH TO SELL THE NOTE AT PRIVATE SALE BY NEGOTIATION; CONFIRMING ACCEPTANCE OF A CERTAIN PROPOSAL FOR PURCHASE OF SUCH NOTE; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF SUCH NOTE AND AUTHORIZING EXECUTION AND AUTHENTICATION THEREOF; PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THIS BOROUGH IN SUPPORT OF SUCH NOTE; AUTHORIZING APPROPRIATE OFFICERS OF THIS BOROUGH TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH ISSUANCE OF SUCH NOTES; AND REPEALING ALL RESOLUTIONS OR PARTS OF RESOLUTIONS INsofar AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, this Borough is a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”) and is governed by its Council; and

WHEREAS, this Borough has determined to issue a general obligation note in the maximum principal amount of \$70,000 (the “Note”) toward financing the demolition of real property located within the Borough (the “Project”); and

WHEREAS, the Council of this Borough, in contemplation of sale and of issuance of the Note to provide funds for and toward the Project, heretofore determined that such Note: (a) should be offered for sale at private sale by negotiation; and (b) should be offered for sale at a price of not less than 100% of aggregate principal amount thereof; and

WHEREAS, the Council of this Borough, in accordance with the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the “Debt Act”), of the Commonwealth, has obtained realistic cost estimates for the Project through actual bids, option agreements, or professional estimates, and has determined that the costs, as defined in the Debt Act, of the Project will be equal to or greater than the maximum principal amount of the Note; and

WHEREAS, a proper written and sealed private bid or proposal for purchase of the Note has been requested from and has been received from Mid Penn Bank (the “Purchaser”); and

WHEREAS, the Council of this Borough duly has opened, read, and considered such bid or proposal; and

WHEREAS, the Council of this Borough desires to accept such bid or proposal of the Purchaser, to award the Note to the Purchaser at private sale by negotiation, and to incur nonelectoral debt in connection with the Project pursuant to provisions of the Debt Act.

NOW, THEREFORE, BE IT RESOLVED, by the Council of this Borough, as follows:

Section 1. The Council of this Borough, pursuant to this Resolution and in accordance with the Debt Act, including Section 8109 of the Debt Act, does authorize and direct the issuance of the Note to provide funds for and toward the Project.

Section 2. The Council of this Borough expresses its finding that it is in the best financial interests of this Borough to sell the Note at private sale by negotiation and determines that the debt to be incurred pursuant to this Resolution and to be evidenced by the Note shall be nonelectoral debt of this Borough.

The Council of this Borough hereby further finds and declares that the debt to be evidenced by the Note constitutes a small borrowing for capital purposes under Section 8109 of the Debt Act, the aggregate principal amount of the Note being not in excess of the lesser of \$125,000 or 30 percent of the nonelectoral debt limit of this Borough, as prescribed by the Debt Act.

Section 3. A brief description of the Project is set forth in Section 1, and constitutes an item of extraordinary maintenance or repair under the Debt Act.

Section 4. The Council of this Borough does hereby accept the bid or proposal of the Purchaser for purchase of the Note (the "Proposal") under the terms and conditions therein, and the Note shall be and are awarded to the Purchaser in accordance with such terms and conditions of the Proposal, the original of which is on file with the Secretary of this Borough, at private sale, at a dollar price equal to 100% of the aggregate principal amount of the Note, the Purchaser having submitted the Proposal in accordance with provisions of the Debt Act.

Section 5. The Note, when issued, will be a general obligation note of this Borough.

Section 6. The Note shall be stated to mature following 24 consecutive monthly payments of interest with all principal due and payable at maturity, as described in the Proposal.

Section 7. The Note shall be executed in the name of and on behalf of this Borough by the manual signature of the President or Vice President of the Council and, if required by the Purchaser, the official seal of this Borough and the manual signature of the Secretary or Assistant Secretary of this Borough shall be affixed thereto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Note, as aforesaid.

