

**TOWNSHIP OF WASHINGTON
COUNTY OF NORTHAMPTON
COMMONWEALTH OF PENNSYLVANIA**

ORDINANCE NO. 296

AN ORDINANCE INCREASING THE INDEBTEDNESS OF WASHINGTON TOWNSHIP,
NORTHAMPTON COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL
OBLIGATION NOTE IN THE AMOUNT OF \$400,000.00 FOR SUNDRY PURPOSES;
FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF;
MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE;
PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; PROVIDING FOR THE
APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND
AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Township of Washington, Northampton County, Pennsylvania be increased for the purpose of recreation improvements to the Washington Township Recreation Complex; and

WHEREAS, the local government unit has received preliminary cost estimates from professional consultants indicating the sum of \$400,000.00 will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Board of Supervisors of Washington Township, Northampton County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. That the aggregate principal amount of the Note of the Township of Washington, Northampton County, Pennsylvania, proposed to be issued is \$400,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of 10 years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$400,000.00 dated and bearing interest from the earliest date of possible

issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act, at the rate of interest of 2.95% per annum, payable on the unpaid balance of said Note on September 1, 2030 during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 2.95% per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note and is reflected in an Amortization Schedule, attached hereto, made a part hereof, and marked as "Exhibit A".

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payments dates thereof, without notice or penalty.

The principal interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 4. The said Note is hereby declared to be a general obligation of Washington Township, Northampton County, Pennsylvania. The local government unit hereby covenants that it shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Township of Washington, Northampton County is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 2.95% are attached as "Exhibit A", made a part hereof.

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit N.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the local government unit by the Chairman of the Board of Supervisors and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser, and receive payment therefore on behalf of the local government unit. The Chairman of the Board of Supervisors and Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, including, if necessary or desirable, and statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. Fidelity Bank (formerly Merchants National Bank of Bangor) is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2020 General Obligation Note - Recreation" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 8. The Chairman of the Board of Supervisors and Secretary of the local government unit are hereby authorized to contract with Fidelity Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

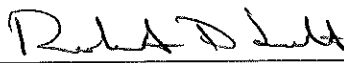
SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the general obligation Note in the amount of \$400,000.00, herein authorized to be issued and sold is hereby awarded and sold to Fidelity Bank (Lender) in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to Fidelity Bank (Lender) and is in the form set forth in this Ordinance as Exhibit N; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act.

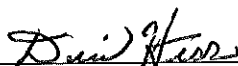
SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Express-Times, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

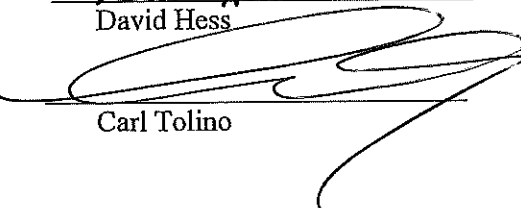
SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 22nd day of July 2020.

WASHINGTON TOWNSHIP BOARD OF SUPERVISORS

By: 
Robert Smith


David Hess


Carl Tolino

ATTEST:


