

AN ORDINANCE OF THE
BOROUGH OF HARMONY
(BUTLER COUNTY, PENNSYLVANIA)
ENACTED JUNE 6, 2023 AND NUMBERED 439

**FORMAL ACTION CONSTITUTING A DEBT ORDINANCE
UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT**

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FIVE HUNDRED NINE THOUSAND DOLLARS (\$509,000.00); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF, THE NOTE; FIXING THE FORM, INTEREST RATE, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; AUTHORIZING THE ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE NOTE; AUTHORIZING A FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE NOTE.

Note Counsel:

Dinsmore & Shohl LLP
1300 Six PPG Place
Pittsburgh, PA 15222

WHEREAS, the County of Butler (the "County" or the "Purchaser") previously authorized a loan financing program offering reduced interest rate loans to municipal entities in the County for qualified municipal infrastructure projects designated as the "Butler County Infrastructure Bank Program" (the "BCIB Program"); and

WHEREAS, on March 29, 2023, the Board of County Commissioners approved the projects eligible for inclusion in the BCIB Program, one of which was the project to be undertaken by the Borough of Harmony (the "Local Government Unit"); and

WHEREAS, on April 26, 2023, the Board of County Commissioners approved the issuance of a tax-exempt general obligation note (the "BCIB Note") in an aggregate principal amount not to exceed \$13,358,000.00 in order to fund the BCIB Program; and

WHEREAS, the Borough Council (the "Governing Body") of the Local Government Unit deems it advisable to borrow an aggregate principal sum not to exceed \$509,000.00 pursuant to the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 *et seq.* (the "Debt Act"), for the purposes described on **Exhibit P** hereto (the "Project"); and

WHEREAS, the County has presented a Purchase Proposal (defined hereinafter), attached hereto as **Exhibit PC**, to purchase the note to be issued by the Local Government Unit in order to achieve the financing of the Local Government Unit's Project.

NOW, THEREFORE, it is hereby ENACTED as follows:

Section 1. Definitions

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Ordinance, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Ordinance, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department of Community and Economic Development or by courts maintaining competent jurisdiction.

Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person," in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Dated Date" means the date of delivery of the Note, expected to be July 6, 2023, or such other date that may be determined and fixed by the Purchaser and the Local Government Unit, upon which interest will begin to accrue on amounts advanced under the Note.

"Department" has the meaning given to such term in Section 2 hereof.

"Designated Officers" has the meaning given to such term in Section 2 hereof.

"First Note Payment Date" means November 1, 2023, the date upon which interest on the Note is first payable, as may be further specified by the Purchaser in accordance with the Purchase Proposal relating to the Note.

“Local Government Unit” means the Borough of Harmony, situated in the County of Butler, a Borough of the Commonwealth of Pennsylvania, duly organized and validly existing under the Constitution and laws of the Commonwealth.

“Note” or “Obligations” means, collectively, the Local Government Unit’s General Obligation Note, Series of 2023, in an aggregate principal amount not to exceed \$509,000.00.

“Note Payment Date(s)” means, singularly or jointly, May 1 and November 1 of each year during the term thereof, or as may be further specified by the Local Government Unit and the Purchaser in accordance with the Purchase Proposal, commencing with the First Note Payment Date.

“Project” has the meaning given to such term in **Exhibit P** hereto.

“Purchase Proposal” means the Proposal for the Purchase of Note, set out in **Exhibit PC** hereto, as presented by the County, and accepted by the Local Government Unit by execution and delivery of the same pursuant to Section 6 herein; provided however that the term shall, in addition, mean and include any addendums to the Proposal for Purchase of the Note containing the final terms and conditions of the sale of the Note (consistent with the parameters established herein) from the Purchaser, with the intent that the two documents shall be read and interpreted as one, and furthermore that the Proposal for Purchase of the Note together with the addendum thereto, shall govern the rights and duties of the Local Government Unit and the Purchaser, *inter se*.

“Redemption Date(s)” means any date selected by the Local Government Unit upon which, with at least thirty (30) days’ prior written notice to the Purchaser, the Local Government Unit shall prepay all of the outstanding principal amount of the Note, together with all interest then accrued and owing, in order to redeem and prepay the same; the Note will not be subject to redemption in any principal amount less than the full principal amount then outstanding.

“Redemption Price” means 100% of the principal amount of the Note being redeemed and prepaid.

Section 2. Authorization

The Local Government Unit hereby authorizes the incurrence, and the increase, of nonelectoral indebtedness in an aggregate principal amount not to exceed \$509,000.00, to be evidenced by its General Obligation Note, Series of 2023 in substantially the form attached hereto as Exhibit A to the Loan Agreement (defined hereafter) (with such changes as the Designated Officers, hereinafter defined, shall approve), in order to pay the costs of the Project.

The Note will be dated the Dated Date, will bear interest at a fixed rate not exceeding 2.72% per annum (30/360 day year basis), payable on the Note Payment Dates, beginning with the First Note Payment Date, and will amortize, as to principal, in part, on each said Note Payment Date according to the schedule of maximum principal and interest payments set out in **Exhibit DS** attached hereto. Specific payments of principal of and interest on the Note advanced and outstanding shall be due and payable in according to the schedule of principal amortization provided in the Loan Agreement.

The Note shall preserve to the Local Government Unit the right, on thirty (30) days’ prior written notice, to prepay, at any time beginning on the applicable Redemption Date and on any date thereafter, and from time to time, in whole (but not in part); at a redemption price of 100% of the principal amount

being prepaid and redeemed, any amount outstanding hereunder, in all cases with interest accrued to the date of such prepayment and redemption.

Furthermore, the Note will be issued subject to, and the terms and conditions of payment, prepayment and security further delineated by and under a loan agreement (the "Loan Agreement") incorporating the terms and conditions of the Purchase Proposal. The Loan Agreement, substantially in the form attached hereto as **Exhibit LA**, is hereby approved, and the same shall be executed and delivered, with such changes as the Designated Officers shall approve, upon the issuance and delivery of the Note, in exchange for the Purchase Price of said Note at the settlement thereof.

The Local Government Unit hereby authorizes and directs the Governing Body (including individual members thereof) and the Borough Secretary, or their duly elected and acting successors (the "Designated Officers"), to execute and deliver the Note, the Loan Agreement and all such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including the filing of proceedings with the Pennsylvania Department of Community and Economic Development (the "Department") to enable the Department to certify its approval to issue, sell and deliver the Note.

The Designated Officers are hereby further authorized and directed to provide to the Purchaser each year, for as long as the Note are outstanding, a copy of the audited financial statements of the Local Government Unit when available, and to comply with and perform all the terms and conditions of the Loan Agreement and the Note.

The Designated Officers are hereby authorized and directed to prepare such materials and make such filings, applications and solicitations that are necessary to obtain appropriate approvals for the issuance of the Note and the matters contemplated hereby.