Section 8. This Borough covenants to and with the registered owner, from time to time, of the Note that this Borough: (i) shall include the amount of the debt service on the Note, for each fiscal year of this Borough in which such sums are payable, in its budget for that year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and

(iii) shall duly and punctually pay or cause to be paid from any of its revenues or funds the principal of and the interest (if any) on the Note at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation, and payment, this Borough shall and does pledge, irrevocably, its full faith, credit, and taxing power. As provided in the Debt Act, the foregoing covenant of this Borough shall be enforceable specifically.

Section 9. This Borough covenants to make payments out of any of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Note when due.

Section 10. The President or Vice President of the Council and the Secretary or Assistant Secretary, respectively, of this Borough are authorized and directed to prepare a debt statement of this Borough as required by Section 8110 of the Debt Act and to prepare and to execute, or to authorize the auditors of this Borough to prepare and to execute, an appropriate borrowing base certificate for this Borough, as contemplated by the Debt Act.

Section 11. The Note has been sold, as set forth in this Resolution, at private sale by negotiation, as permitted by the Debt Act.

Section 12. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Borough, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of debt by this Borough, and evidences a small borrowing for capital purposes contemplated by Section 8109 of the Debt Act.

Section 13. The President or Vice President of the Council or the Secretary or any Assistant Secretary of this Borough is authorized and directed to deliver the Note, after execution and, if applicable, attestation thereof as provided for herein, to the Purchaser, as provided in the Proposal for purchase of the Note.

Section 14. The Secretary or Assistant Secretary of this Borough is hereby authorized and directed to file a certified copy of this Resolution, and a copy of the debt statement and borrowing base certificate for this Borough prepared and executed in accordance with this Resolution, with the Department of Community and Economic Development of the Commonwealth, in order that the records of such Department shall accurately reflect the outstanding debt of this Borough, including the nonelectoral debt evidenced by the Note herein authorized.

Section 15. Proper officers of this Borough are authorized to execute and deliver such other documents and to do such other things as may be necessary, from time to time, to carry out the Project and the intent and purpose of this Resolution. All prior actions taken in furtherance of or in connection with the Project authorized by this Resolution are hereby ratified and confirmed.

Section 16. The Borough shall submit to the Purchaser annually within 10 business of their completion audited financial statements and the annual budget of the Borough, as well as any other financial information that the Purchaser may reasonably request, so long as the Note remains outstanding.

Section 17. The Borough shall maintain a deposit account with the Purchaser so long as the Note remains outstanding.

Section 18. Any reference in this Resolution to an officer or member of the Council or other officer of this Borough shall be deemed to refer also to his or her duly qualified successor in office, as applicable.

Section 19. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this Borough that such remainder shall be and shall remain in full force and effect.

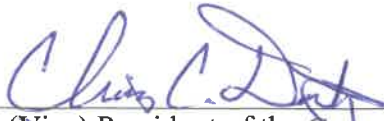
Section 20. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 21. This Resolution shall be effective in accordance with the Debt Act.

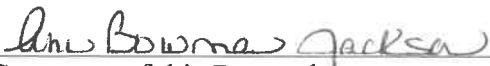
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DULY ADOPTED, by the Council of this Borough, in lawful session duly assembled, this 23rd day of October, 2024.

BOROUGH OF MILLERSBURG, Dauphin
County, Pennsylvania

By: 
~~(Vice)~~ President of the Council

ATTEST:


Secretary of this Borough

(SEAL)

EXHIBIT A

BOROUGH OF MILLERSBURG, DAUPHIN COUNTY, PENNSYLVANIA, GENERAL OBLIGATION NOTE, SERIES OF 2024

THE BOROUGH OF MILLERSBURG, Dauphin County, Pennsylvania (the “Borough”), a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”), promises to pay to the order of MID PENN BANK (the “Bank”), or registered assigns, on November __, 2026 (the “Maturity Date”), unless this General Obligation Note, Series of 2024 (the “Note”), shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, the principal amount of Seventy Thousand Dollars (\$70,000), or such lesser particular sum as shall represent the unpaid balance of such principal sum, from time to time, and to pay interest on the principal amount hereof which, from time to time, shall be outstanding and shall remain unpaid. The principal of and interest on the Note shall be payable to Mid Penn Bank in any coin or currency of the United States which, at the respective times of payment, is legal tender for the payment of public and private debts.