Gail Putvinski, Secretary

EXHIBIT A**Amortization Schedule**

Principal: \$400,000.00					
Interest Rate: 2.95%					
Payment Interval: Monthly					
# of Payments: 120					
Payment: \$3,853.20					
Schedule of Payments					
Please allow for slight rounding differences.					
Pmt #	Date	Payment	Principal	Interest	Balance
1	Oct 1 2020	\$3,853.20	\$2,869.87	\$983.33	\$397,130.13
2	Nov 1 2020	\$3,853.20	\$2,876.92	\$976.28	\$394,253.21
3	Dec 1 2020	\$3,853.20	\$2,883.99	\$969.21	\$391,369.22
Year 1	2020 Totals	\$11,559.60	\$8,630.78	\$2,928.82	\$391,369.22
4	Jan 1 2021	\$3,853.20	\$2,891.08	\$962.12	\$388,478.14
5	Feb 1 2021	\$3,853.20	\$2,898.19	\$955.01	\$385,579.95
6	Mar 1 2021	\$3,853.20	\$2,905.32	\$947.88	\$382,674.63
7	Apr 1 2021	\$3,853.20	\$2,912.46	\$940.74	\$379,762.17
8	May 1 2021	\$3,853.20	\$2,919.62	\$933.58	\$376,842.55
9	Jun 1 2021	\$3,853.20	\$2,926.80	\$926.40	\$373,915.75
10	Jul 1 2021	\$3,853.20	\$2,933.99	\$919.21	\$370,981.76
11	Aug 1 2021	\$3,853.20	\$2,941.20	\$912.00	\$368,040.56
12	Sep 1 2021	\$3,853.20	\$2,948.43	\$904.77	\$365,092.13
13	Oct 1 2021	\$3,853.20	\$2,955.68	\$897.52	\$362,136.45
14	Nov 1 2021	\$3,853.20	\$2,962.95	\$890.25	\$359,173.50
15	Dec 1 2021	\$3,853.20	\$2,970.23	\$882.97	\$356,203.27
Year 2	2021 Totals	\$46,238.40	\$35,165.95	\$11,072.45	\$356,203.27
16	Jan 1 2022	\$3,853.20	\$2,977.53	\$875.67	\$353,225.74
17	Feb 1 2022	\$3,853.20	\$2,984.85	\$868.35	\$350,240.89
18	Mar 1 2022	\$3,853.20	\$2,992.19	\$861.01	\$347,248.70
19	Apr 1 2022	\$3,853.20	\$2,999.55	\$853.65	\$344,249.15
20	May 1 2022	\$3,853.20	\$3,006.92	\$846.28	\$341,242.23
21	Jun 1 2022	\$3,853.20	\$3,014.31	\$838.89	\$338,227.92
22	Jul 1 2022	\$3,853.20	\$3,021.72	\$831.48	\$335,206.20
23	Aug 1 2022	\$3,853.20	\$3,029.15	\$824.05	\$332,177.05
24	Sep 1 2022	\$3,853.20	\$3,036.60	\$816.60	\$329,140.45
25	Oct 1 2022	\$3,853.20	\$3,044.06	\$809.14	\$326,096.39
26	Nov 1 2022	\$3,853.20	\$3,051.55	\$801.65	\$323,044.84

EXHIBIT A

27	Dec 1 2022	\$3,853.20	\$3,059.05	\$794.15	\$319,985.79
Year 3	2022 Totals	\$46,238.40	\$36,217.48	\$10,020.92	\$319,985.79
28	Jan 1 2023	\$3,853.20	\$3,066.57	\$786.63	\$316,919.22
29	Feb 1 2023	\$3,853.20	\$3,074.11	\$779.09	\$313,845.11
30	Mar 1 2023	\$3,853.20	\$3,081.66	\$771.54	\$310,763.45
31	Apr 1 2023	\$3,853.20	\$3,089.24	\$763.96	\$307,674.21
32	May 1 2023	\$3,853.20	\$3,096.83	\$756.37	\$304,577.38
33	Jun 1 2023	\$3,853.20	\$3,104.45	\$748.75	\$301,472.93
34	Jul 1 2023	\$3,853.20	\$3,112.08	\$741.12	\$298,360.85
35	Aug 1 2023	\$3,853.20	\$3,119.73	\$733.47	\$295,241.12
36	Sep 1 2023	\$3,853.20	\$3,127.40	\$725.80	\$292,113.72
37	Oct 1 2023	\$3,853.20	\$3,135.09	\$718.11	\$288,978.63
38	Nov 1 2023	\$3,853.20	\$3,142.79	\$710.41	\$285,835.84
39	Dec 1 2023	\$3,853.20	\$3,150.52	\$702.68	\$282,685.32
Year 4	2023 Totals	\$46,238.40	\$37,300.47	\$8,937.93	\$282,685.32
40	Jan 1 2024	\$3,853.20	\$3,158.27	\$694.93	\$279,527.05
41	Feb 1 2024	\$3,853.20	\$3,166.03	\$687.17	\$276,361.02
42	Mar 1 2024	\$3,853.20	\$3,173.81	\$679.39	\$273,187.21
43	Apr 1 2024	\$3,853.20	\$3,181.61	\$671.59	\$270,005.60
44	May 1 2024	\$3,853.20	\$3,189.44	\$663.76	\$266,816.16
45	Jun 1 2024	\$3,853.20	\$3,197.28	\$655.92	\$263,618.88
46	Jul 1 2024	\$3,853.20	\$3,205.14	\$648.06	\$260,413.74
47	Aug 1 2024	\$3,853.20	\$3,213.02	\$640.18	\$257,200.72
48	Sep 1 2024	\$3,853.20	\$3,220.91	\$632.29	\$253,979.81
49	Oct 1 2024	\$3,853.20	\$3,228.83	\$624.37	\$250,750.98
50	Nov 1 2024	\$3,853.20	\$3,236.77	\$616.43	\$247,514.21
51	Dec 1 2024	\$3,853.20	\$3,244.73	\$608.47	\$244,269.48
Year 5	2024 Totals	\$46,238.40	\$38,415.84	\$7,822.56	\$244,269.48
52	Jan 1 2025	\$3,853.20	\$3,252.70	\$600.50	\$241,016.78
53	Feb 1 2025	\$3,853.20	\$3,260.70	\$592.50	\$237,756.08
54	Mar 1 2025	\$3,853.20	\$3,268.72	\$584.48	\$234,487.36
55	Apr 1 2025	\$3,853.20	\$3,276.75	\$576.45	\$231,210.61
56	May 1 2025	\$3,853.20	\$3,284.81	\$568.39	\$227,925.80
57	Jun 1 2025	\$3,853.20	\$3,292.88	\$560.32	\$224,632.92
58	Jul 1 2025	\$3,853.20	\$3,300.98	\$552.22	\$221,331.94
59	Aug 1 2025	\$3,853.20	\$3,309.09	\$544.11	\$218,022.85
60	Sep 1 2025	\$3,853.20	\$3,317.23	\$535.97	\$214,705.62
61	Oct 1 2025	\$3,853.20	\$3,325.38	\$527.82	\$211,380.24

