

MUNICIPALITY OF NORRISTOWN
COUNTY OF MONTGOMERY
COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 17-02

ENACTED: MARCH 21, 2017

AN ORDINANCE OF THE COUNCIL OF THE MUNICIPALITY OF NORRISTOWN, MONTGOMERY COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE TWO SERIES OF GENERAL OBLIGATION NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF TEN MILLION DOLLARS (\$10,000,000) (THE "NOTES") PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. C.S. CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE MUNICIPALITY; DETERMINING THAT SUCH NOTES SHALL EVIDENCE NONELECTORAL DEBT OF THE MUNICIPALITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE CERTAIN CAPITAL PROJECTS OF THE MUNICIPALITY WHICH CONSISTS OF, AMONG OTHER THINGS: (1) THE ACQUISITION, CONSTRUCTION, RENOVATION, IMPROVEMENT, REPLACEMENT AND REPAIR OF CERTAIN CAPITAL ASSETS OF THE MUNICIPALITY INCLUDED IN THE CAPITAL IMPROVEMENT PLAN; AND (2) PAYMENT THE COSTS OF ISSUANCE OF THE NOTES; SETTING FORTH A REASONABLE ESTIMATE OF THE USEFUL LIVES OF THE CAPITAL PROJECTS TO BE FINANCED; ACCEPTING A COMMITMENT FOR THE PURCHASE OF SUCH NOTES AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTES, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE MUNICIPALITY; FIXING THE FORM, NUMBER, DATE, INTEREST AND MATURITY THEREOF AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; AUTHORIZING SPECIFIED OFFICERS OF THE MUNICIPALITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE NOTES, IF NECESSARY; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTES EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTES; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTES TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE MUNICIPALITY IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTES, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE MUNICIPALITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTES, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS

WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTES, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE MUNICIPALITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE MUNICIPALITY TO DELIVER THE NOTES UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE MUNICIPALITY FROM TAKING ACTIONS WHICH WOULD CAUSE THE SERIES A NOTE TO BECOME AN "ARBITRAGE BOND" OR A "PRIVATE ACTIVITY BOND" AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; DESIGNATING THE SERIES A NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" UNDER SECTION 265(b) OF THE CODE; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HERewith.

WHEREAS, the Municipality of Norristown, Montgomery County, Pennsylvania (the "Municipality"), was incorporated under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, it is necessary that the indebtedness of the Municipality be increased for the purposes of providing funds to fund certain capital projects consisting of, among other things, (1) the acquisition, construction, renovation, improvement, replacement and repair of certain capital assets of the Municipality included in the Capital Improvement Plan; and (2) paying the costs of issuance of the Notes (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 Municipality, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the Municipality received a proposal for the financing of the Project (the "Proposal") from QNB Bank (the "Purchaser"); and

WHEREAS, the Municipality desires to formally approve the Project, to accept the Proposal and to authorize the incurrence of nonelectoral debt under the Act, and the execution and delivery of the Proposal.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Municipality of Norristown, Montgomery County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION^o1. The aggregate principal amount of the General Obligation Note, Series A of 2017 (the "Series A Note") of the Municipality proposed to be issued shall be \$8,467,000. The Series A Note shall be incurred as nonelectoral debt.

The aggregate principal amount of the Federally Taxable General Obligation Note, Series AA of 2017 (the "Series AA Note" and together with the Series A Note the "Notes") of the Municipality proposed to be issued shall be \$1,533,000. The Series AA Note shall be incurred as nonelectoral debt.

SECTION^o2. The Municipality hereby approves the Project to be undertaken consisting of, among other things, (1) the acquisition, construction, renovation, improvement, replacement and repair of certain capital assets of the Municipality included in the Capital Improvement Plan; and (2) paying the costs of issuance of the Notes.

It is hereby determined and declared that the estimated useful lives of the projects to be financed with the proceeds of the Notes range from at least 10 years to at least 25 years.

It is hereby certified that an aggregate principal amount of the Notes at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project. Stated installments or maturities of principal of the Notes will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issuance of the Notes.

SECTION^o3. Said indebtedness shall be evidenced by the Notes in the aggregate principal amount of \$10,000,000, dated and bearing interest from the date of execution thereof. The Series A Note shall be in the aggregate principal amount of \$8,467,000 and shall bear interest at a fixed rate equal to two and thirty-five hundredths percent (2.35%) per annum. Interest on the Series A Note shall be due and payable semi-annually on May 1 and November 1 of each year commencing November 1, 2017. The Series A Note shall mature in annual installments of principal due and payable on November 1 of each year commencing on November 1, 2018, in the amounts shown on the attached Schedule hereinafter referred to as "Exhibit A."

