

NEW ISSUE - BOOK ENTRY ONLY

RATINGS: Moody's: Aaa
Standard & Poor's: AAA

In the opinion of Bond Counsel, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in "TAX MATTERS" herein and interest on the Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of the federal alternative minimum tax. Under the laws of the Commonwealth of Pennsylvania, the Bonds are exempt from personal property taxes in Pennsylvania, and interest on the Bonds is exempt from Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For a more complete discussion, see "TAX MATTERS" herein.

The Township has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (or such Bonds are deemed designated under the Code). For a more complete discussion, see "TAX MATTERS - Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations" herein.

\$9,040,000*
TOWNSHIP OF LOWER MERION
(Montgomery County, Pennsylvania)
General Obligation Bonds, Series A of 2019

DATED: Date of Delivery

INTEREST PAYABLE: January 15 and July 15

PRINCIPAL PAYABLE: As shown on inside cover

FIRST INTEREST PAYMENT: January 15, 2020

The Township of Lower Merion (the "Township") will issue \$9,040,000* General Obligation Bonds, Series A of 2019 (the "Bonds") as fully registered Bonds in the denomination of \$5,000 or whole multiples thereof. Interest on the Bonds is payable semiannually on January 15 and on July 15 of each year, commencing on January 15, 2020. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired only under the book-entry system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive principal and interest on the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein. The interest on the Bonds will be payable by check mailed to the owner as shown on the registration books maintained by the Paying Agent on behalf of the Township as of the applicable Record Date herein described. The principal of the Bonds will be payable upon surrender at the corporate trust office of U.S. Bank, National Association, Philadelphia, Pennsylvania.

The Bonds are subject to redemption prior to maturity as more fully described within.

Proceeds of the Bonds will be applied towards: (1) the current refunding of a portion of the Township's outstanding General Obligation Bonds; and (2) paying the costs of issuing the Bonds.

The Bonds are general obligations of the Township and the full faith, credit and taxing power of the Township are pledged to pay the principal of, and interest on, the Bonds.

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery, when, as and if issued by the Township and received by the Underwriter and subject to delivery of the legal opinion of Saul Ewing Arnstein & Lehr LLP, Philadelphia, Pennsylvania, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery in New York, New York on or about [June 11, 2019].

Dated _____, 2019

*Preliminary, subject to change

MATURITY SCHEDULE*

\$9,040,000* General Obligation Bonds, Series A of 2019

<u>Maturity July 15*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP**</u>
2020	\$15,000				
2021	35,000				
2022	35,000				
2023	475,000				
2024	915,000				
2025	875,000				
2026	955,000				
2027	965,000				
2028	985,000				
2029	1,015,000				
2030	530,000				
2031	540,000				
2032	555,000				
2033	565,000				
2034	580,000				

* Preliminary, subject to change

** The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Township and the Township is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. The Township has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

TOWNSHIP OF LOWER MERION

Montgomery County
Pennsylvania
Township Settled in 1682
Commenced Operation as First Class Township in 1900

COMMISSIONERS OF THE TOWNSHIP OF LOWER MERION

Daniel S. Bernheim, Esquire, President
C. Brian McGuire, Vice President

Rick Churchill
Ray Courtney
Anna Durbin
Andrew Gavrin
Joshua Grimes, Esquire
George Manos, AIA

Michael McKeon, Esquire
Tiffany O'Neill
Elizabeth Rogan
Todd Sinai
Anthony Stevenson, Ed. D
V. Scott Zelov

OFFICIALS

Ernie B. McNeely, Township Manager
Robert E. Duncan, Assistant Township Manager
Eric M. Traub, Chief Financial Officer
Gilbert P. High, Jr., Esquire, Township Solicitor
Edward P. Pluciennik, P.E., Township Engineer
Samuel T. Adenbaum, Township Treasurer
Jody L. Kelley, Township Secretary

Address all communications to the Township as follows:

Ernie B. McNeely, Township Manager
Township of Lower Merion
75 E. Lancaster Avenue
Ardmore, PA 19003-2323

PFM Financial Advisors LLC Financial Advisor
(Philadelphia, PA)

Saul Ewing Arnstein & Lehr LLP Bond Counsel
(Philadelphia, PA)

U.S. Bank, National Association Paying Agent,
(Philadelphia, PA) Registrar and Sinking Fund Depository

The 2017 audited financial statements may be accessed via the internet at the following web address:
<http://www.lowermerion.org/services/finance-department/cafr-audit-reports>

No dealer, broker, salesman or other person has been authorized by the Township of Lower Merion to give information or to make representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale. The information set forth herein has been obtained from the Township and from other sources which are believed to be reliable but the Township does not guarantee the accuracy or completeness of information from sources other than the Township. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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\$9,040,000*
TOWNSHIP OF LOWER MERION
(Montgomery County, Pennsylvania)
General Obligation Bonds, Series A of 2019

INTRODUCTION

This Official Statement, including the cover page and inside front cover page hereof, is furnished by the Township of Lower Merion, Montgomery County, Pennsylvania (the "Township"), in connection with the offering of \$9,040,000* General Obligation Bonds, Series A of 2019 (the "Bonds"). The Bonds are dated the date of issuance and are being issued pursuant to an Ordinance of the Board of Township Commissioners enacted on May __, 2019 (the "Ordinance") and in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat. § 8001 et seq., as amended (the "Act").

PURPOSE OF THE BONDS

Proceeds of the Bonds will be applied towards: (1) the current refunding of a portion of the Township's outstanding General Obligation Bonds, Series A of 2014 and General Obligation Bonds, Series B of 2014 (the "Refunded Bonds"); and (2) paying the costs of issuing the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:

Bond Proceeds

Par Amount	\$
Plus: Net Original Issue Premium	\$
	<hr/>

Total Sources of Funds	<u>\$</u>
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Uses:

Refunding Deposit with Paying Agent for the Refunded Bonds	\$
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Delivery Date Expenses:

Estimated Costs of Issuance [†]	\$
Underwriter's Discount	\$
	<hr/>

Total Uses of Funds	<u>\$</u>
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[†] Includes Legal Fees, Printing Costs, Rating Fees, Paying Agent Fees, Financial Advisory Fees and Miscellaneous.

* Preliminary, subject to change

THE BONDS

Description

The aggregate principal amount of the Bonds to be issued is \$9,040,000*. The Bonds will be fully registered as to principal and interest and will be in the denominations of \$5,000. The Bonds will be issued as one fully registered Bond for each maturity of the Bonds in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, as registered owner of all Bonds. See “BOOK-ENTRY ONLY SYSTEM” herein. The principal of the Bonds shall be paid upon presentation and surrender thereof at the corporate trust office of U.S. Bank, National Association, as paying agent and sinking fund depository for the Bonds (the “Paying Agent”). The Paying Agent will perform its duties pursuant to a Paying Agent Agreement to be dated as of the date of delivery of the bonds (the “Paying Agent Agreement”) between the Township and the Paying Agent.

The Bonds will be dated the date of issuance and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest on the Bonds is payable semiannually on January 15 and on July 15 of each year (each, an “Interest Payment Date”), commencing on January 15, 2020. Interest is payable from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of issuance. Interest on the Bonds shall be paid by check mailed to the owner of such Bonds at the address of such owner as it appears in the registration books to be maintained by the Paying Agent, as bond registrar for the Bonds. Such payment shall be paid to the person in whose name such Bond is registered as of the close of business on the 15th day (whether or not a day on which the Paying Agent is open for business) preceding the next such Interest Payment Date (the “Record Date”). Any such interest not paid or duly provided for shall cease to be payable to the person who is the registered owner of the Bond as of the Record Date, and shall be payable to the person who is the registered owner of the Bond at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date and payment date shall be given by first class mail to the registered owners of the Bonds not less than ten (10) days prior to the Special Record Date.

Subject to the discontinuance provisions described below under “BOOK-ENTRY ONLY SYSTEM”, the Bonds may be transferred upon the registration books upon delivery of such Bonds to the Paying Agent. No transfer of any Bond will be effective until entered on the registration books.

The Bonds are being issued as non-electoral debt under the provisions of the Act and the principal amount of the Bonds is within the non-electoral borrowing capacity of the Township as defined in the Act. See Appendix A – “Financial Summary and Borrowing Capacity” herein.

Security

The Bonds are general obligations of the Township, payable from its taxes and other revenues which, in the opinion of Bond Counsel, currently include ad valorem taxes which may be levied on all taxable property within the Township without limitation as to rate or amount. The Township has covenanted that it will provide in its budget for each year during which the Bonds are outstanding, and will appropriate from its general revenues in each such year, the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal amount of every maturity of the Bonds and the interest thereon on the dates and at the place and in the manner stated on the Bonds, and for such budgeting, appropriation, and payment the Township irrevocably pledges its full faith, credit and taxing power. The Act currently provides for enforcement of debt service payments as hereinafter described (see “LEGAL AND MISCELLANEOUS – Defaults and Remedies” herein).