Section 3. Preparation of Debt Statement

As required by §8110 of the Act, any member of the Governing Body and the Borough Secretary of the Local Government Unit are authorized to prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate.

Section 4. Security and Payment of the Note

The Note shall be a general obligation of the Local Government Unit to the extent permitted by law. The Local Government Unit hereby covenants with the Purchaser and with subsequent holders, from time to time, of the Note that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service, and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates, at the place and in the manner stated therein according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Note, the Local Government Unit hereby pledges its full faith, credit and taxing power. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to budget and collect taxes and other revenues adequate to fulfill the foregoing covenant. The maximum amounts of debt service which are payable in respect of the Note are set forth in **Exhibit DS** attached hereto.

The Local Government Unit authorizes the creation (in its name and identified by reference to the Note), of a Sinking Fund for the payment of the Note with its authorized depository, which is a bank lawfully conducting business in the Commonwealth of Pennsylvania, and does further covenant to maintain such Sinking Fund, in accordance with the Local Government Unit Debt Act, until the Note is paid in full. The Local Government Unit shall name NexTier Bank as its paying agent and shall well and timely pay, from the Sinking Fund, the full amounts of all principal of and interest owing on the Note, as and when due and payable, until the Note is paid in full. Finally, the Local Government Unit shall serve as registrar in respect of the Note, according to the provisions of the Act in compliance with current industry standards and practices.

Section 5. Tax Covenants.

The Local Government Unit acknowledges that the BCIB Note is being issue by the County as a tax-exempt obligation compliant with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code").

The Local Government Unit represents and warrants that proceeds of the Note are being applied to the purposes described in Exhibit P hereto. The Local Government Unit further represents and covenants that it will take such actions as shall be necessary or desirable, from time to time and within its reasonable control, as shall be necessary to maintain the exclusion of interest paid on the BCIB Note from the gross income of the owner for federal income tax purposes, pursuant to the requirements of the Tax Code. The Local Government Unit will not take any action or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of issue of the Note, would cause the interest paid by the County on the BCIB Note to be subject to federal income tax in the hands of the owner thereof.

Section 6. Award

After due consideration of sundry factors, including the professional advice of financial advisors and current market conditions, the Local Government Unit hereby: (1) determines that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit; and (2) authorizes the President or Vice-President of Borough Council and the Borough Secretary (or their appropriate successors acting by reason of absence or other incapacity), in their sole discretion, to award the sale of the Note to the Purchaser, by means of the execution, and delivery to the Purchaser, of the Purchase Proposal. The execution and delivery of the Purchase Proposal is hereby ratified and confirmed.

Section 7. Expeditious Settlement.

The Local Government Unit hereby authorizes and directs the Designated Officers, Note Counsel or Solicitor to undertake and perform all actions on behalf of the Local Government Unit necessary and proper to the expeditious settlement of the sale of the Note.

The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all the ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required under, or reasonably contemplated by, the Purchase Proposal, including without limitation, retention of professionals, and execution and delivery of any certificates, orders, security agreements, mortgages and other similar documents and agreements that may be necessary, in the opinion of the Purchaser, Note Counsel or Solicitor, for settlement of the sale of the Note.

Section 8. Note Ordinance a Contract

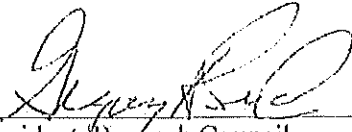
Upon the Local Government Unit's execution of a Purchase Proposal relating to the Note, this Ordinance, with the Note themselves, and the Loan Agreement relating thereto, as and when the same are executed and delivered, shall be deemed to be a contract with the holders (including purchasers of participation interests therein), from time to time, of said Note.

Section 9. Inter-municipal Contracts

The Designated Officers of the Local Government Unit are authorized to enter into contracts with the County to work collaboratively to finance and complete the Project.

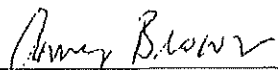
DULY ENACTED on June 6, 2023.

BOROUGH OF HARMONY



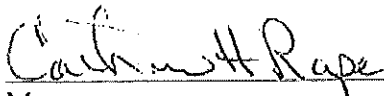
President, Borough Council

Attest:



Borough Secretary

APPROVED AND EXAMINED by me this 6th day of June, 2023



Mayor

EXHIBIT P

DESCRIPTION OF PROJECT

“Project” means payment of the costs of: (A) capital improvements including, but not limited to, (i) repair and installation of stormwater sewers and curbing from First and Spring Streets to Connoquenessing Creek and (ii) repair and installation of stormwater sewers, swales and curbing starting in Harmony under I-79 along Nickle Road in Jackson Township; and (B) issuing the Note. The realistically estimated remaining useful life of the capital assets financed by the proceeds of the Note is, on a weighted average basis, in excess of fifteen (15) years.

EXHIBIT DS

MAXIMUM DEBT SERVICE PAYMENT SCHEDULE

BUTLER COUNTY INFRASTRUCTURE BANK							Settle	7/6/2023
Series of 2023							Dated	7/6/2023
Harmony Borough								
1	2	3	4	5	6	7	8	9
Payment	Bank			Gross	Gross	Fiscal Year	Less:	Net
Due to	Payment			Semi-Annual	Semi-Annual	Debt Service	BCIB	Fiscal Year
BCIB	Date	Principal	Rate	Interest	Debt Service	Debt Service	Subsidy	Debt Service
							1.50%	
11/1/2023	12/1/2023		4.220	2,051.59	9,651.59	9,651.59	(3,075.21)	5,576.38
5/1/2024	6/1/2024		4.220	10,730.00	10,730.00			
11/1/2024	12/1/2024	45,000	4.220	10,732.60	55,732.60	60,479.00	(7,035.00)	58,644.80
5/1/2025	6/1/2025		4.220	9,760.40	9,760.40			
11/1/2025	12/1/2025	45,000	4.220	9,760.40	65,760.40	65,580.80	(6,000.00)	68,620.80
5/1/2026	6/1/2026		4.220	8,919.80	5,919.80			
11/1/2026	12/1/2026	48,000	4.220	8,919.80	66,819.80	65,639.60	(6,270.00)	59,369.60
5/1/2027	6/1/2027		4.220	7,907.00	7,907.00			
11/1/2027	12/1/2027	49,000	4.220	7,907.00	68,807.00	64,614.00	(5,550.00)	59,064.00
5/1/2028	6/1/2028		4.220	6,773.10	6,773.10			
11/1/2028	12/1/2028	50,000	4.220	6,773.10	68,773.10	63,546.20	(4,815.00)	58,731.20
5/1/2029	6/1/2029		4.220	5,718.10	5,718.10			
11/1/2029	12/1/2029	51,000	4.220	5,718.10	69,718.10	62,436.20	(4,085.00)	58,371.20
5/1/2030	6/1/2030		4.220	4,642.00	4,642.00			
11/1/2030	12/1/2030	53,000	4.220	4,642.00	67,642.00	62,284.00	(3,300.00)	58,984.00
5/1/2031	6/1/2031		4.220	3,523.70	3,523.70			
11/1/2031	12/1/2031	54,000	4.220	3,523.70	67,533.70	61,047.40	(2,505.00)	68,542.40
5/1/2032	6/1/2032		4.220	2,384.30	2,384.30			
11/1/2032	12/1/2032	56,000	4.220	2,384.30	58,384.30	60,769.80	(1,695.00)	59,073.80
5/1/2033	6/1/2033		4.220	1,202.70	1,202.70			
11/1/2033	12/1/2033	57,000	4.220	1,202.70	58,202.70	59,405.40	(855.00)	58,550.40
TOTALS		509,000		131,453.69	640,453.59	640,453.69	(46,725.21)	593,728.38
Net Rate for Borrower			2.72%	BCIB Subsidy			1.50%	