The Series AA Note shall be in the aggregate principal amount of \$1,533,000 and shall bear interest at a fixed rate equal to two and five tenths percent (2.50%) per annum. Interest on the Series AA Note shall be due and payable semi-annually on May 1 and November 1 of each year commencing November 1, 2017. The Series AA Note shall mature in annual installments of principal due and payable on November 1 of each year commencing on November 1, 2018, in the amounts shown on the attached Schedule hereinafter referred to as "Exhibit B."

The Municipality shall have the option to prepay all or a portion of the Notes at any time and from time to time without notice and without penalty.

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

SECTION^o4. The Notes are hereby declared to be general obligations of the Municipality. The Municipality hereby covenants that it shall include the amount of debt service on the Notes for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts from its general revenues for the payment of such debt service; and shall duly and punctually pay or cause to be paid from its general revenues the principal of the

Notes and the interest thereon at the dates and places and in the manner stated in the Notes 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 Municipality are hereby irrevocably pledged.

SECTION^o5. In accordance with the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), the Municipality hereby finds, determines and designates the Series A Note as "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code, for the purposes of such Section 265(b) of the Code. The Municipality determines that it and all entities with which it is aggregated under Section 265(b)(3)(E) of the Code have not issued, and do not reasonably expect to issue, tax-exempt obligations which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the calendar year 2017. The Municipality also determines that it will not engage in any action or inaction which will or may cause the Series A Note to fail or cease to constitute a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

SECTION^o6. The Municipality covenants to and with the registered owner of the Series A Note that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Series A Note, would cause such Series A Note to be an "arbitrage bond" or a "private activity bond" as those terms are defined in Section 148 and Section 141 of the Code and the applicable regulations thereunder. The Municipality further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of this issue. In addition, the President or Vice President of the Council, being the official(s) responsible for issuing the Series A Note, attested by the Municipal Administrator of the Municipality, are hereby authorized and directed to execute and deliver, in the name and on behalf of the Municipality, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Series A Note is not an "arbitrage bond" or a "private activity bond" within the meaning of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the Series A Note, which certificate shall set forth the reasonable expectations of the Municipality as to the amount and use of the proceeds of the Series A Note.

SECTION^o7. The form of said Notes shall be substantially as shown on the attached Exhibit C.

SECTION^o8. The Notes shall be executed in the name and under the corporate seal of the Municipality by the President or Vice President of the Council and attested to by the Municipal Administrator of the Municipality. The Municipal Administrator is hereby authorized and directed to deliver said Notes to the Purchaser, and receive payment therefor on behalf of the Municipality. The President or Vice President of the Council or the Municipal Administrator is 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, the filing, either before or after the issuance of the Notes, of additional debt statements or any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION^o9. The Purchaser is hereby designated as the Sinking Fund Depository for the obligations herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Municipality of Norristown, Montgomery County, Pennsylvania, Sinking Fund - General Obligation Notes, Series A and AA of 2017", 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 Municipality 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 obligations 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 Municipality withdraw available monies in the Sinking Fund and apply said monies to payment of the principal of and interest on the obligations.

SECTION^o10. The President or Vice President of the Council and the Municipal Administrator are hereby authorized to contract with the Purchaser for its services as Sinking Fund Depository for the Notes and Paying Agent for the same (the "Paying Agent").

SECTION^o11. In compliance with Section 8161 of the Act, the Council has determined that a private sale by negotiation, rather than public sale, is in the best financial interest of the Municipality. The Proposal is hereby accepted and the Notes are hereby awarded and sold to the Purchaser in accordance with its commitment to purchase the Notes at par; provided the Notes are dated the date of delivery thereof to the Purchaser and are in substantially the form set forth in Exhibit C to this Ordinance with such changes as may be approved by the officers of the Municipality executing such Notes; 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. A copy of said Proposal shall be attached hereto as Exhibit D and lodged with the official minutes of this meeting and is hereby incorporated herein by reference.

SECTION^o12. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in a newspaper of general circulation in the Municipality is ratified and confirmed. The advertisement of enactment in said newspaper is hereby directed within fifteen (15) days following the day of final enactment.

SECTION^o13. The proper officers of the Municipality are hereby authorized to execute and deliver such other documents, including and to take such other action as may be necessary or proper to effect the completion of the financing or the intent and purposes of this Ordinance.

SECTION^o14. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Municipality that the remainder of this Ordinance shall remain in full force and effect.