* Preliminary, subject to change

Redemption Provisions

Optional Redemption

The Bonds stated to mature on or after July 15, 2025 shall be subject to redemption prior to maturity, at the option of the Township, as a whole or in part, from time to time, in any order of maturity or portion of a maturity as designated by the Township (and within a series, maturity and interest rate by lot), on July 15, 2024, or on any date thereafter upon payment of a redemption price of 100% of the principal plus accrued interest.

Mandatory Sinking Fund Redemption

The Bonds stated to mature on _____, 20__ (the “Term Bonds”) are subject to mandatory redemption prior to their stated maturity by lot by the Township from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The Township hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem Term Bonds at said price from monies deposited in the Sinking Fund sufficient to effect such redemption (to the extent that Term Bonds shall not have been previously purchased from said monies by the Township as permitted under the Ordinance) on July 15 of the year and in the annual principal amount set forth in the following schedule (or such lesser principal amount as shall at the time represent all Term Bonds which shall then be outstanding):]

Redemption Date (July 15)	<u>Mandatory Redemption Schedule</u>	
	<u>Principal Amount to be Redeemed or Purchased</u>	<u>Maturity From Which Redeemed</u>
	\$	

Partial Redemption

In the event that a portion, but not all of the Bonds are redeemed pursuant to optional redemption, then the principal amount of any remaining mandatory sinking fund redemptions applicable to the Bonds shall be proportionately reduced (subject to the Paying Agent making such adjustments as it deems necessary to be able to affect future redemptions of the Bonds of such series in authorized denominations).

Notice and Effect of Redemption

As provided more fully in the Ordinance and in the form of the Bonds, notice of redemption of Bonds shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than twenty (20) nor more than sixty (60) days prior to the redemption date to the registered owners of Bonds to be redeemed at the addresses which appear in the bond register. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond will affect the validity of the proceedings for the redemption of any other Bond. If the Township shall have duly given notice of redemption and shall have deposited with the Paying Agent, on or before the date fixed for redemption, funds for the payment of the redemption price of the Bonds so called for redemption with accrued interest thereof to the date fixed for redemption, interest on such Bonds will cease to accrue after such redemption date.

If less than all of the Bonds within a maturity are to be redeemed, those Bonds will be selected by lot or other reasonable method of selection approved by the Paying Agent.

If, at the time of mailing any notice of redemption, the Township shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Sinking Fund

A Sinking Fund for the Bonds, designated “Sinking Fund, Township of Lower Merion, Pennsylvania, General Obligation Bonds, Series A of 2019” (the “Sinking Fund”) shall be created pursuant to the Ordinance and shall be held by the Paying Agent segregated from all other funds of the Township. Under the Ordinance, the Township is required to deposit in the Sinking Fund, no later than each date when interest or principal is to become due on the Bonds, a sufficient sum so that on each such payment date the Sinking Fund will contain, together with any other available funds therein, sufficient money to pay in full the principal of and/or interest on the Bonds becoming due on such payment date.

The Sinking Fund shall be secured and invested, to the extent practicable, by the Paying Agent in securities or deposits authorized by the Debt Act, upon written direction of the Township. Such deposits and securities shall be in the name of the Township but shall be subject to withdrawal or collection only by the Paying Agent. Such deposits and securities, together with the interest earned thereon, shall be a part of the Sinking Fund.

BOOK-ENTRY ONLY SYSTEM

Portions of the following information concerning DTC (as defined below) and DTC's book-entry system have been obtained from DTC. The Township and the Underwriter make no representation as to the accuracy of such information.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS, BONDOWNERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however,

expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.**

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a series, maturity and interest rate are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Bonds and, if applicable, redemption premium, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of the principal of and interest on the Bonds and, if applicable, redemption premium to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

In the event of the discontinuance of the book-entry system for the Bonds, Bond certificates will be printed and delivered and the following provisions of the Paying Agent Agreement will apply: (i) principal or redemption price of the Bonds will be payable upon surrender of the Bonds at the designated corporate trust office of the Paying Agent located in Pennsylvania, as provided in the Paying Agent Agreement; (ii) Bonds may be transferred or exchanged for other Bonds of authorized denominations at the designated office of the registrar of the Bonds, without cost to the owner thereof except for any tax or other governmental charge; and (iii) Bonds will be issued in denominations as described above under "THE BONDS."

Disclaimer of Liability for Failures of DTC

THE TOWNSHIP, THE FINANCIAL ADVISOR AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DTC PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE TOWNSHIP, THE FINANCIAL ADVISOR NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

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THE TOWNSHIP

The Township is a township of the first class and operates under the authority of an Act of Assembly of the Commonwealth of Pennsylvania being the Act of June 24, 1931, P.L. 1206, reenacted and amended May 27, 1949, P.L. 1955, the amendments thereto and the supplements thereof (the "First Class Township Code"). The fiscal year of the Township is the calendar year. The Township is governed by 14 Commissioners, one elected from each ward. The Township Manager is the operating executive.

TAXING POWERS OF THE TOWNSHIP

The Township may levy a tax for general purposes on the assessed value of real estate up to 30 mills (35 mills with permission of the Court of Common Pleas for the County) and an unlimited amount for debt service on obligations issued under the Act. Other specific millages are permitted under the First Class Township Code and under other laws for certain specific purposes.

Under the Act of December 31, 1965, P.L. 1257, effective January 1, 1966 ("The Local Tax Enabling Act"), which replaced and repealed Act 481 of June 25, 1947, P.L. 1145, additional taxes may be levied (subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege), subject to the following limitations:

Tax on Occupations – no rate limit set by The Local Tax Enabling Act if a millage or percentage of the assessed valuation of occupations is used as a base.

Per Capita Tax.....	\$10.00
Gross Receipts of wholesalers and retailers.....	1 mill
Gross Receipts of services and others.....	1 1/2 mills
Wages, salaries, commissions and other earned income of individuals.....	1%
Transfer of title of real property.....	1%
Local Services Tax.....	\$52.00
Admissions (except motion picture theatres).....	10%

The aggregate amount of taxes under The Local Tax Enabling Act shall not, in the case of any political subdivision, including school districts of the second, third and fourth classes, exceed an amount equal to the product of 12 mills on the latest total market value of real estate as determined by the board for the assessment and revision of taxes or any similar board established by the assessment laws which determines market values of real estate within the political subdivision; or if no such board has determined such values, then the values as certified by the State Tax Equalization Board shall be used.

Act 7 (amending Act of May 25, 1945, P.L. 1050) approved by the General Assembly of the Commonwealth of Pennsylvania on February 10, 1970, provides that real estate tax notices be sent out by the Tax Collector within 30 days following receipt of the tax duplicate by the Tax Collector unless extended by the taxing district but in no case later than the first day of July.

A 2% discount is allowed for payment within 60 days of date of notice and a penalty of 10% is imposed on payments received more than 120 days after the date of such notice.

Delinquent taxes are lien by filing in the County Tax Claim Bureau each January in the year following the year of levy. The Township levies its own taxes and is independent of any other taxing authority.

Effective January 1, 2008, the Township implemented Pennsylvania Act 7 of 2007. Act 7 amended the Pennsylvania Local Tax Enabling Act, Act 511 of 1965, to make the following major changes to the Emergency and Municipal Services Tax (EMST): renaming the EMST to the Local Services Tax (LST); implementing a

mandatory low-income exemption from the tax for taxpayers whose total earned income and nets profits from all sources within the political subdivision are less than \$12,000; requiring employers to stop withholding the LST if an employee provides an upfront exemption certificate; and requiring the LST to be assessed and collected in installments based on the employer's payroll periods.

LABOR RELATIONS

There are two bargaining units to which the Township employees belong. The Fraternal Order of Police (FOP) Lodge No. 28 represents approximately 136 uniformed police officers. On January 4, 2017, the Township Board of Commissioners approved a new four-year FOP labor agreement (2017 through 2020). The Lower Merion Township Workers Association (WA) represents approximately 211 employees who are primarily public works and clerical employees. The Township has a four-year WA labor agreement (2016 through 2019). Management and supervisory staff, as well as certain administrative positions, do not belong to a labor organization.

PENSION PLANS

The Township maintains two defined benefit pension plans covering substantially all full-time Township employees. The Municipal Police Pension Plan and the Township Employees' Pension Plan are funded by contributions from the Township, the Township police officers, the Township employees and a share of proceeds from certain Commonwealth of Pennsylvania (the "State") taxes. In 2018, the amount of State entitlement received by the Township was \$2,389,038, of which \$1,514,947 was remitted to the Township's Municipal Police Pension Plan and \$874,091 to the Township Employees' Pension Plan. Other than Township employee contributions, no other contributions were needed for 2018. In 2019, the Municipal Police Pension Plan employee contribution rate is 5%, an increase from 1.2% in 2018. The 2019 Employees' Pension Plan employee contribution rate increased by 2% for most non-uniformed, non-contractual and management employees hired prior to 2003. The current employee contributions are shown in the table below. An employee's credited service is the number of years an employee has been a member of the pension plan.