EXHIBIT LA

FORM OF LOAN AGREEMENT (INCLUDING FORM OF NOTE)

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement"), dated this 6th day of July, 2023 by and between the BOROUGH OF HARMONY (County of Butler), with its administrative offices located at 217 Mercer Street, Harmony, PA 16037 (the "Local Government Unit"), and the COUNTY OF BUTLER (Commonwealth of Pennsylvania), with its administrative offices located at 124 W. Diamond Street, Butler, Pennsylvania 16003 (the "County" or, alternatively, the "Purchaser").

RECITALS:

The Local Government Unit is both a "Local Government Unit" and a "Borough", duly organized and operating under the Constitution and the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), particularly the Local Government Unit Debt Act, as amended, 53 Pa.C.S. § 8001 *et seq.* (the "Debt Act"). The County is a Local Government Unit and a "County", duly organized and operating under the Constitution and the laws of the Commonwealth of Pennsylvania.

The Local Government Unit has determined to undertake a Project consisting, in relevant part, of payment of the costs of: (A) capital improvements including, but not limited to, (A) capital improvements including, but not limited to, repair and installation of new stormwater sewers, swales and curbing along Elizabeth Avenue, North Washington Street and Center Avenue to collect and direct runoff and development of an operations and maintenance plan to properly maintain a functioning stormwater system; and (B) issuing the Note (the "Project").

The Local Government Unit is authorized by law, among other things, to borrow money and to make and issue negotiable notes and bonds, and to make such agreements in connection therewith as the Local Government Unit shall deem advisable.

The County has authorized a loan financing program offering reduced interest rate loans to municipal entities in the County for qualified municipal infrastructure projects designated as the "Butler County Infrastructure Bank Program" (the "BCIB Program").

On April 26, 2023, the County approved the issuance of a tax-exempt general obligation note (the "BCIB Note") in an aggregate principal amount not to exceed \$13,458,000.00 in order to fund the BCIB Program for 2023.

The Local Government Unit has determined to finance the Project and has requested the Purchaser to extend credit or to make a loan to the Local Government Unit through the BCIB Program in order to enable it to borrow the maximum sum of \$509,000.00 (as evidenced by the Note, the "Loan"), and the Purchaser is willing to make the Loan to the Local Government Unit upon the terms and conditions hereinafter set forth and in its commitment letter dated _____, 2023 (the "Purchase Proposal") which was accepted by the Local Government Unit by its officers pursuant to the authority of an authorizing ordinance enacted June 6, 2023 (the "Ordinance").

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein set forth, the parties hereto, each intending to be legally bound hereby, covenant and agree as follows:

Section 1. Definitions.

In this Agreement (except as otherwise expressly provided for or unless the context otherwise requires), the following terms have the meanings specified in the foregoing recitals:

Agreement	Local Government Unit
Commonwealth	Ordinance
County	Project
Debt Act	Purchase Proposal
Loan	Purchaser

In addition, the following terms shall have the following meanings, unless the context otherwise requires:

“**Advances**” means the advances made pursuant to the Note.

“**Borrowings**” means the Advances made or continued by the County on a single date.

“**Credit Request**” means, as set forth in the Note, the irrevocable requests for Borrowings given in writing by the Local Government Unit to the County, specifying (i) the date of the proposed Borrowing, which shall be a business day; and (ii) the amount of the proposed Borrowing.

“**Dated Date**” means July 6, 2023.

[“**Default Rate**” means a rate per annum equal to the Prime Rate plus one percent (1.00%) per annum, not to exceed the rate permitted by law, such Default Rate to change as of the dates of changes in the Prime Rate without notice to the Local Government Unit.]

“**Designated Officers**” mean any of the members of the Governing Body and the Borough Secretary, or their duly elected or appointed and acting successors.

“**Event of Default**” means an event specified in Section 11.

“**Governing Body**” means the Borough Council of the Local Government Unit.

“**Loan Account**” shall have the meaning assigned in Section 4 hereto.

“**Note**” means the Local Government Unit’s \$509,000.00 General Obligation Note, Series of 2023, dated the Dated Date, in the form of Exhibit A attached hereto.

[“**Prime Rate**” means the rate publically announced by Key Bank, National Association from time to time as its prime rate.]

All terms defined in this Agreement shall bear those same meanings when used in the Note, certificates, reports or other documents made or delivered pursuant to this Agreement, unless the context otherwise requires.

In this Agreement, unless otherwise indicated, (i) defined terms may be used in the singular or the plural and the use of any gender includes all genders, (ii) the words "hereof", "herein", "hereunder" and words of similar import refer to this entire Agreement, and (iii) all references to particular Sections are references to the Sections of this Agreement.

Section 2. Loan; Note; Interest.

Subject to the terms and conditions herein and in the Purchase Proposal, and relying upon the representations and warranties herein, the County agrees to lend and advance to the Local Government Unit, from time to time, the maximum principal amount of Five Hundred Nine Thousand Dollars and No Cents (\$509,000.00). It is understood and agreed by and between the County and the Local Government Unit that the Loan evidenced by the Note shall, from the Dated Date to November 1, 2023, be construed as a draw-down non-revolving line of credit. The Local Government Unit may make draws on the Loan from the Dated Date through October 1, 2023, provided that (a) the aggregate outstanding principal amount borrowed hereunder shall not at any time exceed \$509,000.00, (b) no Event of Default shall exist or be caused thereby, (c) all conditions to disbursement have been met, and (d) amounts advanced and repaid may not be re-borrowed. To evidence the Loan, the Local Government Unit shall issue and deliver the Note to the Purchaser.

The Note will be dated the Dated Date and will bear interest on the outstanding principal amount at a fixed rate of 2.72% per annum, based on an 30/360 day year formulation for the actual number of days. Such interest shall be payable [(i) from the Dated Date through November 1, 2023, interest only payable on November 1, 2023, and (ii) on May 1, 2024, interest only according to the debt service schedule provided to the Local Government Unit by the County, based upon draws made by the Local Government Unit, and (iii) on and after November 1, 2024, semi-annually during the term of the Note, on May 1 and November 1 of each year, beginning November 1, 2024, according to the amortization schedule provided to the Local Government Unit by the County, on October 15, 2024, based upon total aggregate draws made by the Local Government Unit. Principal of the Note shall be payable annually as detailed in the amortization schedule provided to the Local Government Unit by the County on October 15, 2024, as revised, if necessary, to fully amortize the outstanding principal balance over the term of the Note. In all events, any principal of the Note then outstanding shall be payable in full at Maturity, being November 1, 2033].