SECTION^o15. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

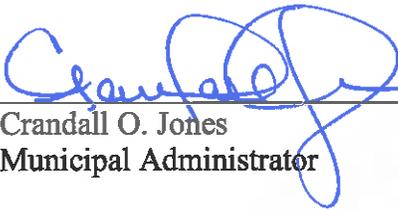
SECTION^o16. This Ordinance shall be effective in accordance with Section 8003

of the Act.

ORDAINED AND ENACTED THIS 21ST DAY OF MARCH, 2017.

MUNICIPALITY OF NORRISTOWN
Montgomery County, Pennsylvania

By 
Sonya D. Sanders
Council President

Attest: 
Crandall O. Jones
Municipal Administrator

(SEAL)

EXHIBIT A

Amortization Schedule
Series A of 2017 Note

<u>Payment Date</u> <u>(November 1)</u>	<u>Principal Amount</u>
2018	\$5,000
2019	2,019,000
2020	2,948,000
2021	3,015,000
2022	480,000

EXHIBIT B

Amortization Schedule
Series AA of 2017 Note

<u>Payment Date</u> <u>(November 1)</u>	<u>Principal Amount</u>
2018	\$670,000
2019	863,000

EXHIBIT C

Form of Note

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF MONTGOMERY
MUNICIPALITY OF NORRISTOWN

[FEDERALLY TAXABLE]
GENERAL OBLIGATION NOTE
SERIES [A][AA] OF 2017

[\$8,467,000] [\$1,533,000]
Dated: April __, 2017

The MUNICIPALITY OF NORRISTOWN, MONTGOMERY COUNTY, COMMONWEALTH OF PENNSYLVANIA (the "Municipality"), a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to QNB BANK (the "Purchaser"), or registered assigns, the sum of [Eight Million Four Hundred Sixty-Seven Thousand Dollars (\$8,467,000)] [One Million Five Hundred Thirty-Three Thousand Dollars (\$1,533,000)] or such lesser principal sum as shall have been advanced hereunder and remain unpaid, with interest thereon from the date of such advance, on the terms and conditions set forth below.

Interest shall be due and payable on the outstanding principal balance of this Note at a fixed rate of [two and thirty-five hundredths percent (2.35%)] [two and five tenths percent (2.50%)] per annum. Interest shall be payable semi-annually during the term of the Note on May 1 and November 1 of each year, commencing November 1, 2017. All interest hereunder shall be computed based on a 360 day year comprised of twelve 30-day months.

Principal of this Note shall be due and payable annually on November 1 of each year, commencing November 1, 2018, in the amounts set forth on Exhibit "A" attached hereto and made a part hereof. On November 1, [2022][2019], all principal, accrued, unpaid interest and other amounts evidenced by this Note shall be due and payable in full, without notice or demand. In the event that the full principal amount of the Note is not advanced to the Municipality pursuant to the provisions hereof, the principal payment schedule attached hereto as Exhibit "A" will be automatically adjusted in such a manner that the un-advanced portions of principal will reduce the principal amounts owed by the Municipality in inverse order of maturity.

If the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to remain closed with the same force

and effect as if made on the due date for payment of principal or interest and no interest shall accrue thereon for any period after such due date.

The Municipality shall have the option to prepay all or a portion of this Note at any time and from time to time without notice and without penalty.

Both principal and interest are payable in such coin or currency as on the respective date of payment thereof and shall be legal tender for the payment of public and private debts, at the office of QNB Bank, the paying agent, located at Quakertown, Pennsylvania.

This [Federally Taxable] General Obligation Note, Series [A][AA] of 2017 (the "Note") is issued under and pursuant to provisions of the Ordinance enacted by the Council of the Municipality on March 21, 2017 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the maximum principal amount of [\$8,467,000][\$1,533,000] and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The Municipality has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it (i) shall include the amount of the debt service for this Note, for each fiscal year of the Municipality in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and (iii) that it shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal amount of this Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the Municipality has pledged, irrevocably, its full-faith, credit and taxing power.

[FOR SERIES A NOTE ONLY - In the Ordinance, the Municipality has covenanted to and with registered owners of this Note that it will make no use of the proceeds of this Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause this Note to be an "arbitrage bond" or a "private activity bond" as such terms are defined in Section 148 and 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The Municipality has further covenanted that it will comply with the requirements of such Section 148 and 141 and with the regulations thereunder throughout the term of this Note.]