	Non-Uniform Employees
Employees hired prior to 2003:	
0 to 4.99 years of credited service	4%
5 to 9.99 years of credited service	4%
10 to 24.99 years of credited service	3%
Over 25 years of credited service	2%
Employees hired after 1/1/2003	5%

In accordance with the Internal Revenue Code (IRC) Section 457, the Township offers a deferred compensation plan (457 plan), in which employees may elect to participate. The Township makes a 7% contribution into individual deferred compensation accounts for each of its management employees, which is administered by ICMA-RC. For the year ended December 31, 2018, the cost to the Township for the 457 plan was \$253,654. Additionally, employees contributed \$1,262,626 in 2018. Also, in December 2013, the Township established a new 401(a) Governmental Profit Sharing Plan for management employees hired after November 20, 2013. These employees are eligible for enrollment in the Governmental Profit Sharing Plan after three months of Township employment with a Township contribution of 4% of the employee's base salary, and subject to IRS annual limits, with 100% vesting of the Township's contributions after three years (36 months) from an employee's hire date. For the year ended December 31, 2018, the cost to the Township for the 401(a) plan was \$25,260.

As of the most recently completed actuarial valuation on January 1, 2017, neither pension plan had any unfunded actuarial accrued liability. Effective with the January 1, 2015 actuarial valuation, the Township reduced its actuarial assumed annual growth to 7.2% from 8%. Both the Township's pension plans remained over 100% funded as of January 1, 2017. The pension fund investment results improved significantly after the economic downturn in 2008, however, returns have fallen short of the actuarial assumption of 7.2% annual growth in three of the past four years. This has led to modest increases in employee contributions and the Township has budgeted a contribution of \$608,240 in 2019 to fully fund its pension obligations (less than one percent of its Adopted General Fund Budget). The Township will continue to closely monitor the market and pension plan performance to determine what, if any, funding challenges are presented for the foreseeable future. The next actuarial valuation will be based on demographic, financial and actuarial data as of January 1, 2019, and will be filed with the appropriate State agencies in advance of the March 30, 2020 deadline.

Other Post-Employment Benefits

The Township provides certain health care and life insurance benefits for its retirees (commonly referred to as "other post-employment benefits" or "OPEB"). The Township annually appropriates funds to meet its obligation to pay such benefits on a "pay-as-you-go" basis, and has not established any fund or irrevocable trust for the accumulation of assets with which to pay such benefits in future years. At December 31, 2018, the Township's total OPEB liability was \$30,976,311.

FUTURE FINANCING

A general obligation new money bond issue in the approximate amount of \$9,770,000* is anticipated in the summer of 2019. The amount may change as the Township updates its capital budget and six-year capital improvement program.

TAX MATTERS

Tax Exemption-Opinion of Bond Counsel

The Internal Revenue Code of 1986, as amended (the "Code") contains provisions relating to the tax-exempt status of interest on obligations issued by governmental entities which apply to the Bonds. These provisions include, but are not limited to, requirements relating to the use and investment of the proceeds of the Bonds and the rebate of certain investment earnings derived from such proceeds to the United States Treasury Department on a periodic basis. These and other requirements of the Code must be met by the Township subsequent to the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. The Township has made covenants to comply with such requirements.

In the opinion of Bond Counsel, interest [(including accrued original issue discount)] on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion of Bond Counsel is subject to the condition that the Township complies with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so includable in gross income retroactive to the date of issuance of the Bonds. The Township has covenanted to comply with all such requirements. Interest on the Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of the federal alternative minimum tax.

Based on the representations made by the Township, it is the opinion of Bond Counsel, that banks, thrift institutions and other financial institutions which purchase the Bonds may deduct eighty percent (80%) of their interest expense on indebtedness incurred to purchase or carry the Bonds pursuant to Sections 265(b) and 291(e)(1)(B) of the Code.

*Preliminary, subject to change

In addition to the matters addressed below, prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral tax consequences to certain taxpayers, including but not limited to, foreign corporations, certain S corporations, financial institutions, recipients of social security and railroad retirement benefits and property or casualty insurance companies. Bond counsel expresses no opinion regarding any other federal tax consequences relating to the Bonds or the receipt of interest thereon. **Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.**

In the opinion of Bond Counsel, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date hereof, the Bonds, and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Profits, gains or income derived from the sale, exchange or other disposition of the Bonds are subject to state and local taxation within the Commonwealth of Pennsylvania. Specifically, the Bonds are exempt from personal property taxes in Pennsylvania and interest on the Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax.

Bond Counsel's opinion will be based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of delivery of the Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective.

Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

The Code, subject to limited exceptions discussed below, denies the interest deduction for indebtedness incurred or continued to purchase or carry tax-exempt obligations, such as the Bonds. With respect to banks, thrift institutions and other financial institutions, the denial to such institutions is one hundred percent (100%) for interest paid on funds allocable to the Bonds and any other tax-exempt obligations acquired after August 7, 1986.

An exception to the complete denial to financial institutions for interest paid on funds allocable to purchase or carry tax-exempt obligations applies if such obligations are “qualified tax-exempt obligations.” Under Section 265(b)(3) of the Code, an obligation is a “qualified tax-exempt obligation” if: (i) the obligation is not a “private activity bond”; (ii) the Township and all entities that must be aggregated with it pursuant to the Code (“Other Issuers”) do not reasonably anticipate issuing during the calendar year tax-exempt obligations (other than private activity bonds) in excess of \$10 million (other than certain obligations not required to be taken into account under the Code); and (iii) the Township designates the tax-exempt obligations as “qualified tax-exempt obligations.” For purposes of this exception, a qualified 501(c)(3) bond is not included within the definition of a “private activity bond.” If the tax-exempt obligation is a “qualified tax-exempt obligation,” then eighty percent (80%) of the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or carry such obligations will be allowed under Sections 265(b) and 291(e)(1)(B) of the Code.

The Township has represented that the Bonds are not private activity bonds. The Township has designated \$ _____ of the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code, has demonstrated that \$ _____ of the Bonds are “deemed designated” under the Code and has represented that neither it nor any Other Issuers has issued or expects to issue more than \$10 million of “tax-exempt obligations” (other than certain obligations not required to be taken into account for purposes of that Section of the Code) in the calendar year 2019. Based on such representations, it is Bond Counsel’s opinion, that banks, thrift institutions and other financial institutions which purchase the Bonds may deduct eighty percent (80%) of their interest expense on indebtedness incurred to purchase or carry the Bonds pursuant to Sections 265(b) and 291(e)(1)(B) of the Code.

[Accounting Treatment of Original Issue Discount and Amortizable Bond Premium]

[The Bonds maturing on _____ are hereinafter referred to as the “Discount Bonds.” In the opinion of Bond Counsel, the difference between the initial public offering price of the Discount Bonds set forth on the [inside] front cover page and the stated redemption price at maturity of each such Bond constitutes “original issue discount,” all or a portion of which will, on the disposition or payment of such Bonds, be treated as tax-exempt interest for federal income tax purposes. Original issue discount will be apportioned to an owner of the Discount Bonds under a “constant interest method,” which utilizes a periodic compounding of accrued interest. If an owner of a Discount Bond who purchases it in the original offering at the initial public offering price owns that Discount Bond to maturity, that Bondholder will not realize taxable gain for federal income tax purposes upon payment of the Discount Bond at maturity. An owner of a Discount Bond who purchases it in the original

offering at the initial public offering price and who later disposes of the Discount Bond prior to maturity will be deemed to have accrued tax-exempt income in a manner described above; amounts realized in excess of the sum of the original offering price of such Discount Bond and the amount of accrued original issue discount will be taxable gain.

Purchasers of Discount Bonds should consult their tax own advisors with respect to the determination and treatment of original issue discount for federal income tax purposes and with respect to the state and local tax consequences of owning Discount Bonds.]

[The Bonds maturing on _____ are hereinafter referred to as the “Premium Bonds.” An amount equal to the excess of the initial public offering price of a Premium Bond set forth on the [inside] front cover page over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Premium Bonds should consult their own tax advisors with respect to the determination and treatment of original issue premium for federal income tax purposes and with respect to state and local tax consequences of owning Premium Bonds.]

Reportable Payments and Backup Withholding

The payments of interest on the Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the Bondholder is an “exempt person” under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to “backup withholding” at a specified rate prescribed in the Code if the Bondholder does not file Form W-9 with the payor advising the payor of the Bondholder’s taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The payor will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any “reportable payments” during such year and the amount of tax, if any, with respect to payments made on the Bonds.

CHANGES IN FEDERAL TAX LAW

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulations or other potential changes in law.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences. Such prospective purchasers should consult their own tax advisors as to the consequences of investing in the Bonds.