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62	Nov 1 2025	\$3,853.20	\$3,333.56	\$519.64	\$208,046.68
63	Dec 1 2025	\$3,853.20	\$3,341.75	\$511.45	\$204,704.93
Year 6	2025 Totals	\$46,238.40	\$39,564.55	\$6,673.85	\$204,704.93
64	Jan 1 2026	\$3,853.20	\$3,349.97	\$503.23	\$201,354.96
65	Feb 1 2026	\$3,853.20	\$3,358.20	\$495.00	\$197,996.76
66	Mar 1 2026	\$3,853.20	\$3,366.46	\$486.74	\$194,630.30
67	Apr 1 2026	\$3,853.20	\$3,374.73	\$478.47	\$191,255.57
68	May 1 2026	\$3,853.20	\$3,383.03	\$470.17	\$187,872.54
69	Jun 1 2026	\$3,853.20	\$3,391.35	\$461.85	\$184,481.19
70	Jul 1 2026	\$3,853.20	\$3,399.68	\$453.52	\$181,081.51
71	Aug 1 2026	\$3,853.20	\$3,408.04	\$445.16	\$177,673.47
72	Sep 1 2026	\$3,853.20	\$3,416.42	\$436.78	\$174,257.05
73	Oct 1 2026	\$3,853.20	\$3,424.82	\$428.38	\$170,832.23
74	Nov 1 2026	\$3,853.20	\$3,433.24	\$419.96	\$167,398.99
75	Dec 1 2026	\$3,853.20	\$3,441.68	\$411.52	\$163,957.31
Year 7	2026 Totals	\$46,238.40	\$40,747.62	\$5,490.78	\$163,957.31
76	Jan 1 2027	\$3,853.20	\$3,450.14	\$403.06	\$160,507.17
77	Feb 1 2027	\$3,853.20	\$3,458.62	\$394.58	\$157,048.55
78	Mar 1 2027	\$3,853.20	\$3,467.12	\$386.08	\$153,581.43
79	Apr 1 2027	\$3,853.20	\$3,475.65	\$377.55	\$150,105.78
80	May 1 2027	\$3,853.20	\$3,484.19	\$369.01	\$146,621.59
81	Jun 1 2027	\$3,853.20	\$3,492.76	\$360.44	\$143,128.83
82	Jul 1 2027	\$3,853.20	\$3,501.34	\$351.86	\$139,627.49
83	Aug 1 2027	\$3,853.20	\$3,509.95	\$343.25	\$136,117.54
84	Sep 1 2027	\$3,853.20	\$3,518.58	\$334.62	\$132,598.96
85	Oct 1 2027	\$3,853.20	\$3,527.23	\$325.97	\$129,071.73
86	Nov 1 2027	\$3,853.20	\$3,535.90	\$317.30	\$125,535.83
87	Dec 1 2027	\$3,853.20	\$3,544.59	\$308.61	\$121,991.24
Year 8	2027 Totals	\$46,238.40	\$41,966.07	\$4,272.33	\$121,991.24
88	Jan 1 2028	\$3,853.20	\$3,553.30	\$299.90	\$118,437.94
89	Feb 1 2028	\$3,853.20	\$3,562.04	\$291.16	\$114,875.90
90	Mar 1 2028	\$3,853.20	\$3,570.80	\$282.40	\$111,305.10
91	Apr 1 2028	\$3,853.20	\$3,579.57	\$273.63	\$107,725.53
92	May 1 2028	\$3,853.20	\$3,588.37	\$264.83	\$104,137.16
93	Jun 1 2028	\$3,853.20	\$3,597.20	\$256.00	\$100,539.96
94	Jul 1 2028	\$3,853.20	\$3,606.04	\$247.16	\$96,933.92
95	Aug 1 2028	\$3,853.20	\$3,614.90	\$238.30	\$93,319.02
96	Sep 1 2028	\$3,853.20	\$3,623.79	\$229.41	\$89,695.23