ADVANCES OF NOTE PROCEEDS: Advances under this Note may be requested either orally or in writing by an authorized individual of the Municipality. The Purchaser may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to the Purchaser are to be directed to the Purchaser's office located at _____, Quakertown, Pennsylvania 18951, Attention: E. Harry McGuirk. The following party or parties are authorized to request advances of proceeds of the Note until the Purchaser receives from the Municipality written notice of revocation of their authority: [Crandall O. Jones, Municipal Administrator or _____]. The Municipality agrees to be liable for sums

either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of the Municipality's accounts with the Purchaser. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by the Purchaser's internal records, including daily computer print-outs. The Purchaser will have no obligation to advance funds under this Note: (a) if the amount of such advance, when added to all other advances made under this Note, would exceed [\$8,467,000][\$1,533,000]; (b) for any purpose other than the financing of the Project (as defined in the Ordinance); (c) if the Municipality is in default under the terms of this Note or any agreement that the Municipality has with the Purchaser, including any agreement made in connection with the signing of this Note; (d) if the Municipality ceases doing business or is insolvent; or (e) if the Municipality has applied funds provided pursuant to this Note for purposes other than those authorized by the Purchaser.

DELIVERY OF FINANCIAL STATEMENTS AND BUDGET: The Municipality covenants and agrees with the Purchaser that while any amounts are due and payable under this Note, the Municipality shall deliver to the Purchaser within thirty (30) days after completion, (a) its annual audited financial statements and (b) its annual budget.

MISCELLANEOUS PROVISIONS.

The Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

[FOR SERIES A NOTE ONLY - This Note has been designated in the Ordinance by the Municipality as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3)(B) of the Code.]

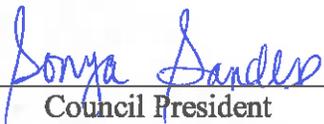
No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Municipality or of any successor body, as such, either directly or through the Municipality or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of the Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the Municipality to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Municipality are within every debt and other limit prescribed by the Constitution and the statutes of the

Commonwealth; that the Municipality has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality of Norristown, Montgomery County, Pennsylvania, has caused this Note to be properly executed by its President of the Council of the Municipality and its corporate seal to be hereto affixed, attested to by the Municipal Administrator of the Municipality as of the ____ day of April, 2017.

MUNICIPALITY OF NORRISTOWN
Montgomery County, Pennsylvania

By: 
Council President

Attest: 
Municipal Administrator

(SEAL)

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below, and upon notation of the same upon the books of QNB Bank of Quakertown, Pennsylvania, as Paying Agent and Registrar for this Note, maintained for such purpose. The Municipality and the Registrar shall treat the registered owner of this Note, as noted on this Note and on said books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner: QNB Bank, Quakertown, Pennsylvania

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>	<u>Registrar</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, and further irrevocably authorizes and directs QNB Bank, Quakertown, Pennsylvania, as Registrar, to make this transfer on its books maintained for such purposes.

QNB Bank, Quakertown, Pennsylvania, as Registrar, by its due execution above, on the above-stated date, acknowledges the transfer of this Note to the subsequent purchaser, who shall now be recognized as registered owner, and has noted such transfer on its books.

ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby
sells, assigns and transfers unto

Name (the "Transferee")

Address

Social Security or Federal
Employer Identification No.

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Note on the books kept for registration
thereof, with full power of substitution in the premises.

Date: _____

NOTICE: No transfer will be issued in the name of the Transferee unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust, and the name of the trustee should be supplied.

EXHIBIT D

Proposal



PROPOSAL
for the purchase of the
General Obligation Note, Tax-Exempt Series A of 2017
of the
Municipality of Norristown,
Montgomery County, Pennsylvania

February 16, 2017

The undersigned (the "Bank" or "Lender") hereby agrees, if this proposal is accepted, to purchase the General Obligation Note, Tax-Exempt Series A of 2017, in the proposed principal amount of \$8,450,000 (the "A Note"), to be issued by the Municipality of Norristown, Montgomery County, Pennsylvania (the "Municipality"), subject to the terms and conditions set forth in the Request for Proposals and Term Sheet, dated January 19, 2017, issued by or on behalf of the Municipality, and all written amendments and modifications thereto heretofore issued and delivered in accordance with the terms thereof (the "Term Sheet"), which is incorporated hereby by this reference. The final principal amount of any one annual installment of principal of the A Note or of the total principal amount of the A Note itself shall not differ from the amounts thereof as presented on the attached Preliminary A Note Amortization Schedule by more than \$500,000. The Bank hereby agrees to purchase the A Note in a final stated principal amount and with final annual principal payment amounts determined by the Municipality and its Financial Advisor, subject to such limitations. The Bank agrees to be legally bound to the terms of this Proposal and the Term Sheet from the date of acceptance of this Proposal by the Municipality to the Closing (as defined in the Term Sheet). In connection with the Bank's proposal, it represents that it is acquiring the A Note for its own account and not with the view or intention of making any public offering of the A Note. The Bank acknowledges it will deliver a certificate substantially to that effect at closing of the A Note.