LEGAL AND MISCELLANEOUS

Closing Certificate

Upon the delivery of the Bonds, the Township shall furnish, or cause to be furnished, a certificate, in form satisfactory to Bond Counsel and the Underwriter (defined hereinafter), to the effect that no litigation or other proceedings are pending or threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (a) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or (b) questioning or affecting the validity of the purchase proposals (the “Bids”) under which the Bonds were purchased, the Bonds, the Ordinance, or the pledge to the holders of the Bonds of any moneys or other security provided under the Ordinance, or (c) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the Bonds, or (d) questioning or affecting the organization or existence of the Township or the title to office of any of the officers thereof, or (e) questioning or affecting the power and authority of the Township to issue the Bonds, to enact the Ordinance or to accept the Bids.

Negotiability of Bonds

Under the Act, the Bonds have all the qualities and incidents of securities under Article 8 of the Uniform Commercial Code and are negotiable instruments.

Litigation

To the best of the Township’s knowledge, there is no pending or threatened litigation, as of the date of the Official Statement, that would result in a material adverse change in the general affairs or financial conditions of the Township.

Legality

Saul Ewing Arnstein & Lehr LLP, Philadelphia, Pennsylvania, Bond Counsel, is expected to deliver an opinion with respect to, among other things, the due authorization, issuance and sale of the Bonds. See Appendix C for a Proposed Form of Bond Counsel’s Opinion.

Ratings

Moody’s Investors Service, Inc. and S&P Global Ratings have assigned to the Bonds municipal bond ratings of “Aaa” and “AAA”, respectively. An explanation of the significance of these ratings and any outlook may be obtained from Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and S&P Global Ratings, 55 Water Street, New York, New York 10041. There is no assurance that these ratings will continue for any period of time or that the ratings will not be revised or withdrawn. Any such revision or withdrawal of either rating may have an adverse effect on the market price of the Bonds.

Defaults and Remedies

In the event of failure of the Township to pay or cause to be paid the interest on or the principal of the Bonds, the holders of the Bonds shall be entitled to certain remedies provided by the Act. Among the remedies, if the failure to pay shall continue for 30 days, is the right of the holders of the Bonds to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of Montgomery County. The Act provides that any judgment shall have an appropriate priority upon the moneys next coming into the treasury of the Township. The Act also provides that upon a default of at least 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies herein described.

Secondary Market Disclosure

General. The Township has covenanted for the benefit of the Holders of the Bonds in a Continuing Disclosure Agreement dated ____, 2019, (the “Disclosure Agreement”) to (a) provide notices of the occurrence of certain enumerated events and (b) provide certain financial information and operating data relating to the Township by not later than the first day of the eleventh calendar month immediately following the end of the Township's fiscal year, e.g., by not later than November 1 of each year, commencing November 1, 2019 (the “Annual Report”). The Annual Report and the notices of significant events, both summarized below, will be filed by the Township with the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of significant events is summarized below. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2 12, as amended (the “Rule”).

Annual Reports. The Township's Annual Report filed with EMMA shall contain or incorporate by reference the following information with respect to the relevant fiscal year: (i) audited financial statements; (ii) an update of the following types of financial and operating information included in the Official Statement – (a) real estate tax collection information, (b) calculations showing the outstanding principal amount of Township indebtedness as of the fiscal year-end, and the amount of additional indebtedness the Township is permitted to incur in the future under then applicable law as of fiscal year-end and (c) pension plan unfunded liability (to the extent available), investment returns and contribution information; and (iii) the total numbers of employees of the Township.

Notices of Significant Events. Upon the occurrence of any of the following notice events, the Township shall in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events, file with EMMA notice of such occurrence: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax status of the Bonds; (7) modifications to rights of Holder, if material; (8) Bond calls (other than mandatory sinking fund redemptions), if material, and tender offers; (9) defeasances of Bonds; (10) release, substitution, or sale of property securing repayment of any Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Township; (13) the consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation to the Township, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Township, any of which affect security holders, if material; (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Township, any of which reflect financial difficulties; or (17) failure to provide annual financial information as required.

Accounting Standards. The financial statements described above shall be audited in accordance with generally accepted accounting principles applicable in the preparation of financial statements of the Township as such principles are from time to time promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body (“GAAP”), and shall also comply with applicable federal and state auditing statutes, regulations, standards and/or guidelines. The Township may from time to time modify its accounting principles to the extent necessary or desirable to comply with changes in either GAAP or applicable federal and state statutes, regulations, standards and/or guidelines. Audited financial statements of the Township not submitted as part of the Annual Report shall be provided to EMMA if and when available to the Township, and in any event not more than thirty (30) days after receipt thereof from the Township's auditors. In the event that audited financial statements are not submitted as part of the Annual Report, the Township shall provide in lieu thereof unaudited financial statements meeting the description set forth above.

Termination of Reporting Obligation. The Township's obligations under the Disclosure Agreement shall terminate upon (a) the legal defeasance, prior redemption or payment in full of all of the Bonds or (b) the assumption by a successor Obligated Person of all of the obligations of the prior Obligated Person both under the Disclosure Agreement and under the Bonds.

Amendments. Notwithstanding any other provision of the Disclosure Agreement, the Township may modify or amend the Disclosure Agreement. Under the current SEC interpretation of the Rule, the following preconditions must be satisfied: (a) the amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the Township, or change in the type of business conducted by the Township; (b) the Disclosure Agreement, as amended, would have complied with the requirements of the Rule as of the date of issuance of the relevant Bonds, after taking into account any amendment or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially adversely affect the interests of Holder as determined either by a party unaffiliated with the Township (such as the Paying Agent or nationally recognized bond counsel) or by an approving vote of a majority of Holders.

To the extent required by the Rule, the Township shall disclose in the next Annual Report the amendment and its impact on the information being provided.

Defaults. In the event of a failure of the Township to comply with any provision of the Disclosure Agreement, the Paying Agent, any Participating Underwriter or any Holder may take such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order to cause the Township to comply with its obligations under the Disclosure Agreement. A default under the Disclosure Agreement shall not be deemed an Event of Default under the Ordinance or the Bonds, and the sole remedy under the Disclosure Agreement in the event of any failure of the Township to comply with the Disclosure Agreement shall be an action to compel performance, provided, however, that nothing in the Disclosure Agreement shall limit any Holder's rights under applicable federal securities law.

As of the date hereof, the Township has complied in all material respects with its written undertakings over the last 5 years.

Underwriting

The Bonds will be purchased by [UNDERWRITER, TBD] (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of \$[____], which is equal to (i) the aggregate principal amount of the Bonds, less (ii) an amount equal to the Underwriters' discount of \$[____], plus (iii) an amount equal to [net] original issue [discount/premium] of \$[____]. The Underwriter will purchase all of the Bonds in accordance with the terms of the Bid. The initial public offering price may be changed by the Underwriter from time to time without any requirement of prior notice. The Underwriter reserves the right to join with other dealers in offering the Bonds to the public, and said Bonds offered to other dealers may be at prices lower than those offered to the public.

Other

This Official Statement contains a summary of certain provisions of the Act, taxing powers, the Bonds, the Township's Ordinance, budget, financial statement and certain other contracts and documents, and the summaries and/or definitions used herein may vary from the legal language. All such summaries are subject to all of the detailed provisions of all such instruments, budgets or financial statements, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions of such instruments or statements.

All other estimates and assumptions herein have been made on the best information available and are believed to be reliable but no representations whatsoever are made that such estimates or assumptions are correct or will be

realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Neither this Official Statement, nor any statement which may have been made orally or in writing, is to be construed as a contract with the purchasers of any of the Bonds.

TOWNSHIP OF LOWER MERION

By: _____

President, Board of Township Commissioners

FINANCIAL INFORMATION

The Financial Summary which follows shows, among other things, the total debt and the resulting debt ratios of the Township, including the Overlapping Debt Burden, which is debt incurred by other municipal entities, the debt service, or a portion of the debt service thereon being payable, either directly or indirectly, by taxes levied upon individuals and commercial and industrial establishments located within the Township.

The Lower Merion School District (the “School District”), a separate political subdivision of the Commonwealth of Pennsylvania, serves the Township with educational facilities. In addition to the Township, the School District also includes the Borough of Narberth. The Township represents 95.6% of the School District based upon the 2017 Market Values of taxable real estate as last published by the State Tax Equalization Board on August 15, 2018. The Township's proportionate share of the School District's debt, as so determined, is shown under “Overlapping Debt Burden” in Appendix A at \$207,370,740.

The Township represents 13.6% of the County of Montgomery 2017 Market Values of taxable real estate as defined above. The net debt of the County is \$447,230,000 as of May 1, 2019. The Township's proportionate share thereof is \$60,823,280.

Based on the Township's most recent audited financial statements for the fiscal year ending December 31, 2017, the General Fund results were as follows: total receipts were \$61.3 million, total expenditures were \$60.9 million including net debt service, and net other financing sources were \$1.0 million, resulting in a surplus of approximately \$1.5 million compared to a 2017 budgeted deficit of \$2.9 million. Based on the Township's unaudited 2018 financial statements, the General Fund results were as follows: total receipts were nearly \$63.6 million, total expenditures were \$63.3 million including net debt service, and net other financing uses were under \$0.1 million, resulting in a surplus of approximately \$176,000 compared to a 2018 budgeted deficit of \$3.2 million.