Notwithstanding anything herein to the contrary, upon a determination by the Purchaser that as a result of any action or failure to take action by the Local Government Unit, all or any portion of the interest on the BCIB Note shall be subject to federal income tax, the Note will bear interest at the Default Rate. In addition, the Local Government Unit will pay to the Purchaser on demand the difference between the amount of interest which the Purchaser would have received in interest at the Default Rate if the indebtedness evidenced by the Note had borne interest at the Default Rate during the entire period that interest on the BCIB Note is so declared, determined or required to be taxable (as a result of any action or failure to take action by the Local Government Unit) or to cause a loss of deduction, together with such penalties and interest, if any, due and payable because of non-payment of federal income taxation less interest paid at the tax-exempt rate notwithstanding that the indebtedness evidenced by the Note may have been paid in full prior to such declaration or determination. In the event of any such declaration or determination, the Purchaser, if it is the registered owner, will promptly give written notice of the same to the Local Government Unit.

Notwithstanding anything herein to the contrary, upon an Event of Default, at the option of the Purchaser, the Note shall bear interest at the Default Rate.

If the Local Government Unit fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of the Note within ten (10) calendar days of the date due and

payable, the Local Government Unit also shall pay to the registered owner thereof a late charge equal to the greater of five percent (5.00%) of the amount of such payment or \$25.00 (the "Late Charge"). Such ten-day period shall not be construed in any way to extend the due date of any such payment. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purposes of defraying the Purchaser's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Purchaser's exercise of any rights and remedies thereunder, or under applicable law, and any fees and expenses of any agents or attorneys which the Purchaser may employ. In addition, the Default Rate reflects the increased credit risk to the Purchaser of carrying a loan that is in default. The Local Government Unit agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Purchaser, and that the actual harm incurred by the Purchaser cannot be estimated with certainty and without difficulty.

The obligations of the Local Government Unit under this Section 2 shall survive the termination of this Agreement.

Section 3. Prepayment.

The Local Government Unit has retained the right to prepay all of the outstanding principal of the Note in advance of its maturity, upon thirty (30) days' prior written notice to the County. Such prepayment of the Note shall not be subject to any prepayment or redemption penalty or premium, but shall be at 100% of the principal amount prepaid. The Note may not be prepaid in part prior to its stated maturity.

Section 4. Advances; Interest Payment.

Subject to the terms and conditions set forth in the Note, the County agrees to make, from time to time on and after the Dated Date of the Note and up to October 1, 2024, Advances to the Local Government Unit, in an aggregate principal amount not to exceed Five Hundred Nine Thousand Dollars and No Cents (\$509,000.00). The Advances shall be comprised of one or more Borrowings as the Local Government Unit may elect from time to time by delivery to the County of a Credit Request, executed by the Designated Officers and attested by the Borough Secretary, in the form of Exhibit B attached hereto and accompanied by invoices or other proper evidence of money owed satisfactory to the County; provided, however, that Credit Requests (and accompanying documentation) may be sent to the County no more than once per month and shall be sent no later than the 5th day of each month.

Advances shall be evidenced by the Note. When the Local Government Unit obtains an Advance, the County shall make an appropriate entry in the Loan Account maintained in the County's books and records. The Loan Account shall evidence: (i) accrued interest on the Advances; (ii) all other amounts due to the County under the Note; and (iii) all payments received by the County for application to the Advances. Each entry in the Loan Account shall be, absent manifest error, prima facie evidence of the data entered. Such entries shall not be a condition to the Local Government Unit's obligation to pay.

Credit Requests shall be given by the Local Government Unit to the County as set forth in this Section 4 and in the Note.

The Local Government Unit shall pay interest on the unpaid principal amount of each Advance from the date such Advance is made until the principal amount thereof shall have been paid in full. All interest shall be calculated as described in Section 2 hereof.

The County shall open and maintain on its books a loan account for the Loan (the "Loan Account"), in the Local Government Unit's name with respect to disbursements made, payments and prepayments, the computation and payment of interest and other amounts due and sums paid to the County hereunder with respect to such loan. Such loan account shall be conclusive and binding on the Local

Government Unit as to the amount at any time due to the County from the Local Government Unit except in the case of manifest error in computation.

Section 5. Note Registration.

Pursuant to the Ordinance, NexTier Bank shall serve as the Paying Agent and Registrar for the Note (the "Registrar") and shall keep books for the registration of the Note. The principal of and interest on the Note shall be payable only to the registered owner or his attorney or legal representative.

The transfer of the Note may be registered only upon the books kept for the registration and transfer of the Note upon surrender thereof to the Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative and shall be in such form as shall be satisfactory to the Registrar.

The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on said Note shall be made only to the registered owner thereof or his registered assigns. All such payments shall be valid and effectual to satisfy and discharge the liability upon said Note, including the interest thereof, to the extent of the sum or sums so paid.

Section 6. Security.

The Note shall be a valid and binding general obligation of the Local Government Unit. The Local Government Unit hereby covenants with County (and the owners from time to time of the Note) to: (a) include the amount necessary to service the debt on the Note, for each fiscal year in which such sums are payable, in its budget for that year; (b) appropriate such amounts from its general revenues to the payment of such debt service; and (c) duly and punctually pay, or cause to be paid, from its Sinking Fund or from any other of its revenues or funds, the principal of and the interest on the Note at the dates and place and in the manner stated in the Note, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Note, the Local Government Unit hereby irrevocably pledges its full faith, credit and all taxing power. The amounts of debt service covenanted to be paid are set forth in the Debt Service Schedule attached to the Note and incorporated by reference.

As provided in the Debt Act, the foregoing covenants are specifically enforceable, and are intended to represent a complete, absolute and unconditional obligation to pay the interest on and principal of the Note as and when due.

Notwithstanding the foregoing, nothing contained herein shall prohibit or restrain the authorization, issuance, sale or delivery of additional bonds or notes of the Local Government Unit, including but not limited to tax and revenue anticipation notes, on parity with the Note.

This Agreement, the Note, the Ordinance and all other agreements and documents executed and/or delivered pursuant hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the "Loan Documents." Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

The obligations of the Local Government Unit hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or similar proceedings of the Local Government Unit; and, to the extent applicable, the Local Government Unit specifically waives any right or benefit which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the Local Government Unit hereunder.

Section 7. Representations and Warranties.