EXHIBIT A

97	Oct 1 2028	\$3,853.20	\$3,632.70	\$220.50	\$86,062.53
98	Nov 1 2028	\$3,853.20	\$3,641.63	\$211.57	\$82,420.90
99	Dec 1 2028	\$3,853.20	\$3,650.58	\$202.62	\$78,770.32
Year 9	2028 Totals	\$46,238.40	\$43,220.92	\$3,017.48	\$78,770.32
100	Jan 1 2029	\$3,853.20	\$3,659.56	\$193.64	\$75,110.76
101	Feb 1 2029	\$3,853.20	\$3,668.55	\$184.65	\$71,442.21
102	Mar 1 2029	\$3,853.20	\$3,677.57	\$175.63	\$67,764.64
103	Apr 1 2029	\$3,853.20	\$3,686.61	\$166.59	\$64,078.03
104	May 1 2029	\$3,853.20	\$3,695.67	\$157.53	\$60,382.36
105	Jun 1 2029	\$3,853.20	\$3,704.76	\$148.44	\$56,677.60
106	Jul 1 2029	\$3,853.20	\$3,713.87	\$139.33	\$52,963.73
107	Aug 1 2029	\$3,853.20	\$3,723.00	\$130.20	\$49,240.73
108	Sep 1 2029	\$3,853.20	\$3,732.15	\$121.05	\$45,508.58
109	Oct 1 2029	\$3,853.20	\$3,741.32	\$111.88	\$41,767.26
110	Nov 1 2029	\$3,853.20	\$3,750.52	\$102.68	\$38,016.74
111	Dec 1 2029	\$3,853.20	\$3,759.74	\$93.46	\$34,257.00
Year 10	2029 Totals	\$46,238.40	\$44,513.32	\$1,725.08	\$34,257.00
112	Jan 1 2030	\$3,853.20	\$3,768.98	\$84.22	\$30,488.02
113	Feb 1 2030	\$3,853.20	\$3,778.25	\$74.95	\$26,709.77
114	Mar 1 2030	\$3,853.20	\$3,787.54	\$65.66	\$22,922.23
115	Apr 1 2030	\$3,853.20	\$3,796.85	\$56.35	\$19,125.38
116	May 1 2030	\$3,853.20	\$3,806.18	\$47.02	\$15,319.20
117	Jun 1 2030	\$3,853.20	\$3,815.54	\$37.66	\$11,503.66
118	Jul 1 2030	\$3,853.20	\$3,824.92	\$28.28	\$7,678.74
119	Aug 1 2030	\$3,853.20	\$3,834.32	\$18.88	\$3,844.42
120	Sep 1 2030	\$3,853.87	\$3,844.42	\$9.45	\$0.00
Year 11	2030 Totals	\$34,679.47	\$34,257.00	\$422.47	\$0.00
Grand Total		\$462,384.67	\$400,000.00	\$62,384.67	

