

**AMENDMENT #1 Dated August 5, 2022**  
**To Revise Principal Amount, Extend Term to 24 Years and**  
**Restate Principal Installment Schedule**

**TOWNSHIP OF WEST NORRITON**  
**General Obligation Note**  
**Series of 2022**  
**REQUEST FOR PROPOSAL**  
**AND**  
**TERM SHEET**  
**Dated July 11, 2022**

The Bank (the “Bank” or “Lender”) hereby agrees to the purchase of the General Obligation Note, Series of 2022 (the “Note”), in the proposed principal amount of \$8,750,000 to be issued by the Township of West Norriton, Montgomery County, Pennsylvania (the “Township”), subject to the following terms and conditions set forth in this Term Sheet. The final aggregate principal amount of any one maturity or the entire issue itself shall not differ from the preliminary principal amount of any one maturity or the entire issue itself as presented on the Preliminary Note Amortization Schedule (attached hereto) by more than \$400,000. The Bank agrees to be legally bound to such terms from the date of the Form of Proposal (attached hereto) to the Closing Date of the Note. In connection with the Bank’s proposal, it represents that it is acquiring the Note for its own account and not with the view or intention of making any public offering of the Note. It acknowledges it will deliver a certificate substantially to that effect at closing of the Note.

1. **Term**: The Note shall have a stated maturity of approximately 24 years -- final principal payment to be due on November 15, 2046.
2. **Principal Payments**: The principal of the Note shall be fully amortized over the term of the loan in the amounts and in the manner as set forth on the attached “Preliminary Note Amortization Schedule,” subject to the preliminary principal amount adjustment provision set forth in the first paragraph of this Term Sheet.
3. **Interest Rate**: Interest on the Note shall be calculated based upon a year of three hundred sixty (360) days comprised of twelve (12) thirty (30) day months, payable on May 15 and November 15, commencing November 15, 2022, at the rate set forth in the Form of Proposal.
4. **Advances**: The loan shall be structured as a drawdown loan with the ability for advances to be made to the Township from time to time upon the Township’s request through November 15, 2024 for the purpose of paying project costs.

5. Optional Prepayment: The principal amount of the Note shall be subject to prepayment prior to maturity, at the option of the Township as a whole or, from time to time, in part, on any date, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the Township may designate in writing to the Bank at the time of prepayment; otherwise a partial prepayment shall be applied against the principal installments last, by date, due and payable.

6. Security: The Note will be issued by the Township pursuant to and secured by an ordinance duly enacted by the Township (the "Ordinance"). The Note shall be a general obligation of the Township, payable from the general taxes and other general revenues of the Township. The Township shall covenant in the Ordinance that it will include in its budget the amount of the debt service for each fiscal year of the Township in which principal and/or interest on the Note is payable, that it will appropriate from its revenues in each such year, the amount of the debt service on the Note for such year and will duly pay or cause to be paid when due the principal of and interest due on the Note. For such budgeting, appropriation of payment, the Township shall irrevocably pledge its full faith, credit and taxing power.

7. Interest to be Tax-Exempt: The Township will enter into such covenants as shall be necessary, in the opinion of Cozen O'Connor, Philadelphia, Pennsylvania ("Bond Counsel"), to assure compliance by the Township with the Internal Revenue Code of 1986, as amended (the "Code"), and to qualify interest on the Note, for exclusion from gross income for federal income tax purposes as set forth in the opinion of Bond Counsel hereinafter mentioned.

In the Ordinance, the Township will designate the Note as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Code.

8. Loan Documents: Loan documents, including the form of Note embodying the terms hereof and of the accepted proposal, shall be prepared by Bond Counsel for the Township, who shall provide the Lender and its Counsel with drafts thereof for review and comment at least one week prior to loan closing.