The Local Government Unit represents and warrants to the Purchaser that:

(a) The Local Government Unit is a borough of the Commonwealth, constituting a Local Government Unit, as defined in the Debt Act. The Local Government Unit possesses all requisite power and authority under laws of the Commonwealth to enter into and to perform all the covenants and agreements set forth in this Agreement, to issue the Note and to undertake the Project. The Local Government Unit is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Local Government Unit is duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

(b) The Local Government Unit has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by appropriate action of the Governing Body or otherwise as may be required by law, charter, other organizational documents or agreement, and this Agreement and the Note, when executed and delivered by the Local Government Unit, will constitute the legal, valid and binding obligations of the Local Government Unit enforceable in accordance with their terms.

(c) There is no litigation pending in any court against the Local Government Unit, nor to the knowledge of the Local Government Unit is there any threatened, in any court or other tribunal of competent jurisdiction, State or Federal, against the Local Government Unit, in any way: (a) affecting the existence of the Local Government Unit or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Note or the collection of taxes and general revenues of the Local Government Unit pledged to pay the Note; (c) contesting the power or authority of the Local Government Unit to issue, sell and deliver the Note, to adopt the Ordinance, to execute and deliver this Agreement and any other Loan Documents, or to perform any official act in connection with any of the foregoing instruments; or (d) questioning or affecting the validity of the Note, the Ordinance, this Agreement, or any other Loan Documents, or the proceedings of the Local Government Unit relating to the issuance, sale or delivery of the Note.

Neither this Agreement, the Note, the Loan Documents, nor any certificate or other document furnished to the Purchaser in connection herewith contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Note not misleading. There is no fact known to the Local Government Unit which materially adversely affects or, so far as the Local Government Unit can now foresee, might materially adversely affect, the business, assets, operations, financial condition or results of operation of the Local Government Unit and which has not otherwise been fully set forth in this Agreement.

The Local Government Unit is in compliance with all terms and conditions set forth herein, and no Event of Default and no conditions, lapse of time, or both, which would constitute an Event of Default, has occurred and is continuing or exists.

There is no agreement or law binding on the Local Government Unit which would conflict with or in any way prevent the execution, delivery or performance of any Loan Document or which would be in default or violated as a result of such execution, delivery or performance.

The financial statements of the Local Government Unit heretofore furnished to the County present fairly the financial condition at the respective dates indicated therein and there has been no material adverse change in the business, assets, operations, financial condition or results of operation of the Local Government Unit from that reflected in such financial statements.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to have been performed and to have happened precedent to and in connection with the execution, issuance and delivery of this Loan Agreement and the Note do exist, have been performed and have happened and that the Note is within every debt and other limitation prescribed by law.

Section 8. Conditions of Lending.

The obligation of the Purchaser to make the Loan is subject to the accuracy of all representations and warranties herein contained, to the performance by the Local Government Unit of its agreements to be performed hereunder, and to the satisfaction of the following further conditions:

(a) The Local Government Unit shall be in compliance with all terms and conditions set forth herein, and no Event of Default and no conditions, lapse of time, or both, which would constitute an Event of Default, shall have occurred and be continuing or shall exist;

(b) Concurrently with the execution and delivery of this Agreement and the Note, the Local Government Unit shall have also furnished to the Purchaser (i) certified copies of the Ordinance and the approval of the Department of Community and Economic Development for the issuance of said Note, (ii) the executed Note, (iii) evidence of the authority of each person who has signed this Agreement, the Note and certificates on behalf of the Local Government Unit, and (iv) a certification from the Local Government Unit as to its compliance with the debt limitations under the Debt Act, and as to all matters incident to the transaction herein contemplated which the Purchaser may reasonably request; and

(c) All legal details and proceedings in connection with the transactions contemplated by this Agreement shall be in form and substance satisfactory to the Purchaser, and the Purchaser shall have received all such counterparts, originals or certified or other copies of such documents or proceedings in connection with such transactions, in form and substance as to certification and otherwise, satisfactory to the Purchaser, as the Purchaser may reasonably request.

Section 9. Receipt of Loan Proceeds.

On the day of settlement of the issuance and delivery of the Note and on each date an Advance is made, the Local Government Unit shall receive the proceeds of the same from the County and apply such proceeds diligently to the purposes of the Project.

Section 10. Covenants of the Local Government Unit.

The Local Government Unit covenants that, from the date of execution of this Agreement until the Loan has been fully paid, it will:

(a) at all times comply with the laws of the Commonwealth of Pennsylvania applicable to the Local Government Unit;

(b) promptly notify the Purchaser of any condition or event which constitutes an Event of Default or which, with the lapse of time or giving of notice would become such an Event of Default, and,

if such a condition or event has been so disclosed, specifying the nature and extent thereof and the corrective measures which the Local Government Unit proposes to take in relation thereto;

(c) execute or provide, as requested by the Purchaser, such other documents and information as are reasonably necessary with respect to the transactions contemplated by this Agreement;

(d) furnish to the Purchaser, upon request, (1) the Local Government Unit's audited financial statements, and auditor's management letters, if any, and (2) the annual budget of the Local Government Unit, each when available;

(e) maintain books and records in accordance with Generally Accepted Accounting Principles and permit any officers or qualified employees or representatives of the Purchaser designated by it to visit and inspect the Local Government Unit's books and discuss the affairs, finances and accounts of the Local Government Unit, all at such times and as often as the Purchaser may reasonably request;

(f) (i) take such actions as shall be necessary or desirable, from time to time and within its reasonable control, as shall be necessary to maintain the exclusion of interest paid on the BCIB Note from the gross income of the owner for federal income tax purposes, pursuant to the requirements of the Tax Code; (ii) refrain from taking any action or permitting any action to be taken on its behalf or causing or permitting any circumstance within its control to arise or continue, if such action or circumstance, or its expectation on the date of issue of the Note, which would cause the interest paid by the County on the BCIB Note to be subject to federal income tax in the hands of the owner thereof; (iii) expend at least 85% of the net sale proceeds of the Note (plus investment proceeds thereon, if any) for the costs of the Project by July 1, 2026 (iv) within six months of the date hereof, incur substantial binding obligations (such as third-party contracts) to expend at least 5% of the net sale proceeds of the Note on the Project; and (v) proceed with due diligence to completion of the Project; and

(g) pay all costs, expenses (including reasonable attorneys' fees), and disbursements incurred by Purchaser (1) in all efforts made to enforce or collect payment of the Note or amount due hereunder, (2) in connection with entering into, modifying or amending this Agreement, or any consents or waivers hereunder and all related documents, and (3) in defending or prosecuting any actions or proceedings arising out of or relating to Purchaser's transactions with the Local Government Unit. The obligations of the Local Government Unit under this subsection (g) shall survive the termination of this Agreement.

Section 11. Events of Default.