Interest Rate. The Municipality shall only consider proposals which clearly express the rate of interest and/or the method of setting such rate of interest to be charged during the full term of the A Note.

The outstanding principal balance of the A Note shall bear interest as follows (each amount advanced against the stated principal amount of the Note to bear interest from the date of such advance):

I. Fixed Rate of Interest

A fixed rate of interest for the full term of the A Note equal to 2.35% per annum.
(tax free)

Cost & Expenses. The Bank requests reimbursement at Closing of its legal fees only, subject to a maximum of \$ 2000.00 (or, if less than \$2,000 which is the maximum amount specified in the Term Sheet).

The Bank acknowledges that the Municipality reserves the right to reject any and all proposals received in response to the Term Sheet.

Any Additional Covenants: _____

Respectfully submitted,

Date: February 16, 2017

QNB Bank
[Name of Bank]

By: 
Authorized Officer

E. Harry McGuirk, SUP
[typed or printed name of officer]

Address:

PO Box 9005
[Address for Correspondence]

Quakertown PA 18951

Tel. No. 215-538-5600 x 5641
[Telephone Number]

Fax No. 215-538-5790
[Fax Number]

E-mail t.klee@qnbbank.com

ACCEPTED this ___ day of _____, 2017

MUNICIPALITY OF NORRISTOWN

By: _____

PROPOSAL
for the purchase of the
General Obligation Note, Taxable Series AA of 2017
of the
Municipality of Norristown,
Montgomery County, Pennsylvania

February 16, 2017

The undersigned (the "Bank" or "Lender") hereby agrees, if this proposal is accepted, to purchase the General Obligation Note, Taxable Series AA of 2017, in the proposed principal amount of \$1,550,000 (the "AA Note"), to be issued by the Municipality of Norristown, Montgomery County, Pennsylvania (the "Municipality"), subject to the terms and conditions set forth in the Request for Proposals and Term Sheet, dated January 19, 2017, issued by or on behalf of the Municipality, and all written amendments and modifications thereto heretofore issued and delivered in accordance with the terms thereof (the "Term Sheet"), which is incorporated hereby by this reference. The final principal amount of any one annual installment of principal of the AA Note or of the total principal amount of the AA Note itself shall not differ from the amounts thereof as presented on the attached Preliminary AA Note Amortization Schedule by more than \$200,000. The Bank hereby agrees to purchase the AA Note in a final stated principal amount and with final annual principal payment amounts determined by the Municipality and its Financial Advisor, subject to such limitations. The Bank agrees to be legally bound to the terms of this Proposal and the Term Sheet from the date of acceptance of this Proposal by the Municipality to the Closing (as defined in the Term Sheet). In connection with the Bank's proposal, it represents that it is acquiring the AA Note for its own account and not with the view or intention of making any public offering of the AA Note. The Bank acknowledges it will deliver a certificate substantially to that effect at closing of the AA Note.

Interest Rate. The Municipality shall only consider proposals which clearly express the rate of interest and/or the method of setting such rate of interest to be charged during the full term of the AA Note.

The outstanding principal balance of the AA Note shall bear interest as follows (each amount advanced against the stated principal amount of the AA Note to bear interest from the date of such advance):

I. Fixed Rate of Interest

A fixed rate of interest for the full term of the AA Note equal to 2.5 % per
(*taxable*)

Cost & Expenses. The Bank requests reimbursement at Closing of its legal fees only, subject to a maximum of \$ 2000.00 (or, if less than \$2,000 which is the maximum amount specified in the Term Sheet).

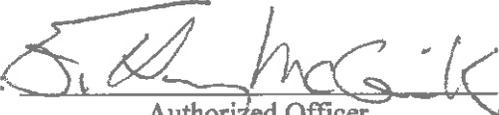
The Bank acknowledges that the Municipality reserves the right to reject any and all proposals received in response to the Term Sheet.

Any Additional Covenants: _____

Respectfully submitted,

Date: February 16, 2017

QNB Bank
[Name of Bank]

By: 
Authorized Officer

E. Harry McGuirk, SUP
[typed or printed name of officer]

Address:

PO Box 9005
[Address for Correspondence]

Quakertown PA 18951

Tel. No. 215-538-5600 x5641
[Telephone Number]

Fax No. 215-538-5790
[Fax Number]

E-mail tklee@qnbbank.com

ACCEPTED this ___ day of _____, 2017

MUNICIPALITY OF NORRISTOWN

By: _____

PROPOSAL
for the purchase of the
General Obligation Note, Taxable Refunding Series AAA of 2017
of the
Municipality of Norristown,