The Township's Adopted 2019 General Fund budget included total receipts of approximately \$64.3 million and total expenditures of \$68.2 million, resulting in a budgetary imbalance of approximately \$4.0 million. The budgeted deficit of \$4.0 million brings the Township's undesignated fund balance to \$16.1 million or 23.5% of the 2019 General Fund forecasted expenditures, still above the Township's fund balance policy goal range of 15% to 18%. Through the first three months of 2019 the Township has seen positive financial performance and projects it will have a lower deficit in 2019 compared to the Adopted Budget.

The 2017 audited financial statements may be accessed via the internet at the following web address: <http://www.lowermerion.org/services/finance-department/cafr-audit-reports>

Select Fiscal Policies:

Undesignated Fund Balance Reserve. It is the Township's policy to maintain a minimum year-end General Fund (“GF”) undesignated fund balance no less than 12 percent of that year's total GF operating expenditures. This will provide a minimum GF reserve for emergencies and contingencies and allow the Township to realize a certain level of investment earnings. Further, it is the goal of the Township to maintain a year-end GF undesignated fund balance within a minimum of 15 percent and a maximum of 18 percent of that year's total GF operating expenditures. Undesignated GF fund balance is defined as those financial resources available for spending and therefore not reserved for specific purposes such as encumbrances.

1. *Fund Balance Planning:* Each fiscal (calendar) year during the budget-building process, the GF fund balance reserve will be evaluated by the Board of Commissioners to determine if adequate levels of reserves are being maintained, based upon the Township's financial strength and the economic conditions. The Township will retain flexibility to allocate available funds based on the current circumstances and needs of the Township.

Financial analysis for the planning of the following year's year-end GF undesignated fund balance will be undertaken by the Township's Chief Financial Officer and presented periodically to the Board of

Commissioners. At a minimum, such analysis shall be reported in advance of or within the publication of the annual GF Proposed Budget in October/November.

2. *Fund Balance less than 12 Percent:* If the year-end GF undesignated fund balance has fallen or is expected to fall below 12 percent, the Board of Commissioners shall adopt a plan to provide for a scheduled replenishment back to a minimum of 12 percent by the end of the next fiscal year. In the absence of such a Board plan, the Township Manager shall implement expenditure reduction measures to accomplish such replenishment.
3. *Fund Balance less than 15 Percent Goal:* If the year-end GF undesignated fund balance has fallen or is expected to fall below the minimum goal of 15 percent as outlined in this policy, the Township Manager will present a plan for consideration by the Board of Commissioners to implement actions that would restore the fund balance to at least the minimum 15 percent goal.
4. *Fund Balance in excess of 18 Percent Goal:* If the year-end GF undesignated fund balance has exceeded or is expected to exceed the maximum goal of 18 percent as outlined in this policy, the Board of Commissioners may direct the Township Manager to present a plan for consideration by the Board of Commissioners to implement actions that would reduce the fund balance to within the goal range of 15 percent to 18 percent.

The Township has continuously met and exceeded its formally-adopted fund balance fiscal policies.

Debt Management Policy. The Township's Debt Management Policy statement sets forth guidelines for the financing of capital expenditures of the Township. It is the objective of the policy that (1) the Township obtains financing only when necessary and consistent with this policy, (2) the process for identifying the timing and the amount of debt financing be as efficient and open as possible, and (3) the most favorable interest rates and other related costs be obtained.

Debt financing is permitted to be issued or incurred under Commonwealth of Pennsylvania laws and shall only be used to purchase capital assets that will not be acquired from current resources. The payout schedule of any debt the Township issues shall generally not exceed the useful life of the asset or project; this allows for a close match between those who benefit from the asset and those who pay for it.

To enhance creditworthiness and prudent financial management, the Township is committed to systematic capital planning, intergovernmental cooperation and coordination, and long term financial planning. Evidence of this commitment to capital planning will be demonstrated through the annual adoption and periodic review of the six-year Capital Improvement Program (CIP), cash flow analysis of the spending plans, and regular public reporting of the information.

The Township Board of Commissioners reserves the right to amend this policy or waive any of its guidelines in order to address fiscal requirements and/or market conditions.

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1. Use of Debt Financing

- a. Debt financing will not be considered for any recurring purpose such as current operations or maintenance expenditures.
- b. The Township will invest any bond proceeds in safe, statutorily approved investment instruments, designed to match the expected cash flow needs of the capital projects. Adherence to the guidelines on arbitrage shall be followed, with the assumption that the Township will meet the federal spend down requirements that allow for an exemption from arbitrage calculations. The Township will employ an arbitrage rebate service provider for rebate calculations.
- c. The Township will use debt financing only for one-time capital improvement projects and unusual and long-lived (over 10 years) rolling stock and major equipment purchases under the following circumstances:
 - i. The project is included in the Township's capital improvement plan (or as amended) and is in conformance with the Township's operating budget policies;
 - ii. The projected useful life of the projects and/or equipment will be no less than ten years and, in aggregate, be equal to or exceed the term of the financing;
 - iii. There is anticipated to be revenue sufficient to service the debt, whether from anticipated annual revenue from the General Fund, Sanitary Sewer Fund, or other approved sources.

2. Structure and Term of Debt Financing

- a. Debt will be issued and structured to match projected capital cash flow needs, minimize the impact upon future budgetary revenue enhancement needs, and maintain a relatively rapid payment of principal.
- b. The Township will typically utilize borrowing terms of 20 years or less.
- c. General Obligation bonds will be the typical mode of long term debt financing.
- d. Competitive public sales of bonds will be generally preferred, depending upon market conditions.
- e. Bond issues will be structured to generally seek level debt service schedules so as to minimize significant changes from year to year in overall debt repayments.
- f. The typical structure of bonds will result in level principal and interest (combined) payments over the term of the debt. There shall be no "balloon" payments due at the end of the term.
- g. The Township will not use or issue interest rate derivatives or swap instruments without the specific approval of the Township Board of Commissioners.
- h. Interest and principal payments will typically commence the calendar/fiscal year following the issuance of the bonds.
- i. The Township will be mindful of the potential benefits (from lower interest rates) of issuing bank-qualified bonds, and will pursue such benefits when practical.
- j. The Township will typically seek fixed rate financings, especially in times of stable credit markets, based upon the lowest offered True Interest Cost (TIC).

- k. The Township may choose to issue bonds that pay a rate(s) of interest that varies according to pre-determined formula from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending upon market conditions and overall composition of the Township's debt portfolio.
- l. Call provisions will typically be included in new money bond issues. The call provisions will typically be either 5 year or 10 year. The timing of the call provisions will be optimized to provide the Township with maximum flexibility to manage the Township's debt portfolio while taking into consideration the current market conditions.
- m. The Township will be mindful of its non-electoral debt limitations established by State law and operate well within such limits at all times.
- n. At times, short-term borrowings will be implemented until a bond issue can be undertaken. Also, the Township may implement authorized temporary borrowings from internal funds of the Township, to be reimbursed with bond funds at a future date.
- o. The Township will seek to refund/refinance (current and/or advanced) its prior bond issues if favorable market conditions exist. A goal of achieving overall net present value savings of at least 3% will be a guiding benchmark.
- p. The sizing of any debt borrowings of the Township will be made after taking into consideration the probable timing and sizing of future borrowings so as to properly plan for future estimated capital cash flow needs.

3. Credit Ratings

- a. The Township recognizes the significant value of its Triple A bond credit ratings and will endeavor to protect these top credit ratings in all of its debt, budgetary and financial management undertakings.
- b. The Township will take all practical precautions to avoid any financial decision which will negatively impact its Triple A credit ratings on existing or future debt issues. Furthermore, the Township will actively review and monitor its debt ratios in comparison to published Triple A debt ratios and will limit debt so that the Township's debt ratios continue to support the Township's Triple A credit ratings.
- c. The Township will take into account the impact of any new debt on overlapping debt and financing plans for the School District and County.
- d. The Township will generally employ the external services of a Financial Advisor and Bond Counsel to assist in the preparation of any bond offerings. The Township will issue periodic requests for proposals for multi-year engagements for these services. Prior to any bond offering, the Township will request a specific scope and fee proposal from its Financial Advisor and Bond Counsel in accordance with their existing contract.
- e. The Township Manager and Chief Financial Officer (with the assistance of the Financial Advisor) shall be responsible for maintaining relationships with the rating agencies that assign ratings to the Township's debt. This effort will include representing the Township in meetings with and presentations to the rating agencies in conjunction with the Township's existing debt management program and any new debt issuance.
- f. The Township will disclose all material facts relating to the Township in its Official Statements accompanying debt issuances, taking into account the guidance on disclosure recommended by the Government Accounting Standards Board (GASB), the National Federation of Municipal Analysts, and Generally Accepted Accounting Principles (GAAP).