The rate of interest applicable to this Note shall be fixed at 5.71% (the “Tax-exempt Rate”), per annum, through the Maturity Date. Interest-only shall be payable monthly commencing on December __, 2024 through and including October __, 2026. A final payment of principal and interest shall be made by the Borough on the Maturity Date.

So long as no Determination of Taxability (defined below) has occurred, interest upon the principal hereof shall be paid at the Tax-exempt Rate. However, upon the occurrence of a Determination of Taxability (defined below), while this Note is outstanding, the Borough promises to pay interest on the unpaid principal balance at a rate of interest equal to 6.99% (the “Taxable Rate”). The term “Determination of Taxability” means (a) the issuance by the Internal Revenue Service to the Bank or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note, the receipt of which shall establish that an Event of Taxability (defined below) with respect to this Note has occurred; or (b) the delivery of written notice to the Borough by the Bank or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in (a) above). The term “Event of Taxability” shall mean (i) a change in law or fact (or the interpretation thereof), (ii) the occurrence or recognition of a fact, circumstance or situation, (iii) a determination, regulation, ruling or decision issued or made in regard to Sections 103 and/or 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), by any court or judicial or quasi-judicial body or by the commissioner or any district director of the Internal Revenue Service, or (iv) the enactment of any legislation, which, with respect to any of the foregoing causes, nationally recognized bond counsel selected by the Bank (which counsel may be the Bank’s counsel), is of the opinion that any such cause requires the interest payable on this Note to be includable in the gross income of the Bank or for the Note to not be deemed a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code.

This Note is subject to redemption prior to maturity, at the option of the Borough, in whole or in part, on any date, upon payment of the principal amount hereof, together with accrued interest to the date fixed for redemption, and without payment of premium or penalty.

Any redemption, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner hereof at the time of such redemption, as such registered owner and address shall appear upon books of the Borough to be kept by the Bank for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for redemption unless waived by the Bank. On the date designated for redemption, notice having been given as aforesaid, and money for payment of the principal and accrued interest being held by the Bank, interest hereon or on any part of the principal hereof so called for redemption, as applicable, shall cease to accrue. If the principal of this Note shall have been called for redemption in full, this Note shall cease to be entitled to any benefit or security under the Resolution (hereinafter defined) authorizing issuance of this Note, and the registered owner of this Note shall have no rights with respect to this Note except to receive payment of the principal of and accrued interest to the redemption date.

This Note is issued in accordance with provisions of the Act of the General Assembly of the Commonwealth known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), and by virtue of a duly adopted resolution of the Borough (the "Resolution"). The Debt Act, as such shall have been in effect when this Note was authorized, and the Resolution shall constitute a contract between the Borough and the registered owner or registered owners, from time to time, of this Note.

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

The Borough has covenanted, in the Resolution, to and with registered owners, from time to time, of this Note, outstanding, from time to time, pursuant to the Resolution, that the Borough: (i) shall include the amount of the debt service for this Note, for each fiscal year of the Borough in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation, and payment, the Borough has pledged and does pledge, irrevocably, its full faith, credit, and taxing power. The Debt Act provides that the foregoing covenant of the Borough shall be enforceable specifically.

The Borough, in the Resolution, has established a sinking fund with the Bank, as the sinking fund depository, into which funds for the payment of the principal of and the interest on

this Note shall be deposited not later than the date fixed for the disbursement thereof. The Borough has covenanted, in the Resolution, to make payments out of such sinking fund or out of any other of its revenues or funds, at such times in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Note.