9. Closing Documents: As a condition of closing the Township shall deliver to the Lender the following:

- A. An Opinion of Bond Counsel or the Township Solicitor as applicable, substantially to the effect that: 1) the Township has the power and authority under the laws of the Commonwealth to issue the Note evidencing the loan; 2) the Ordinance under which the Note is issued was duly enacted and is in full force and effect; 3) the interest on the Note is exempt from the Commonwealth of Pennsylvania Personal Income Tax and the Commonwealth of Pennsylvania Corporate Net Income Tax; 4) interest on the Note is excluded from gross income for Federal income tax purposes; and 5) the Note is a valid and binding obligation of the Township and is enforceable in accordance with terms thereof;
- B. Certificate of appropriate officers of the Township and/or its Solicitor substantially to the effect that no litigation of any nature is pending or to the undersigned's knowledge threatened: 1) seeking to restrain or enjoin or restraining or enjoining

execution, issuance, delivery or sale of the Note; or 2) affecting or questioning validity of the proceedings and authority of the Township for issuance of the Note; or 3) affecting or questioning: (a) validity of the Note; or (b), organization and existence of the Township;

- C. Such other documents, certificates and instruments as shall be required by Bond Counsel, to evidence compliance with, or to comply with, the provisions of the Local Government Unit Debt Act and the Code and applicable regulations thereunder with respect to the exclusion of interest payable on the Note from gross income for federal income tax purposes.

10. Closing: It is anticipated that closing for the Note shall occur on or about October 6, 2022, but not later than October 20, 2022. Closing shall occur at a time and place mutually acceptable to the Township and the Lender.

11. Fees and Expenses: The Township shall pay all fees and expenses of its Bond Counsel, Solicitor and Financial Advisor and shall pay for the preparation and printing of the Note documents. The Township shall also pay the Lender's fees and expenses (including its counsel) subject to a maximum amount up to \$2,500 as specified on the form of proposal.

12. Continuing Reporting: The Township shall remit, when available, annual audited financial statements to the Lender, and any other information that the Lender shall reasonably request.

13. Rejection of Proposals: The Township expressly reserves the right to reject any and all proposals received in connection with this request for proposals and thereafter to negotiate with any proposer or other bank. The basis for acceptance of any proposal shall be that which is in the best interest of the Township as determined solely by the Township.

14. Amendment: The Township reserves the right to amend or modify this Term Sheet in writing by notifying the proposers via e-mail, no later than one day prior to the proposal due date, addressed to each proposer which at the time has its name and e-mail address on file with the Financial Advisor.

15. Confidentiality and Nondisclosure Restrictions: Certain of the financial, demographic or statistical information sent to you, or to be sent to you, with respect to this Request for Proposal may be internal or draft information of, or about, the Township that is not generally available to the public or to the investment community generally. Accordingly, by acceptance of this Request for Proposal, you are deemed to have agreed to use all financial, demographic or statistical information sent to you, or to be sent to you, solely for your internal evaluation of the creditworthiness and pricing of any Bank Loan Proposal you may submit. Subject to applicable law, no information sent to you, or to be sent to you, with respect to this Request for Proposal may be disseminated to anyone outside of your Bank or to any persons within your Bank not involved in the evaluation of the creditworthiness and pricing of any Bank Loan Proposal you may choose to submit. If you do not, or cannot, agree to abide by this Restriction, you are required to return or destroy all information sent to you with respect to this Request for Proposal.

### Preliminary Note Amortization Schedule

| Date       | Principal<br>Installment |
|------------|--------------------------|
| 11/15/2023 |                          |
| 5/15/2024  |                          |
| 11/15/2024 | 150,000                  |
| 5/15/2025  |                          |
| 11/15/2025 | 235,000                  |
| 5/15/2026  |                          |
| 11/15/2026 | 243,000                  |
| 5/15/2027  |                          |
| 11/15/2027 | 254,000                  |
| 5/15/2028  |                          |
| 11/15/2028 | 262,000                  |
| 5/15/2029  |                          |
| 11/15/2029 | 270,000                  |
| 5/15/2030  |                          |
| 11/15/2030 | 280,000                  |
| 5/15/2031  |                          |
| 11/15/2031 | 289,000                  |
| 5/15/2032  |                          |
| 11/15/2032 | 297,000                  |
| 5/15/2033  |                          |
| 11/15/2033 | 225,000                  |
| 5/15/2034  |                          |
| 11/15/2034 | 236,000                  |
| 5/15/2035  |                          |
| 11/15/2035 | 272,000                  |
| 5/15/2036  |                          |
| 11/15/2036 | 339,000                  |
| 5/15/2037  |                          |
| 11/15/2037 | 439,000                  |
| 5/15/2038  |                          |
| 11/15/2038 | 459,000                  |
| 5/15/2039  |                          |
| 11/15/2039 | 480,000                  |
| 5/15/2040  |                          |
| 11/15/2040 | 501,000                  |
| 5/15/2041  |                          |
| 11/15/2041 | 524,000                  |
| 5/15/2042  |                          |
| 11/15/2042 | 547,000                  |
| 5/15/2043  |                          |
| 11/15/2043 | 572,000                  |
| 5/15/2044  |                          |
| 11/15/2044 | 598,000                  |
| 5/15/2045  |                          |
| 11/15/2045 | 625,000                  |
| 5/15/2046  |                          |
| 11/15/2046 | 653,000                  |
| Total      | 8,750,000                |