4. Communication regarding Debt Management

- a. Good communication with bond credit rating agencies shall be maintained, and a policy of full and timely disclosure on every financial report and bond prospectus shall be followed.
- b. The Township, through its Chief Financial Officer, shall fulfill all compliance practices including primary and secondary market disclosures and certifications, arbitrage rebate monitoring and filing, federal and state law compliance, and market and investor relations. These compliance practices shall include, but will not be limited to, fulfilling the requirements of SEC Rule 15c2-12 as promulgated as part of the bond issuance process, filing all appropriate continuing and voluntary disclosure documents and ensuring all documentation is available to the public through the MSRB's EMMA website.
- c. In addition to the current policies related to disclosure efforts, the Township will seek to meet future requirements and best practices as prescribed by the SEC, MSRB or any other regulatory body.
- d. Forecasts of future debt issuance plans will be disclosed in all Official Statements and Township budgets.
- e. The Township will annually update a page on its website to provide citizens and stakeholders with a clear, concise non-technical summary of the Township's outstanding debt, annual debt service payments and legal debt margin.

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APPENDIX A

TOWNSHIP OF LOWER MERION

Financial Summary and Borrowing Capacity

(1) Assessed Valuation (January 1, 2019)			\$	7,644,986,789
(2) Total Market Value of Assessable Real Estate (January 1, 2019)				14,990,170,175
(2) Percentage of Assessed Valuation to Total Market Value				51.0%
NET DEBT				
(3) General Obligation Bonds Outstanding	\$	84,205,000		
Less Current Revenue Applicable		<u>-</u>	\$	84,205,000
General Obligation Notes Outstanding		-		
Less Current Revenue Applicable		<u>-</u>		-
General Obligation Bonds Series A of 2019				9,040,000 *
NET DEBT OF TOWNSHIP			\$	93,245,000
(4) OVERLAPPING DEBT BURDEN				
(5) (6) Proportionate Share of School District Debt (95.6%)				207,370,740
(7) Proportionate Share of County Debt (13.6%)				<u>60,823,280</u>
OVERLAPPING DEBT			\$	268,194,020
TOTAL NET DEBT OF THE TOWNSHIP AND OVERLAPPING DEBT				\$ 361,439,020
RATIO OF TOTAL NET DEBT TO:				
	<u>TOWNSHIP</u>	<u>OVERLAPPING</u>	<u>TOTAL NET AND OVERLAPPING</u>	
Total Market Value of Assessable Real Estate	0.62%	2.41%		3.03%
Assessed Valuation of Real Estate	1.22%	4.73%		5.95%
Population - 57,837	\$ 1,612 (8)	\$ 6,249 (8)	\$	7,861 (8)
RATIO OF POPULATION TO:				
Total Market Value of Assessable Real Estate			\$	259,180
Assessed Valuation of Real Estate			\$	132,182
(1) As of January 1, 2019.				
(2) Estimate is based upon the latest information published by the State Tax Equalization Board (STEB) on August 15, 2018 for 2017. According to the Pennsylvania Department of Revenue, the current Common Level Ratio is 51.0% for the COUNTY OF MONTGOMERY last published July 2018.				
(3) As of April 1, 2019.				
(4) Based on outstanding principal amounts as of December 31, 2018.				
(5) Due to the minimal amount of reimbursement received by the School District from the Commonwealth of Pennsylvania in respect of debt service, the debt ratios, after reimbursement, have been omitted from the above summary.				
(6) Total outstanding debt less credit and exclusions as of December 31, 2018.				
(7) Based on outstanding principal debt amounts as of May 1, 2019 at Montgomery County.				
(8) Per person.				

Borrowing Capacity

The Borrowing Base of the Township, as defined in the Act, and based upon the years 2016, 2017 and 2018 is \$91,384,523.

	LEGAL <u>LIMIT</u>	NONELECTORAL <u>NET DEBT</u>	UNUSED <u>CAPACITY</u>
250% Net Nonelectoral Debt	\$ 228,461,308	\$ 93,245,000	\$ 135,216,308
350% Net Nonelectoral and Lease Rental Debt	\$ 319,845,831	\$ 93,245,000	\$ 226,600,831

TOWNSHIP OF LOWER MERION

Debt Service Schedule

General Obligation Bonds, Series A of 2019

DATED: June 11, 2019

DUE: July 15 as set forth below

<u>FISCAL</u>	<u>INTEREST</u>		<u>INTEREST</u>		
<u>YEAR</u>	<u>RATE</u>	<u>PRINCIPAL</u>	<u>Jan 15</u>	<u>Jul 15</u>	<u>TOTAL*</u>
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
TOTAL*		-	-	-	-

**Totals may not add due to rounding.*

TOWNSHIP OF LOWER MERION

Comparative Tax Analysis and Tax Rates

<u>YEAR</u>	<u>ASSESSED VALUATION REAL ESTATE</u>	<u>TAX RATE (MILLS)</u>	<u>AMOUNT OF LEVY</u>	<u>COLLECTED IN LEVY YEAR</u>	<u>PERCENT COLLECTED</u>	<u>DELINQUENT AND INTERIM COLLECTED IN LEVY YEAR</u>	<u>INTERIM TAX COLLECTIONS</u>	<u>TOTAL COLLECTED IN LEVY YEAR</u>	<u>PERCENT COLLECTED</u>
2008	7,501,357,064	3.61	27,079,899	26,192,935	96.7%	497,870	92,128	26,782,933	98.9%
2009	7,514,754,265	3.68	27,654,404	26,716,585	96.6%	548,030	65,941	27,330,556	98.8%
2010	7,480,048,376	3.78	28,274,531	27,312,658	96.6%	569,492	52,060	27,934,210	98.8%
2011	7,442,248,626	4.19	31,183,272	30,105,206	96.5%	552,187	19,082	30,676,475	98.4%
2012	7,404,023,301	4.19	31,023,101	30,043,347	96.8%	516,245	84,960	30,644,552	98.8%
2013	7,430,474,741	4.19	31,133,935	30,179,550	96.9%	467,123	91,465	30,738,138	98.7%
2014	7,471,624,826	4.19	31,306,335	30,366,570	97.0%	449,671	56,333	30,872,574	98.6%
2015	7,491,626,679	4.19	31,389,916	30,497,025	97.2%	332,467	145,044	30,974,536	98.7%
2016	7,532,920,959	4.19	31,562,939	30,684,992	97.2%	176,285	90,743	30,952,020	98.1%
2017	7,568,106,739	4.19	31,710,367	30,838,661	97.3%	217,681	158,651	31,214,993	98.4%
2018	7,614,127,299	4.19	31,903,193	31,075,263	(1) 97.4%	169,607	103,796	31,348,666	98.3%

(1) Unaudited Current Year Real Estate Taxes Collected.

	REAL ESTATE (MILLS)	LOCAL SERVICES TAX	REAL ESTATE TRANSFER
Township of Lower Merion* (2019)	4.19	\$47.00	1/2%
Lower Merion School District (2018/2019)	28.7477	\$5.00	1/2%
County of Montgomery (2019)	3.849		1.00%

* In addition to the above taxes the Township levies a Mercantile Tax of one mill and a Business Privilege Tax of one and one-half mills on gross receipts. Collections from all Township sources are shown on the Income and Expense Statement hereinafter.

TOWNSHIP OF LOWER MERION

Income and Expense Statement

General Fund

(Based on the Audited Financial Statements of the Township)