July 20, 2020

Washington Township
Gail Putvinski
1021 Washington Street
Bangor, PA 18013

Dear Ms. Putvinski and Board Members,

We are pleased to advise you that, subject to the terms and conditions herein set forth, The Fidelity Deposit and Discount Bank (the "Bank") has approved the application of Washington Township (the "Borrower") for a Commercial Term Note (the "Term Loan") in the amount of FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) to complete the townships recreational park. This commitment is issued subject to the statutory and other requirements by which we as a banking association are governed; (iii) your acceptance hereof in the manner herein provided; (iv) your compliance with all the provisions hereof, (v) the following terms and conditions:

1. THE TERM LOAN.

- a. The Term Loan in the amount of \$400,000.00, shall be made available to the Borrower at closing, and shall be repaid in full within one hundred twenty (120) months from the Date of Closing, as hereinafter defined. Commencing at thirty (30) days after the Date of Closing and on the same day of each month for 120 months, Borrower shall pay monthly interest payments for twelve (12) months and thereafter, one-hundred and eight (108) monthly principal and interest payments of approximately \$4,229.12. The entire principal balance, interest and costs attributable to the Term Loan shall be paid in full on or prior to a date which is one hundred twenty (120) months after the Date of Closing.
- b. The Term Loan shall be evidenced by the Borrower's execution of the Bank's standard form of Promissory Note (the "Note").

2. RATE OF INTEREST.

- a. The rate of interest to be paid on the Term Loan shall be fixed at 2.95% (tax free rate) for 120 months.
- b. Interest shall be calculated on the basis of an Actual/360-day year.

Exhibit N

- c. Default Rate of Interest. In the event the Borrower defaults in its performance herein or in the Note, Bank reserves the right to assess interest on the outstanding principal amount at the rate of three (3.00%) percent above the rate in effect at the time of default ("Default Rate of Interest").
- 3. PREPAYMENT PENALTY/LATE FEE. None.
- 4. LOAN ORIGINATION FEE. The Borrower shall pay to the Bank at closing a Documentation Fee of \$500.00 plus costs.
- 5. SECURITY. The Term Loan shall be secured, and payment guaranteed, by:
 - a. The Full Faith and taxation power of Washington Township.
- 6. ITEMS TO BE FURNISHED.
 - a. The Term Note in the face amount of \$400,00.00, and all other documentation required by the Bank to evidence and secure the Term Loan in terms herein stated (collectively called the "Loan Documents") all in form and content satisfactory to the Bank and duly executed by all parties thereto. The Loan Documents will contain provisions for notice and right to accelerate payment of the Loan and to exercise remedies upon the occurrence of any "Event of Default".
 - b. Submission of annual audit and budget.
 - c. Validity and tax-free opinion of council from Borough Solicitor.
 - d. Should tax free status be lost, the rate would revert to 3.61% during the initial fixed rate period.
 - e. Receipt of Pennsylvania Debt Action Letter (approval).
 - f. Closing documents are to be prepared by an Attorney at borrower's expense.
 - g. Final closing documents are to be satisfactorily reviewed by bank prior to settlement.
 - h. Maintain deposit accounts with Fidelity Bank.
 - i. Borrower responsible for all fees related to the loan.
 - j. Receipt of fully executed construction agreement from all contractors.
 - k. Borrower to cover any cost overruns.