**AMENDMENT #1 Dated August 5, 2022**  
**To Revise Principal Amount, Extend Term to 24 Years and**  
**Restate Principal Installment Schedule**

**TOWNSHIP OF WEST NORRITON**  
**GENERAL OBLIGATION NOTE**  
**SERIES OF 2022**  
**FORM OF PROPOSAL**

The Bank (the “Bank” or “Lender”) hereby agrees to the purchase of the General Obligation Note, Series of 2022 (the “Note”), in the proposed principal amount of \$8,750,000 to be issued by the Township of West Norriton, Montgomery County, Pennsylvania (the “Township”), subject to the terms and conditions set forth in the Term Sheet dated July 11, 2022, as amended August 5, 2022. The final aggregate principal amount of any one maturity or the entire issue itself shall not differ from the preliminary principal amount of any one maturity or the entire issue itself as presented on the Preliminary Note Amortization Schedule by more than \$400,000. The Bank agrees to be legally bound to such terms from the date of the Form of Proposal to the Closing Date of the Note. In connection with the Bank’s proposal, it represents that it is acquiring the Note for its own account and not with the view or intention of making any public offering of the Note. It acknowledges it will deliver a certificate substantially to that effect at closing of the Note.

**Interest Rate.** The Township shall only consider proposals which clearly express the rate of interest to be charged during the full term of the Note. Therefore, a qualified proposer must respond to I, II, III or IV below, or multiple if the Bank wishes to provide an option.

**I. Fixed Rate of Interest**

A fixed rate of interest for the term of the Note equal to N/A % per annum.

and/or

**II. Fixed/Variable Rate of Interest - (7 Year Fixed Rate, Variable Rate Thereafter)**

**Initial Interest Rate:** The initial interest rate on the Note shall be 3.20 % for a period of approximately seven years, ending November 15, 2029.

**Interest Rate Reset:** After the initial fixed interest rate period, the rate shall be continually reset at 79 % of the Wall Street Journal Prime Rate (or its equivalent).

and/or

**III. Fixed/Variable Rate of Interest - (10 Year Fixed Rate, Variable Rate Thereafter)**

**Initial Interest Rate:** The initial interest rate on the Note shall be 3.23 % for a period of approximately ten years, ending November 15, 2032.

**Interest Rate Reset:** After the initial fixed interest rate period, the rate shall be continually reset at 79 % of the Wall Street Journal Prime Rate (or its equivalent).

and/or

**IV. Fixed/Variable Rate of Interest - (15 Year Fixed Rate, Variable Rate Thereafter)**

**Initial Interest Rate:** The initial interest rate on the Note shall be N/A % for a period of approximately fifteen years, ending November 15, 2037.

**Interest Rate Reset:** After the initial fixed interest rate period, the rate shall be continually reset at N/A % of the Wall Street Journal Prime Rate (or its equivalent).

**Maximum Cap Interest Rate (With respect to II, III or IV above):** In no instance shall the interest rate ever exceed 4.50%.

**Costs & Expenses.**

The Bank shall request the payment of its fees and expenses (including counsel), in the amount of \$ 2,500 (subject to a maximum of \$2,500 per the Term Sheet).

Additional Conditions:

- Loan shall be fully advanced at closing with construction proceeds deposited into an S&T deposit account.

The Bank acknowledges that the Township reserves the right to reject any and all proposals received in connection with this request for proposals.

Name and Address of Bank

S&T Bank

4341 Ridge Avenue  
Philadelphia, PA 19129

814-931-2294

Phone Number

Justin.Gildea@stbank.com

E-Mail Address

  
Authorized Officer (Signature)

7-27-2022

Date

Justin Gildea, Vice President

Authorized Officer  
Print Name and Title

Option \_\_\_\_

Approved and Accepted by:

Township of West Norriton  
Authorized Officer

Date