The occurrence of any of the following events shall each be deemed an Event of Default:

(a) Default in the payment of principal of or interest on the Note or any other default under the terms of the Note; or

(b) Default in the performance of any covenant or agreement set forth in this Agreement or in the Note or the occurrence of a default under any other agreement between the Local Government Unit and the Purchaser; or

(c) Any representation or warranty made by the Local Government Unit is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Local Government Unit pursuant to this Agreement is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) Any certificate or financial statement furnished pursuant to the Loan Documents or the Debt Act shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(e) If the Local Government Unit shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law, or shall consent to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part of the Local Government Unit's property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of the foregoing; or

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Local Government Unit or of any part of its property and such custody or control shall not be terminated or stayed within 90 days from the date of assumption of such custody or control; or

(g) An order for relief shall be entered pursuant to an Act of Congress or any law of the Commonwealth of Pennsylvania relating to bankruptcy with respect to an involuntary petition seeking reorganization of, or an order shall be entered appointing any receiver or trustee for, the Local Government Unit or a substantial part of its property, or a writ or warrant of attachment or any similar process shall be issued against a substantial part of the property of the Local Government Unit, or an order shall be entered at either the state court level enjoining or preventing the Local Government Unit from conducting all or any part of its business as it is usually conducted, or garnishment proceedings shall be instituted by attachment, levy or otherwise, against any deposit balance maintained, or any property deposited, with the Purchaser by the Local Government Unit; or

(h) Default in any payment of principal of or interest on any obligation for borrowed money beyond any period of grace with respect thereto or default in the observance of any material covenant, term or condition with respect to such obligation beyond any period of grace if the effect of such default is to cause, or to permit the holder or holders of such obligation or obligations (or a trustee or agent on behalf of such holder or holders) to cause, all or part of such obligation or obligations to become due before its or their otherwise stated maturity.

Upon the occurrence of an Event of Default, at the County's option, the Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default, and, further, the County may exercise from time to time any other rights and remedies available under the Loan Documents, the Debt Act and/or any other laws.

Section 12. Miscellaneous.

(a) No delay or failure of the Purchaser in exercising any right, power or privilege hereunder or under law shall affect the right, power or privilege, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, power or privilege preclude any further exercise thereof. Any waiver, permit, consent or approval of any kind or character on the part of the Purchaser or any breach or default under this Agreement or any waiver of any provision or condition of this Agreement must be in writing and shall be effective only to the extent in such writing specifically set forth. Nothing in this Agreement shall be deemed any waiver or prohibition of Purchaser's right of banker's lien or setoff.

(b) All representations, warranties, covenants and agreements of the Local Government Unit contained herein or made in writing in connection herewith shall survive execution and delivery of this Agreement, the making of the Loan and issuance of the Note to the Purchaser, except as herein otherwise expressly provided.

(c) Any notices required or permitted to be given pursuant hereto, or in connection herewith, shall be deemed to have been fully given when addressed and mailed, postage prepaid, as follows:

If to the Purchaser:	County of Butler 124 W. Diamond Street Oakland, PA 16003
----------------------	--

If to the Local Government Unit:	Borough of Harmony 217 Mercer Street Harmony, PA 16037 Attention: Borough Secretary
----------------------------------	--

(d) This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, each of which shall be regarded for all purposes as an original, but such counterparts shall constitute but one and the same instrument.

(e) This Agreement constitutes the entire contract between the Purchaser and the Local Government Unit and supersedes all prior communications, oral and written, as well as all contemporaneous oral communications between the parties.

(f) If any part or provision of this Agreement is found or declared to be invalid or in contravention of any governing law or regulation, such part or provision shall be severable without affecting the validity of any other part or provision of this Agreement.

(g) This Agreement shall be binding upon and inure to the benefit of the Purchaser, the Local Government Unit and their respective successors and assigns, except the Local Government Unit may not voluntarily transfer or assign its rights hereunder.

(h) This Agreement shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania, and shall be governed by and construed in accordance with the laws thereof.

EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE PURCHASER TO ENTER INTO THIS AGREEMENT AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE LOCAL GOVERNMENT UNIT, ON BEHALF OF THE LOCAL GOVERNMENT UNIT, AND THE PURCHASER IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Agreement as of the day and year first above written.

COUNTY OF BUTLER

[SEAL]

By: _____

Name: Leslie A. Osche
Title: Chairperson, Board of
Commissioners

Attest:

By: _____

Name: Lori Altman
Title: Human Resources Director/Chief Clerk

By: _____

Name: Kimberly D. Geyer
Title: Commissioner

By: _____

Name: Kevin E. Boozel, M.S.
Title: Commissioner

BOROUGH OF HARMONY

President, Borough Council

Attest:

Borough Secretary

EXHIBIT A

FORM OF NOTE

[Form of Note]

**BOROUGH OF HARMONY
GENERAL OBLIGATION NOTE, SERIES OF 2023**

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>
\$509,000.00	2.72%	July 6, 2023	November 1, 2033

The above named Local Government Unit, intending to be legally bound, promises to pay to the order of the Registered Owner at its address shown on the attached registration form (or at such other location as the Registered Owner may designate from time to time) in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the just principal sum of FIVE HUNDRED NINE THOUSAND DOLLARS (\$509,000.00) or such lesser particular sum as shall represent the outstanding and unpaid balance of such maximum principal sum advanced to the Local Government Unit, from time to time, by the County of Butler (the "County"), the initial Registered Owner, on a draw-down non-revolving line of credit basis during the first eleven months this Note is outstanding.

The Local Government Unit may make draws on the loan, as provided in the Loan Agreement, provided that (a) the aggregate outstanding principal amount borrowed hereunder shall not at any time exceed \$509,000.00, (b) no Event of Default shall exist or be caused thereby, (c) all conditions to disbursement have been met, and (d) amounts advanced and repaid may not be re-borrowed. Interest shall accrue on the principal sum hereof which, from time to time, shall be outstanding and shall remain unpaid, from the date hereof, until such principal sum hereof fully shall have been repaid, at the Interest Rate. The Note will be dated the Dated Date and will bear interest on the outstanding principal amount at a fixed rate of 2.72% per annum, based on an 30/360 day year formulation for the actual number of days. Such interest shall be payable [(i) from the Dated Date through November 1, 2023, interest only payable on November 1, 2023, and (ii) on May 1, 2024, interest only according to the debt service schedule provided to the Local Government Unit by the County, based upon draws made by the Local Government Unit, and (iii) on and after November 1, 2024, semi-annually during the term of the Note, on May 1 and November 1 of each year, beginning November 1, 2024, according to the amortization schedule provided to the Local Government Unit by the County, on October 15, 2024, based upon total aggregate draws made by the Local Government Unit. Principal of the Note shall be payable annually as detailed in the amortization schedule provided to the Local Government Unit by the County on October 15, 2024, as revised, if necessary, to fully amortize the outstanding principal balance over the term of the Note. In all events, any principal of the Note then outstanding shall be payable in full at Maturity, being November 1, 2033]. It is understood that the County will provide invoices to the Local Government Unit requesting the interest due on amounts advanced hereunder for payment on November 1, 2023, May 1, 2024 and November 1, 2024, and further that the County will provide an amortization schedule for payments of principal and interest on October 15, 2024 for the payments of principal and interest (through maturity) on the advances made through October 1, 2024. (Certain terms used and not defined herein are defined

in the Loan Agreement (herein defined), which Loan Agreement contains additional provisions and details regarding the terms of payment of this Note.)