GENERAL FUND (BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> <u>Unaudited</u>
REVENUES					
REAL ESTATE TAXES	34,390,884	34,474,730	35,217,381	35,894,268	35,925,631
LICENSES AND PERMITS	5,513,292	5,587,297	6,484,995	6,680,814	6,340,597
MERCANTILE, BUSINESS AND LOCAL SERVICES TAXES	10,875,458	13,369,596	13,195,919	12,386,411	14,080,883
FINES, FORFEITS, AND COSTS	1,025,967	1,103,154	1,089,121	994,184	862,934
INTEREST	62,636	78,862	182,757	421,457	858,304
GRANTS AND GIFTS	68,045	89,982	250,479	180,956	84,615
DEPARTMENTAL EARNINGS	2,473,467	2,796,644	2,660,748	2,729,021	2,660,292
OTHER	679,742	619,113	806,262	2,019,395	2,745,400
TOTAL REVENUES	55,089,491	58,119,378	59,887,662	61,306,506	63,558,656
EXPENDITURES					
GENERAL GOVERNMENT	4,964,995	5,293,406	5,520,903	5,606,906	5,819,274
PUBLIC SAFETY	23,225,801	24,118,631	24,466,369	25,432,256	26,559,083
BUILDING AND PLANNING	3,422,778	3,398,471	3,690,952	3,957,127	4,099,474
PUBLIC WORKS	8,315,047	8,627,172	8,344,819	8,011,963	8,685,788
LIBRARIES, PARKS AND RECREATION	7,413,143	7,219,883	7,286,757	7,833,172	8,125,099
TOTAL EXPENDITURES	47,341,764	48,657,563	49,309,800	50,841,424	53,288,718
NET DEBT SERVICE ON CAPITAL IMPROVEMENT BONDS	9,261,521	9,510,573	10,199,706	10,024,833	10,019,544
TOTAL EXPENDITURES	56,603,285	58,168,136	59,509,506	60,866,257	63,308,262
OTHER FINANCING SOURCES	1,269,972	1,402,157	836,941	1,095,429	1,001,735
OTHER FINANCING USES	(98,986)	(90,454)	(2,586,827)	(82,543)	(1,076,146)
EXCESS OF REVENUES OR EXPENDITURES	(342,808)	1,262,945	(1,371,730)	1,453,135	175,983
FUND BALANCES					
BEGINNING OF YEAR	20,172,706	19,829,898	21,092,843	19,721,113	21,174,248
END OF YEAR	19,829,898	21,092,843	19,721,113	21,174,248	21,350,231
FOOTNOTES	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
PRINCIPAL	7,455,000	7,600,000	7,810,000	8,085,000	8,305,000
INTEREST	3,655,249	3,595,790	4,162,870	3,710,171	3,663,900
	11,110,249	11,195,790	11,972,870	11,795,171	11,968,900
LESS: FUNDS TRANSFERRED FROM SANITARY SEWER FUND	1,848,728	1,685,217	1,773,164	1,770,338	1,949,356
NET EXPENDITURES FROM GENERAL FUND	9,261,521	9,510,573	10,199,706	10,024,833	10,019,544

TOWNSHIP OF LOWER MERION

2019 Budget

General Fund

	<u>2018</u> <u>BUDGET</u>	<u>2019</u> <u>BUDGET</u>
REVENUES:		
REAL ESTATE TAXES	\$ 35,708,300	\$ 35,945,000
LICENSES AND PERMITS	6,638,800	6,346,800
MERCANTILE, BUSINESS AND LOCAL SERVICES TAXES	12,550,000	13,275,000
FINES, FORFEITS AND COSTS	1,020,000	1,115,500
INTEREST	345,000	1,000,000
GRANTS AND GIFTS	110,000	75,000
DEPARTMENTAL EARNINGS	2,411,500	2,681,500
OTHER	3,450,300	3,815,600
TOTAL REVENUES	62,233,900	64,254,400
EXPENDITURES:		
GENERAL GOVERNMENT	7,769,737	8,169,165
POLICE AND FIRE PROTECTION	26,543,877	28,480,757
BUILDING AND PLANNING	4,164,652	4,094,893
PUBLIC WORKS	8,846,005	9,303,081
LIBRARIES, PARKS AND RECREATION	8,085,270	8,407,860
DEBT SERVICE	10,040,273	9,754,989
TOTAL EXPENDITURES	65,449,814	68,210,745
EXCESS OF REVENUES OR (EXPENDITURES)	(3,215,914)	(3,956,345)
FUND BALANCES:		
BEGINNING OF YEAR	18,965,351	20,207,707
END OF YEAR	\$ 15,749,437	\$ 16,251,362

TOWNSHIP OF LOWER MERION

Outstanding General Obligation Debt

<u>SERIES</u>	<u>PURPOSE OF THE ISSUE</u>	<u>Dated Date</u>	<u>Principal Due Dates</u>	<u>Outstanding INTEREST RATES</u>	<u>AMOUNT ISSUED</u>	<u>PAR OUTSTANDING as of 6/11/2019</u>
Series A of 2010	Refunding	5/24/2010	Jul 15th	4.000% to 4.500%	\$18,995,000	\$9,225,000
Series C of 2010 (BABs)	New Money	5/24/2010	Jan 15th	4.800% to 5.450%	14,540,000	14,540,000
Series A of 2011	Refunding	1/4/2011	Jul 15th	3.000% to 4.000%	15,345,000	3,560,000
Series B of 2011	Refunding	8/3/2011	Jan/Jul 15th	3.000% to 4.000%	10,830,000	10,230,000
Series A of 2012	Refunding	5/15/2012	Jan 1st	3.125% to 5.000%	11,680,000	6,085,000
Series A of 2013	New Money	3/22/2013	Apr 1st	2.000% to 2.750%	9,935,000	9,360,000
Series A of 2014*	Refunding	4/17/2014	Jul 15th	2.000% to 4.000%	9,405,000	1,940,000
Series B of 2014*	New Money	5/6/2014	Jul 15th	2.000% to 4.000%	9,455,000	1,645,000
Series A of 2015	Refunding	1/20/2015	Apr 15th	4.000% to 5.000%	4,195,000	1,970,000
Series B of 2015	New Money	1/20/2015	Apr 15th	3.000% to 5.000%	5,595,000	8,305,000
Series A of 2016	Refunding	5/10/2016	Jan 15th	2.000% to 2.000%	3,655,000	1,355,000
Series B of 2016	New Money	6/7/2016	May 1st	1.500% to 2.500%	7,525,000	6,570,000
Series A of 2017	New Money	10/13/2017	Oct 1st	2.000% to 4.000%	9,805,000	9,420,000
Series A of 2019	Refunding	6/11/2019	July 15th	-	-	-
					\$134,960,000	\$84,205,000

* Excludes principal amounts being refunded by the Series A of 2019 (sold on 5/8/2019 and closing on 6/11/2019).

Principal Retirement of Outstanding Debt as of June 11, 2019

General Obligation Issues

(by Series)

<u>Year</u>	<u>Series A of 2010</u>	<u>Series C of 2010 (BABs)</u>	<u>Series A of 2011</u>	<u>Series B of 2011</u>	<u>Series A of 2012</u>	<u>Series A of 2013</u>	<u>Series A of 2014*</u>	<u>Series B of 2014*</u>	<u>Series A of 2015</u>	<u>Series A of 2015</u>	<u>Series A of 2016</u>	<u>Series B of 2016</u>	<u>Series A of 2017</u>	<u>Series A of 2019</u>	<u>TOTAL AMOUNT</u>
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,330,000	395,000	-	-	-	-	380,000	-	\$ 2,105,000
2020	1,145,000	-	1,710,000	50,000	870,000	515,000	610,000	410,000	630,000	380,000	1,355,000	330,000	395,000	-	8,400,000
2021	1,700,000	1,165,000	595,000	1,750,000	385,000	610,000	-	415,000	655,000	400,000	-	335,000	410,000	-	8,420,000
2022	1,865,000	1,205,000	620,000	1,290,000	400,000	685,000	-	425,000	685,000	415,000	-	340,000	430,000	-	8,360,000
2023	2,190,000	1,240,000	635,000	720,000	1,025,000	775,000	-	-	-	440,000	-	345,000	445,000	-	7,815,000
2024	1,220,000	1,285,000	-	1,830,000	635,000	795,000	-	-	-	460,000	-	355,000	455,000	-	7,035,000
2025	5,000	1,325,000	-	1,775,000	1,375,000	805,000	-	-	-	485,000	-	360,000	465,000	-	6,595,000
2026	1,100,000	1,370,000	-	735,000	685,000	730,000	-	-	-	500,000	-	370,000	475,000	-	5,965,000
2027	-	1,420,000	-	1,105,000	710,000	610,000	-	-	-	515,000	-	375,000	485,000	-	5,220,000
2028	-	1,520,000	-	975,000	-	545,000	-	-	-	530,000	-	385,000	495,000	-	4,450,000
2029	-	1,700,000	-	-	-	555,000	-	-	-	545,000	-	390,000	505,000	-	3,695,000
2030	-	1,490,000	-	-	-	590,000	-	-	-	560,000	-	400,000	515,000	-	3,555,000
2031	-	820,000	-	-	-	645,000	-	-	-	575,000	-	410,000	525,000	-	2,975,000
2032	-	-	-	-	-	980,000	-	-	-	595,000	-	415,000	535,000	-	2,525,000
2033	-	-	-	-	-	520,000	-	-	-	615,000	-	425,000	550,000	-	2,110,000
2034	-	-	-	-	-	-	-	-	-	635,000	-	435,000	565,000	-	1,635,000
2035	-	-	-	-	-	-	-	-	-	655,000	-	445,000	580,000	-	1,680,000
2036	-	-	-	-	-	-	-	-	-	-	-	455,000	595,000	-	1,050,000
2037	-	-	-	-	-	-	-	-	-	-	-	-	615,000	-	615,000
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$ 9,225,000	\$ 14,540,000	\$ 3,560,000	\$ 10,230,000	\$ 6,085,000	\$ 9,360,000	\$ 1,940,000	\$ 1,645,000	\$ 1,970,000	\$ 8,305,000	\$ 1,355,000	\$ 6,570,000	\$ 9,420,000	\$ -	\$ 84,205,000

* Excludes principal amounts being refunded by the Series A of 2019 (sold on 5/8/2019 and closing on 6/11/2019).