Exhibit N

7. FEES AND EXPENSES. All items required to be furnished by the Borrower hereunder shall be furnished without cost to the Bank, including the fees of Bank's counsel for services incurred in connection with the Term Loan. Borrower will reimburse the Bank for all out-of-pocket expenses incurred in connection with the Term Loan.
8. APPROVAL OF LOAN DOCUMENTS. Copies of all Loan Documents required under provisions of this Commitment shall be furnished to the Bank and its Counsel prior to any scheduled date of Closing and shall be satisfactory in form and content to the Bank and its Counsel.
9. GENERAL CONDITIONS. The Borrower agrees:
 - a. To furnish the Bank, within 120 days after the end of each calendar year, copies of tax returns and/or financial statements of Borrower, prepared on a compilation basis by Borrower's certified public accountants in accordance with generally accepted accounting principles, consistently applied, to include a balance sheet, a statement of income and expense, a statement of cash flows and a reconciliation of retained earnings, with appropriate footnotes.
 - b. To complete and execute all documents required by the Bank at Closing.
 - c. To provide all necessary documentation for the Borrower that is in compliance with the Patriot Act and its required Customer Identification Program (C.I.P), as it pertains to financial institutions.
 - d. That if a default shall occur in the performance of any of the conditions or covenants herein or in any documents executed or delivered in connection herewith, and Borrower shall not have cured the default in the time allotted by the Loan Documents, then, upon the happening thereof and at any time thereafter, the entire unpaid balance of principal and interest, of Borrower's entire indebtedness hereunder, at the Bank's discretion, shall become immediately due and payable without notice of any kind. Any failure by the Bank to exercise its right to accelerate or take other action upon default shall not be construed as a waiver of its right to do so, nor shall it affect the respective rights and liabilities of the parties hereto with respect to any outstanding balance.
 - e. That if the Borrower shall (1) fail to pay any indebtedness for borrowed money (other than the Note) or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such indebtedness, or (2) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any agreement or instrument relating to such indebtedness for borrowed money, when required to be performed or observed, and such failure shall not be waived and shall continue after the applicable grace period, if

Exhibit N

any, specified in such agreement or instrument, if the effect of such failure to perform or observe is to accelerate, or to permit the acceleration of, with the giving of notice, if required, the maturity of such indebtedness, or any such indebtedness shall be declared to be due and payable or be required to be prepaid (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof, the entire indebtedness of the Borrower, at the discretion of the Bank, shall become immediately due and payable without notice of any kind. Any failure by the Bank to exercise its right to accelerate or take any other action upon default shall not be construed as a waiver of its right to do so nor shall it affect the respective rights and liabilities of the parties hereto with respect to any outstanding balance.

10. OTHER MISCELLANEOUS CONDITIONS SUBSEQUENT TO CLOSING. Borrower, as a material inducement to Bank to make the loan represents and warrants that:

- a. That prior to closing there has been no material change in the borrower's financial condition.
- b. The Borrower shall not be subject to any bankruptcy, reorganization or insolvency proceeding nor shall there be any material adverse change in the financial condition prior to closing.

11. NEGATIVE COVENANTS. The Borrower will not, without the prior written consent of the Bank:

- a. Dissolve its existence or merge or consolidate with any other entity;
- b. Sell, assign, transfer, or otherwise dispose of all or any material portion of its properties and assets (including the execution of a binding agreement of sale which transfers beneficial ownership to a purchaser), except sales in the regular course of business;
- c. Suffer all or any material portion of its property or assets to be sold or otherwise transferred or disposed in any manner, involuntarily or by operation of law;
- d. Guarantee or assume, either directly or indirectly, any additional indebtedness or liability of others, except in the normal course of business;
- e. Change the identity of the officers or shareholders of Borrower or their relative shareholdings; or
- f. Change its Fiscal Year or principal place of business, without notifying the Bank.

12. CROSS DEFAULT/CROSS COLLATERALIZATION PROVISION. A default under this loan agreement and/or any other of the Loan Documents relative to this Loan, shall constitute a default under all other loan relationships which Borrower, as well as any other related entities of Borrower, might now or hereafter have with Lender, and a default under any other loan relationship of the Borrower or related entities with the Lender shall constitute a Default under this Loan. A default with another financial

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institution with any current or future loan will constitute a default with the Lender as well. The collateral as referenced in Section 5 hereof shall likewise serve as collateral for any other loan relationship by and between Borrower or any related entities of Borrower and Lender. A related entity of Borrower will include, but is not limited to, any other corporation, partnership, limited liability company in which any of the principles of the Borrower are principles of the other entity and shall include any guarantors of the Borrower or guarantors of the related entity.