If the Local Government Unit fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within ten (10) calendar days of the date due and payable, the Local Government Unit also shall pay to the registered owner thereof a late charge equal to the greater of five percent (5.00%) of the amount of such payment or \$25.00 (the "Late Charge"). Such ten-day period shall not be construed in any way to extend the due date of any such payment.

Upon an Event of Default (as defined in the Loan Agreement), and certain other events described in the Loan Agreement, at the option of the Registered Owner, the Note shall bear interest at the Default Rate (as defined in the Loan Agreement).

The Local Government Unit has retained the right to prepay all of the outstanding principal of the Note in advance of its maturity, upon thirty (30) days' prior written notice to the County. Such prepayment of the Note shall not be subject to any prepayment or redemption penalty or premium. The Note may not be prepaid in part.

The Local Government Unit hereby covenants with the Registered Owner of this Note that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon in the place, on the dates and in the manner stated above, according to the true meaning and intent hereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and all taxing power, as defined in, and subject to the further terms and provisions of, the Loan Agreement and the Debt Ordinance (herein defined), which authorized the same. The Local Government Unit further covenants and agrees to undertake, perform and pursue all acts, applications, appeals, procedures and petitions, including the filing and pursuit of legal actions and remedies within appropriate administrative and judicial forums, necessary to permit and enable the Local Government Unit to levy and collect taxes and other revenues adequate to fulfill the foregoing covenant, as the same may be required under the laws of the Commonwealth.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees for the payment of the principal of or the interest on this Note is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note; and this Note is acknowledged to be a corporate obligation of the Local Government Unit.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to an ordinance of the Local Government Unit duly and regularly enacted on June 6, 2023, in accordance with the provisions of the Debt Act (the "Debt Ordinance"), and is delivered under and pursuant to all the terms and conditions of a Loan Agreement of even date herewith between the Local Government Unit and the Original Registered Owner (the "Loan Agreement"), the terms of which are incorporated herein by reference. It is hereby certified and recited that all conditions, acts and things required by law to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened and that this Note is within every debt and other limitation prescribed by law.

No delay or omission of the Registered Owner to exercise any right or power arising hereunder shall impair any such right or power or be considered to be a waiver of any such right or power or any acquiescence therein nor shall the action or non-action of the Registered Owner impair any right or power resulting therefrom. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect.

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Pennsylvania. This Note will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

Any provisions of this Note which are held to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

THE LOCAL GOVERNMENT UNIT WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE AND THE OTHER RELATED DOCUMENTS. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL WAS A MATERIAL INDUCEMENT FOR THE REGISTERED OWNER TO PURCHASE THIS NOTE AND THAT THE REGISTERED OWNER PURCHASED THIS NOTE IN RELIANCE UPON SUCH WAIVER. THE LOCAL GOVERNMENT UNIT WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

THE LOCAL GOVERNMENT UNIT HEREBY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY AT LAW AT ANY TIME OR TIMES TO APPEAR FOR THE LOCAL GOVERNMENT UNIT AND WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST THE LOCAL GOVERNMENT UNIT, IN ANY STATE OR FEDERAL COURT OF RECORD IN THE UNITED STATES OF AMERICA AT ANY TIME AFTER ALL OR ANY PART OF THE OBLIGATIONS AND INDEBTEDNESS EVIDENCED BY THIS NOTE SHALL HAVE BECOME DUE, WHETHER BY LAPSE OF TIME, ACCELERATION, OR OTHERWISE, IN FAVOR OF THE REGISTERED OWNER AND ITS SUCCESSORS AND ASSIGNS, FOR THE FULL AMOUNT THEN APPEARING DUE, TOGETHER WITH INTEREST, COSTS OF SUIT, AND REASONABLE ATTORNEYS' FEES, BUT IN NO EVENT LESS THAN \$500.00, FOR COLLECTION OF SUCH SUMS, AND THEREUPON TO THE EXTENT PERMITTED BY LAW TO RELEASE ALL ERRORS AND WAIVE ALL RIGHTS TO APPEAL AND ANY STAY OF EXECUTION AND STAY, CONTINUANCE OR ADJOURNMENT OF SALE OF EXECUTION. THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE LOCAL GOVERNMENT UNIT SHALL SURVIVE ANY JUDGMENT, IT BEING UNDERSTOOD THAT SHOULD ANY JUDGMENT AGAINST THE LOCAL GOVERNMENT UNIT BE VACATED FOR ANY REASON, THE REGISTERED OWNER MAY NEVERTHELESS UTILIZE THE FOREGOING WARRANT OF ATTORNEY TO CONFESS

JUDGMENT IN RESPECT OF THIS NOTE, THEREAFTER OBTAINING ONE OR MORE ADDITIONAL JUDGMENTS AGAINST THE LOCAL GOVERNMENT UNIT.

WITNESS the due execution hereof as of the Dated Date set forth above.

BOROUGH OF HARMONY

President, Borough Council

Attest:

Borough Secretary

DEBT SERVICE SCHEDULE

[To be provided by the County on October 15, 2024]

BUTLER COUNTY INFRASTRUCTURE BANK

Series of 2023

Harmony Borough

1	2	3	4	5	6	7	8	9
Payment Due to BCIB	Bank Payment Date	Principal	Rate	Gross Semi-Annual Interest	Gross Semi-Annual Debt Service	Fiscal Year Debt Service	Less: BCIB Subsidy	Net Fiscal Year Debt Service
11/1/2023	12/1/2023		4.220	8,651.59	8,651.59	8,651.59	(3,075.21)	5,576.38
5/1/2024	6/1/2024		4.220	10,739.90	10,739.90			
11/1/2024	12/1/2024	45,000	4.220	10,739.90	55,739.90	66,479.80	(7,635.00)	58,844.80
5/1/2025	6/1/2025		4.220	9,790.40	9,790.40			
11/1/2025	12/1/2025	46,000	4.220	9,790.40	55,790.40	65,580.80	(6,960.00)	58,620.80
5/1/2026	6/1/2026		4.220	8,819.80	8,819.80			
11/1/2026	12/1/2026	48,000	4.220	8,819.80	56,819.80	65,639.60	(6,270.00)	59,369.60
5/1/2027	6/1/2027		4.220	7,807.00	7,807.00			
11/1/2027	12/1/2027	49,000	4.220	7,807.00	56,807.00	64,614.00	(5,550.00)	59,064.00
5/1/2028	6/1/2028		4.220	6,773.10	6,773.10			
11/1/2028	12/1/2028	50,000	4.220	6,773.10	56,773.10	63,546.20	(4,815.00)	58,731.20
5/1/2029	6/1/2029		4.220	5,718.10	5,718.10			
11/1/2029	12/1/2029	51,000	4.220	5,718.10	56,718.10	62,436.20	(4,065.00)	58,371.20
5/1/2030	6/1/2030		4.220	4,642.00	4,642.00			
11/1/2030	12/1/2030	53,000	4.220	4,642.00	57,642.00	62,284.00	(3,300.00)	58,984.00
5/1/2031	6/1/2031		4.220	3,523.70	3,523.70			
11/1/2031	12/1/2031	54,000	4.220	3,523.70	57,523.70	61,047.40	(2,505.00)	58,542.40
5/1/2032	6/1/2032		4.220	2,384.30	2,384.30			
11/1/2032	12/1/2032	56,000	4.220	2,384.30	58,384.30	60,768.60	(1,695.00)	59,073.60
5/1/2033	6/1/2033		4.220	1,202.70	1,202.70			
11/1/2033	12/1/2033	57,000	4.220	1,202.70	58,202.70	59,405.40	(855.00)	58,550.40
TOTALS		509,000		131,453.59	640,453.59	640,453.59	(46,725.21)	593,728.38

