

**SUSQUEHANNA TOWNSHIP AUTHORITY**

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**RESOLUTION**

2014-03

WHEREAS, Susquehanna Township Authority (the "Authority") is a municipality authority organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. Ch. 56; and

WHEREAS, This Authority has determined to provide for the current refunding of this Authority's outstanding, as of November 15, 2014, Guaranteed Sewer Revenue Bonds – Series of 2009, dated as of November 10, 2009, and for the payment of costs and expenses of financing (the "2014 Refunding Project"); and

WHEREAS, This Authority has determined to finance the costs and expenses of the 2014 Refunding Project by issuance and sale of its Guaranteed Sewer Revenue Bond - Series of 2014, dated as of November 3, 2014, in the principal amount of \$6,430,000 (the "Bond"), to be issued as an additional bond under a Trust Indenture, dated as of July 15, 2004 (the "Original Indenture"), as supplemented by a First Supplemental Indenture, dated as of December 1, 2007 (the "First Supplemental Indenture"), by a Second Supplemental Indenture, dated as of

November 10, 2009 (the "Second Supplemental Indenture"), by a Third Supplemental Indenture, dated as of May 9, 2012 (the "Third Supplemental Indenture"), by a Fourth Supplemental Indenture, dated as of September 16, 2013 (the "Fourth Supplemental Indenture"), and by a Fifth Supplemental Indenture, dated as of November 3, 2014 (the "Fifth Supplemental Indenture"), each between this Authority and Manufacturers and Traders Trust Company (the "Trustee"), as trustee; and

WHEREAS, Branch Banking and Trust Company (the "Purchaser") has submitted a bid for purchase of the Bond; and such bid has been analyzed by Concord Public Financial Advisors, Inc., Financial Advisor for this Authority, who has advised this Authority that the bid of the Purchaser is proper and complete in all respects; and

WHEREAS, The Board of this Authority desires to accept the bid of the Purchaser and to award the Bond to the Purchaser.

NOW, THEREFORE, BE IT RESOLVED, by the Board of this Authority, as follows:

1. This Authority expresses its intention: (a) to proceed with the 2014 Refunding Project; and (b) to undertake the financing required in connection therewith.

2. This Authority accepts the bid of the Purchaser, as the same was presented to this meeting, and directs that the original thereof, together with copies of the schedules therewith, shall be attached hereto and made a part hereof. The bid of the Purchaser is accepted subject to conditions set forth therein; and the Chairman or Vice Chairman and Secretary or Assistant Secretary of this Authority are authorized and directed to execute and deliver a written acceptance thereof.

This Authority does hereby authorize the issuance of the Bond contemplated by the bid of the Purchaser in accordance with terms and provisions of the proposed Fifth Supplemental Indenture, which, together with the Original Indenture, as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, will secure the Bond.

3. This Authority authorizes and directs the law firm of Mette, Evans & Woodside, Harrisburg, Pennsylvania, in conjunction with the Solicitor of this Authority, to do, perform and arrange all legal and related services necessary to

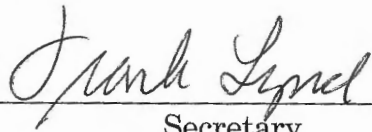
enable this Authority to consummate issuance of Bond, including preparation and printing of the Bond and the required Fifth Supplemental Indenture.

4. Proper officers of this Authority are authorized and directed to take all action and to do all things necessary and proper in connection with issuance of the Bond and the required financing of the 2014 Refunding Project.

CERTIFICATE

I, the undersigned, Secretary of Susquehanna Township Authority (the "Authority"), certify: that the foregoing is a true and correct copy of a Resolution which duly was adopted by affirmative vote of a majority of all members of the Board of the Authority at a meeting duly held on September 9, 2014, at which meeting a quorum was present, after due notice to the members of the Board of the Authority and to the public and which was at all times open to the public; that said Resolution duly has been recorded in the minute book of the Authority; and that said Resolution is in full force and effect, without amendment, alteration or repeal, as of the date of this Certificate.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Authority, this 9<sup>th</sup> day of September, 2014.

  
\_\_\_\_\_  
Secretary

(SEAL)

**PROPOSAL**  
**SUSQUEHANNA TOWNSHIP AUTHORITY**  
**GUARANTEED SEWER REVENUE BOND - SERIES OF 2014**

August 12, 2014

Susquehanna Township Authority

Dear Authority members,

The Bank (the "Bank" or "Lender") hereby agrees to purchase the Guaranteed Sewer Revenue Bond - Series of 2014 (the "2014 Bond"), to be issued by the Susquehanna Township Authority, (the "Authority") in the approximate principal amount of \$6,418,300 subject to the terms and conditions set forth in the term sheet dated July 16, 2014 (the "Term Sheet"), which is attached hereto and incorporated hereby by this reference. The final principal amount of any one installment of principal of the 2014 Bond, or the total principal amount of the 2014 Bond, shall not differ from the amounts thereof illustrated on the attached Preliminary 2014 Bond Amortization Schedule by more than \$641,000, in each case. The Bank agrees to be legally bound to such terms from the date of the Form of Proposal to the Closing Date of the 2014 Bond. *Terms in attached proposal supercede the Term Sheet.*

**Interest Rate.** The Authority shall only consider proposals which clearly express the rate of interest and/or the method of setting such rate of interest and the maximum rate of interest to be charged during the full term of the 2014 Bond.