This Note has been designated by the Borough as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

This Note is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the Borough to be kept for that purpose at the principal office or at any branch office of the Bank by a duly authorized representative of the Bank acting in behalf of the Borough. The Borough and the Bank may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

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IN WITNESS WHEREOF, the BOROUGH OF MILLERSBURG, Dauphin County, Pennsylvania, as provided by the Debt Act and in the Resolution, has caused this Note to be executed in its name and on its behalf by the manual signature of the President of the Council of the Borough and the official seal of the Borough to be affixed hereto and the manual signature of the Secretary of the Borough to be affixed hereto in attestation thereof, all as of the ___ day of _____, 2024.

BOROUGH OF MILLERSBURG,
Dauphin County, Pennsylvania

By: _____ [DO NOT SIGN] _____

ATTEST:

[DO NOT SIGN]
Secretary of the Borough

(SEAL)

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF MID PENN BANK, AS PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE BOROUGH OF MILLERSBURG, DAUPHIN COUNTY, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
_____, 2024	Mid Penn Bank	Mid Penn Bank

EXHIBIT B

Millersburg Borough (Dauphin County) 2024 General Obligation Note

Compound Period: Monthly

Nominal Annual Rate: 5.710 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	11/06/2024	70,000.00	1		
2	Payment	12/06/2024	Interest Only	23	Monthly	10/06/2026
3	Payment	11/06/2026	70,333.08	1		

AMORTIZATION SCHEDULE – Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	11/06/2024				70,000.00
1	12/06/2024	333.08	333.08	0.00	70,000.00
2024 Totals		333.08	333.08	0.00	
2	01/06/2025	333.08	333.08	0.00	70,000.00
3	02/06/2025	333.08	333.08	0.00	70,000.00
4	03/06/2025	333.08	333.08	0.00	70,000.00
5	04/06/2025	333.08	333.08	0.00	70,000.00
6	05/06/2025	333.08	333.08	0.00	70,000.00
7	06/06/2025	333.08	333.08	0.00	70,000.00
8	07/06/2025	333.08	333.08	0.00	70,000.00
9	08/06/2025	333.08	333.08	0.00	70,000.00
10	09/06/2025	333.08	333.08	0.00	70,000.00
11	10/06/2025	333.08	333.08	0.00	70,000.00
12	11/06/2025	333.08	333.08	0.00	70,000.00
13	12/06/2025	333.08	333.08	0.00	70,000.00
2025 Totals		3,996.96	3,996.96	0.00	
14	01/06/2026	333.08	333.08	0.00	70,000.00
15	02/06/2026	333.08	333.08	0.00	70,000.00
16	03/06/2026	333.08	333.08	0.00	70,000.00
17	04/06/2026	333.08	333.08	0.00	70,000.00
18	05/06/2026	333.08	333.08	0.00	70,000.00
19	06/06/2026	333.08	333.08	0.00	70,000.00
20	07/06/2026	333.08	333.08	0.00	70,000.00
21	08/06/2026	333.08	333.08	0.00	70,000.00
22	09/06/2026	333.08	333.08	0.00	70,000.00
23	10/06/2026	333.08	333.08	0.00	70,000.00

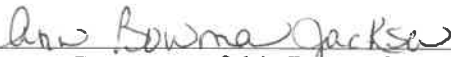
	11/06/2026	70,333.08	333.08	70,000.00	0.00
2026 Totals		73,663.88	3,663.88	70,000.00	
Grand Totals		77,993.92	7,993.92	70,000.00	

CERTIFICATE

I, the undersigned, Secretary of the Borough of Millersburg, Dauphin County, Pennsylvania (the "Borough"), certify: that the foregoing is a true and correct copy of a Resolution of the Council of the Borough (the "Council"), which duly was adopted by affirmative vote of a majority of all members of the Council at a meeting of the Council duly convened and held according to law on October 23, 2024, at which meeting a quorum was present; that said Resolution duly has been recorded in the minute book of the Borough; and that said Resolution is in full force and effect, without amendment, alteration, or repeal, as of the date of this Certificate.

I further certify that the Council met the advance notice and public comment requirements of the Pennsylvania Sunshine Act, 65 Pa.C.S. Ch. 7, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the principal office of the Borough or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at such meeting, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Borough, this 23rd day of October, 2024.


Secretary of this Borough

(SEAL)