Net Rate for Borrower 2.72%

BCIB Subsidy 1.50%

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below. The Local Government Unit shall treat the Registered Owner of this Note, as noted on this Note and on its books, as the absolute owner hereof, and shall not be affected by any changed circumstances, or by any notice to the contrary.

Original Registered Owner

COUNTY OF BUTLER

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.

EXHIBIT B
CREDIT REQUEST TO ADVANCE NOTE PROCEEDS

TO: COUNTY OF BUTLER
Attn: Mark Gordon

DATE: _____

We, the duly authorized undersigned officers of Borough of Harmony (the "Borrower"), on behalf of the same, hereby request the County of Butler to advance and disburse under the General Obligation Note, Series of 2023, dated July 6, 2023, the following amount(s) of proceeds of the Note to the named payees (as substantiated by invoices or other evidence of moneys owed attached hereto) and/or to the indicated accounts of the Borrower:

ADVANCE TO:	AMOUNT:
<input type="checkbox"/> Credit to Account Number _____ In the names of: _____ The Sum of..... _____	_____
<input type="checkbox"/> Check # _____ Payable to: _____ The Sum of..... _____	\$ _____
<input type="checkbox"/> Other Disbursement Instructions: _____ _____ _____	
For a Total of..... _____	_____

As such authorized officers on behalf of Borough of Harmony, I hereby certify, as of the date set forth above, (i) that the stated Total Amount of Advance on this Request does not exceed the amount available under the Note, as described in Section 4 of the Loan Agreement dated July 6, 2023 by and between the County of Butler and the Borrower, (ii) that the Borrower is in full compliance with all conditions and requirements of the Loan Agreement precedent to this Credit Request, (iii) the invoices or other evidence of moneys owed attached hereto are, to the best of our knowledge, true and correct and (iv) that this Credit Request is properly made and submitted.

BOROUGH OF HARMONY

Title:

Attest:

Borough Secretary

EXHIBIT PC
PURCHASE PROPOSAL

County of Butler

Board of Commissioners

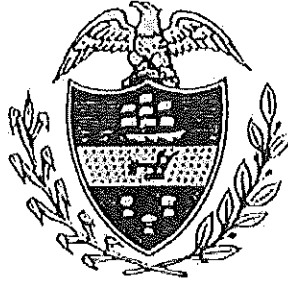
124 West Diamond Street, PO Box 1208, Butler, PA 16003-1208
Phone 724-284-5100 Fax 724-284-5400 TDD 724-.284.5473

Commissioners

Leslie A. Osche, *Chairman*

Kimberly D. Geyer, *Vice Chairman*

Kevin E. Boozel, M.S., *Secretary*



Director of Human Resources/Chief Clerk
Lori Altman

Budget & Human Services Finance Director
Ann M. Brown

May 1, 2023

Borough of Harmony
217 Mercer Street
Harmony, PA 16037

Re: \$509,000.00 (Not-to-Exceed), General Obligation Note, Series of 2023

Honorable Members of the Borough Council:

By this correspondence, the County of Butler (the "County"), through the facilities of the Butler County Infrastructure Bank Program, does wish to state and confirm its offer to purchase from the Borough of Harmony (the "Borough"), at a price of par, and at a settlement expected to occur on or about July 6, 2023, the Borough's above-referenced Note (the "Note"), bearing interest at the maximum rate of 2.72% and maturing in the aggregate maximum amounts shown on **Schedule I** attached hereto.

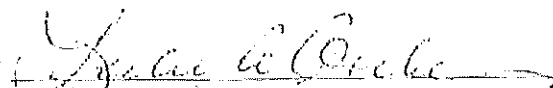
The Note will be issued under and pursuant to a Loan Agreement between the County and the Borough and the Debt Ordinance duly enacted by the Borough in order to finance a project consisting of (a) repair and installation of stormwater sewers and curbing from First and Spring Streets to Connoquenessing Creek and repair and installation of stormwater sewers, swales and curbing under I-79 and (b) paying the costs of issuing the Note.

This offer to purchase is without recourse to the County, but is instead subject and limited to the amount of proceeds available from the anticipated sale of the County's General Obligation Note, Series of 2023 (the "BCIB Note") and to full and final approval of the County's issuance of the BCIB Note by the Department of Community and Economic Development ("DCED") pursuant to the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 et seq. (the "Debt Act"). This Note Purchase Proposal has been made and entered into by the parties with the intent and purpose to comply with the terms and provisions of the Debt Act, and its terms and provisions shall be read and interpreted in light of, and in a manner consistent with, the Debt Act and administrative and judicial rulings and determinations thereunder.

Very truly yours,

COUNTY OF BUTLER

By:


Leslie A. Osche

Chairperson, Board of County Commissioners

CERTIFICATE

I, the undersigned, a Designated Officer of the named Local Government Unit, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly adopted by the affirmative vote of the majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof; that due notice of such meeting was given and the meeting was at all times open to the public; that such Ordinance was duly recorded; that this Ordinance is still in full force and effect as of the date hereof; that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body; and that the members of the Governing Body voted in the manner following:

	Yes	No	Abstain	Absent
Greg Such	<u>X</u>	_____	_____	_____
Don Sims	<u>X</u>	_____	_____	_____
Joe Dippold	<u>X</u>	_____	_____	_____
Frank Luek	<u>X</u>	_____	_____	_____
Phyllis Metz	<u>X</u>	_____	_____	_____
Jason Sarver	<u>X</u>	_____	_____	_____
David Szakelyhidi	<u>X</u>	_____	_____	_____

WITNESS my hand and seal of the Local Government Unit this 0th day of June, 2023.

BOROUGH OF HARMONY

[SEAL]



 Borough Council