**I. Fixed Rate of Interest**

A fixed rate of interest for the term of the 2014 Bond equal to 2.35% per year.

And/or

**II. Fixed/Variable Rate of Interest - 7 year**

**Initial Interest Rate:** The initial interest rate on the 2014 Bond shall be \_\_\_\_% for a period of approximately seven (7) years ending October 1, 2021.

**Interest Rate Reset:** After the initial interest rate period, the rate shall be reset yearly for the remainder of the term either at (select one):

- a.** \_\_\_\_% of the then One Year London Inter Bank Offering Rate ("30 Day LIBOR") plus \_\_\_\_ basis points (or its equivalent); or
- b.** \_\_\_\_% of the then Prime Rate.

**Maximum or Cap Interest Rate:** In no instance shall the interest rate ever exceed \_\_\_\_% (cannot exceed 3.75%).

The principal amount of the 2014 Bond shall be subject to prepayment prior to maturity, at the option of the Authority, 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 2014 Bond as the Authority 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.

**Cost & Expenses.**

The Bank shall request the reimbursement of its fees, subject to a maximum of \$ 2,500 (not more than \$2,500).

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

Date: 8/12/14

Respectfully submitted,

BB&T

[Name of Bank]

By:

[Signature]  
Authorized Officer

Charles Taylor Vick  
[typed or printed name of officer]

Address:

5130 Parkway Plaza Blvd  
[Address for Correspondence]

Charlotte, NC 28217

Tel. No. 704-954-1707  
[Telephone Number]

Email trick@bbandt.com

ACCEPTED this 9<sup>th</sup> day of Sept, 2014

SUSQUEHANNA TOWNSHIP  
AUTHORITY

By:

[Signature]  
Authorized Officer



Branch Banking and Trust Company

August 12, 2014

Governmental Finance  
5130 Parkway Plaza Blvd.  
Charlotte, NC 28217  
(704) 954-1700  
Fax (704) 954-1799

To:  
Susquehanna Township Authority

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Susquehanna Township Authority ("Authority").

- (1) **Project:** Guaranteed Sewer Revenue Bond, Series of 2014
- (2) **Amount to Be Financed:** Approximately \$6,418,300
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Maturity</u>	<u>Rate – Bank Qualified</u>
October 1, 2026	2.35%

Payments shall be semi-annual interest on April 1 and October 1, beginning April 1, 2015 and principal payments following the schedule presented below. Interest shall be calculated on a 30/360 basis in accordance with MSRB standards.

<u>Date</u>	<u>Principal</u>
10/1/2015	403,000
10/1/2016	622,300
10/1/2017	633,400
10/1/2018	657,100
10/1/2019	675,100
10/1/2020	681,300
10/1/2021	707,400
10/1/2022	719,700
10/1/2023	726,900
10/1/2024	188,600
10/1/2025	199,000
10/1/2026	204,500
Totals	6,418,300

The interest rate stated above is valid for a closing not later than 60 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and its counsel.

*Now Oct 13*



Remuneration for our legal review expenses and underwriting for this financing transaction shall not exceed \$2,500. All applicable costs of counsel for the Authority and any other costs shall be the Authority's responsibility and separately payable by the Authority. BB&T is offering two separate choices for bond redemption:

Option 1: Callable on or after 10/01/2020 on a payment date at par

Option 2: Callable on or after 4/01/2015 on a payment date at 101% of par

The stated interest rate assumes that the Authority expects to borrow less than \$10,000,000 in calendar year 2014 and that the Authority shall comply with IRS Code Sections 141, 148, 149(e) and Section 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing shall become a taxable financing or a non-qualified tax exempt financing prior to settlement.

**(4) Financing Documents:**

It shall be the responsibility of the Authority to retain and compensate bond counsel to appropriately structure the Guaranteed Sewer Revenue Bond according to Federal and Pennsylvania Commonwealth statutes. BB&T shall also require the Authority to provide an unqualified bond counsel opinion. BB&T reserves the right to review the documents and all documentation shall be acceptable to BB&T and its counsel. BB&T will take physical delivery of the Bond and of the original opinions. This issue shall not be assigned a CUSIP number.

**(5) Security:**

The Bond will be a Guaranteed Sewer Revenue Bond, secured by the Net Revenues of the Sewer System. A rate covenant of 1.20x shall be in place. The Township of Susquehanna, PA will also irrevocably pledged its full, faith credit and unlimited taxing power to guarantee the payments on the Bond.

\* \* \* \* \*

BB&T appreciates the opportunity to provide this financing term sheet and requests to be notified within fifteen days of this term sheet should BB&T be the successful proposer.

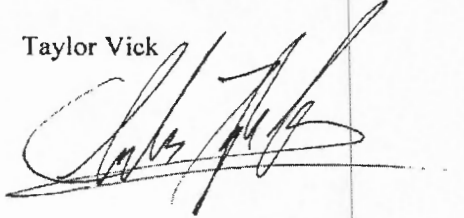
BB&T shall have the right to cancel this offer by notifying the Authority of its election to do so (whether or not this offer has previously been accepted by the Authority) if at any time prior to the closing there is a material adverse change in the Authority's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Authority or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (704) 954-1707 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY

Taylor Vick

A handwritten signature in black ink, appearing to read 'Taylor Vick', written over a horizontal line.