13. EVENTS OF DEFAULT. Each of the following shall be an "Event of Default" hereunder:

- a. The nonpayment when due of any amount payable under the Note or of any amount when due, or the failure of the Borrower to observe or perform any agreement of any nature whatsoever with the Bank, including, but not limited to, those contained in the Loan Documents;
- b. If Borrower becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed by or against the Borrower under any provision of any State or Federal law or statute, alleging the Borrower is insolvent or unable to pay their debts as they mature or under any provision of the Federal Bankruptcy Code;
- c. The entry of any judgment in excess of \$25,000.00 against the Borrower, or any of the property of the Borrower, which remains unsatisfied for forty-five (45) days;
- d. The issuing of any attachment, levy, or garnishment against any property of the Borrower, and the failure to satisfy or remove the same within twenty (20) days;
- e. The occurrence or any substantial change in the financial condition of the Borrower, which, in the sole reasonable judgment of the Bank, is materially adverse;
- f. If any information or signature to the Bank by the Borrower at any time in connection with the Loan is false or incorrect; or
- g. The failure of the Borrower to furnish timely to the Bank such financial or other information as the Bank may reasonably request or require.
- h. All rights and remedies are reserved to the Bank in the case of default.

14. WARRANT OF AUTHORITY TO CONFESS JUDGMENT. Upon default, in addition to all other remedies and rights available to the Bank, by signing below Borrowers irrevocably authorize the prothonotary, clerk, or any attorney to appear in any court of record having jurisdiction over this matter and to confess judgment against the Borrowers at any time without stay of execution. The Borrower waives notice and

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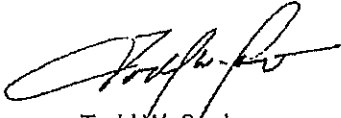
service of process. The Borrowers agree and understand that judgment may be confessed against the Borrowers for any unpaid principal, accrued interest and accrued charges due on this note, plus collection costs and reasonable attorneys' fees up to 15 percent of the judgment. The exercise of the power to confess judgment will not exhaust this warranty of authority to confess judgment and may be done as often as the Bank elects. The Borrower further understands that any property may be seized without prior notice to satisfy the debt owed. The Borrowers knowingly, intentionally, and voluntarily waives any and all constitutional rights they have to pre-deprivation notice and hearing under federal and state laws and fully understand the consequences of this waiver.

15. GOVERNING LAW. This Commitment, the Note, Agreements and Instruments of any nature which may be executed and delivered pursuant hereto, or as may be required to complete the loan transaction herein contemplated, and the rights of all parties to any of them, and the construction and effect of the provisions of any of them, shall be subject to and shall be construed according to the statutes and laws of the Commonwealth of Pennsylvania. **BORROWERS AND GUARANTORS KNOWINGLY AND VOLUNTARILY WAIVE ALL RIGHTS THAT THEY MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE WHATSOEVER ARISING OUT OF THIS COMMITMENT LETTER AND THE TRANSACTION CONTEMPLATED HEREBY.**
16. LOAN AGREEMENT. Upon acceptance, this document shall act as a Loan Agreement and will remain in effect as long as there is a balance outstanding and/or available on the Loan. This includes any extensions, renewals, or modifications hereinafter.
17. THE CLOSING. The Closing shall take place on or before September 30, 2020, (the "Date of the Closing"). If the Closing does not take place on or before said date, this Commitment shall expire as of the close of business on October 1, 2020. The terms and conditions herein set forth and the covenants and agreements of the Borrower hereunder shall survive the Closing and the execution and delivery of the note and the making of Loan hereunder and shall be binding upon Borrower until all borrowing hereunder and interest thereon and charges with regard thereto have been paid in full. Upon acceptance, this commitment letter shall operate as a Loan Agreement between Borrower and the Bank.
18. ACCEPTANCE. Provided that the foregoing is acceptable to the Borrower, this commitment may be accepted by signing the copy enclosed, in the manner indicated below, and by returning such copy on or before August 15, 2020 as evidence of the agreement between the Bank and the Borrower.

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Sincerely,

The Fidelity Deposit and Discount Bank



Todd W. Saab
Vice President / Commercial Relationship Manager

Accepted this 22nd day of July, 2020.

WASHINGTON TOWNSHIP BOARD OF SUPERVISORS

By: 
Robert Smith


David Hess


Carl Tolino

ATTEST:


Gail Putvinski, Secretary