TOWNSHIP OF LOWER MERION

Debt Service Payments

Annual Debt Service Payments General Obligation Debt as of June 11, 2019									
YEAR	PRIOR BONDS ⁽¹⁾			Series A of 2019			TOTAL DEBT SERVICE		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 2,105,000	\$ 1,370,854	\$ 3,475,854	\$ -	-	-	\$ 2,105,000	\$ 1,370,854	\$ 3,475,854
2020	8,400,000	2,527,830	10,927,830	-	-	-	8,400,000	2,527,830	10,927,830
2021	8,420,000	2,223,679	10,643,679	-	-	-	8,420,000	2,223,679	10,643,679
2022	8,360,000	1,925,391	10,285,391	-	-	-	8,360,000	1,925,391	10,285,391
2023	7,815,000	1,636,651	9,451,651	-	-	-	7,815,000	1,636,651	9,451,651
2024	7,035,000	1,385,028	8,420,028	-	-	-	7,035,000	1,385,028	8,420,028
2025	6,595,000	1,151,527	7,746,527	-	-	-	6,595,000	1,151,527	7,746,527
2026	5,965,000	955,043	6,920,043	-	-	-	5,965,000	955,043	6,920,043
2027	5,220,000	784,085	6,004,085	-	-	-	5,220,000	784,085	6,004,085
2028	4,450,000	636,840	5,086,840	-	-	-	4,450,000	636,840	5,086,840
2029	3,695,000	515,034	4,210,034	-	-	-	3,695,000	515,034	4,210,034
2030	3,555,000	410,146	3,965,146	-	-	-	3,555,000	410,146	3,965,146
2031	2,975,000	316,407	3,291,407	-	-	-	2,975,000	316,407	3,291,407
2032	2,525,000	240,417	2,765,417	-	-	-	2,525,000	240,417	2,765,417
2033	2,110,000	178,038	2,288,038	-	-	-	2,110,000	178,038	2,288,038
2034	1,635,000	127,195	1,762,195	-	-	-	1,635,000	127,195	1,762,195
2035	1,680,000	81,059	1,761,059	-	-	-	1,680,000	81,059	1,761,059
2036	1,050,000	41,988	1,091,988	-	-	-	1,050,000	41,988	1,091,988
2037	615,000	18,450	633,450	-	-	-	615,000	18,450	633,450
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
TOTAL	\$ 84,205,000	\$ 16,525,662	\$ 100,730,662	-	-	-	\$ 84,205,000	\$ 16,525,662	\$ 100,730,662

(1) Debt service on the Series C of 2010 Bonds reflects announced reductions in BAB Credits through September 2024. Subsidy reduction rate of 6.20% for Federal Fiscal Year ("FFY") 2019 and 5.90% for FFY 2020 have been confirmed by IRS. FFY 2021 and beyond assumed at 5.90%, actual future sequestration reduction percentages are not yet available.

(2) Totals may not add due to rounding.

(3) Excludes principal amounts being refunded by the Series A of 2019 (sold on 5/8/2019 and closing on 6/11/2019).

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APPENDIX B

ECONOMY OF THE TOWNSHIP OF LOWER MERION

Location and Character

The Township of Lower Merion (the “Township”), first settled in 1682 and well known as an attractive and affluent residential community, is located along Philadelphia's famed Main Line. Fine homes and estates, excellent highways, exclusive shops and department stores, luxurious apartment houses, stately church edifices, some buildings dating back to the 17th century, and superior public, private and parochial schools and colleges characterize the Township.

Covering an area of 23.64 square miles, the Township is bounded by the City of Philadelphia, the Boroughs of Conshohocken and West Conshohocken, and the Townships of Upper Merion and Whitemarsh in Montgomery County and by the Townships of Haverford and Radnor in Delaware County. The Borough of Narberth, although a separate political entity of one-half square mile, is completely surrounded by the Township.

Forming the Township's eastern boundary is City Avenue (U.S. Route 1) separating Lower Merion from the City of Philadelphia. Along City Ave., starting with the Schuylkill Expressway and continuing on to Belmont Avenue in Bala Cynwyd, is what is known as the “Golden Mile” which includes radio and television studios, the Exxon Building, the Fox Building and the Germantown Savings Bank (GSB) Building. Just in back of these buildings are the One-Ninety-One Condominiums, Corinthian Condominiums and the Bala Cynwyd Plazas.

Running along the Township's northern border is the Schuylkill River paralleled by the Schuylkill Expressway (Interstate Route 76), a limited access express highway expediting travel to and from Philadelphia and Philadelphia International Airport and connecting with the Valley Forge interchange of the Pennsylvania Turnpike in Upper Merion Township.

Other highways serving the Township are U.S. Route 30 and State Routes 23 and 320. The Blue Route Expressway (Interstate Route 476), connects the Delaware Expressway (Interstate Route 95) near the City of Chester on the south with the Pennsylvania Turnpike near the Northeast Extension on the north, traveling through the western part of the Township. In addition, the Blue Route Expressway provides an interchange with the Schuylkill Expressway and Matsons Ford Road at the Township's western border.

The Southeastern Pennsylvania Transportation Authority's (SEPTA) Paoli/Thorndale line, serving the Main Line and providing frequent commuting service to and from downtown Philadelphia, travels through the Township, paralleling U.S. Route 30, with station stops within the Township at Merion, Wynnewood, Ardmore, Haverford, Bryn Mawr and Rosemont. In addition, the Cynwyd line has railroad stops at Bala and Cynwyd. Other unincorporated communities within the Township are Belmont Hills, Wynnewood, Gladwyne, Penn Valley, Penn Wynne and Villanova.

Single family dwelling permits issued from 2008 to 2018, inclusive, are as follows:

<u>Year</u>	<u>Dwelling Permits Issued</u>	<u>Value</u>
2008	22	\$12,049,000
2009	21	14,005,000
2010	17	7,698,000
2011	29	8,339,000
2012	36	11,722,000
2013	45	19,174,330
2014	22	6,758,250
2015	28	13,060,477
2016	50	20,714,316
2017	46	12,585,358
2018	28	11,864,784

In 2018, the Township issued a total of 28 permits for the construction of new single-family dwellings. The estimated construction value for all 28 units totaled \$11,864,784. The average cost of construction per dwelling was approximately \$423,742. During 2018, the Township issued 2,484 general construction permits. The combined value of these renovation and new construction projects totaled \$243,978,132.

Major commercial, institutional and mixed-use projects under construction or about to begin construction in the Township include the following:

<u>Name</u>	<u>Square Footage</u>	<u>Approximate Cost</u>
1 Ardmore Place (95%)	New / 8,000 retail / 110 Apts.	\$45,000,000
47-65 Cricket Avenue (5%)	New / 10,500 retail / 77 Apts.	12,000,000
223 N. Highland Ave (85%)	Additions / 23,755	7,460,000
1001 City Ave (95%)	Interior Upgrades	4,969,000
1 Belmont Ave (90%)	Reno / 30,000	4,000,000
100 Lancaster Ave (ER) (2%)	Reno / 10,000	5,000,000
325 W. Montgomery Ave (2%)	Reno / Pool / 17,200	11,000,000
100 Lancaster Ave (ASC) (3%)	Reno / 24,000	6,890,000
1400 Montgomery Ave (3%)	Addition / 46,000	7,000,000
18 Lancaster Avenue (5%)	New / 32,000 / 22 Apts.	9,000,000
335 Righters Ferry Road (45%)	New / 36,000/ 210 Apts.	41,306,000
211 Belmont Ave (0%)	New Senior Living/84 Units	55,000,000
742 Argyle Rd (90%)	Addition & Alt. / 35,000	10,500,000
10 Union Avenue (98%)	New / 80,000 / 109 Apts.	23,000,000
762 Lancaster Avenue (50%)	Reno / 8,000	1,500,000
601 Righters Ferry Rd (3%)	Two hotels/ 225,705	30,000,000
231 St Asaphs Rd (45%)	Reno / 3,500	1,500,000
121 City Avenue (10%)	New / 48,000 / 87 units	19,000,000
15 Kings Grant (25%)	Addition & Reno/ 57,000	2,353,200
9 Presidential Boulevard (0%)	New / 293,000 / 173 units	35,000,000
401 E. City Avenue (55%)	Reno / 18,000	2,500,000
100 Coulter Avenue (25%)	New / 35,000	14,000,000
128 Bryn Mawr Avenue (90%)	Reno / 15,000	2,041,159
213 St. Asaphs Road (10%)	Reno / 30,000	14,540,000
1660 Oakwood Drive (0%)	Unknown	2,069,275
450 W. Lancaster Avenue (0%)	Reno / 40,000	Unknown
920 Youngs Ford Rd (0%)	Renovation	Unknown
135 S. Bryn Mawr (0%)	New building	Unknown
206 Bala Ave (0%)	New / retail & Apts.	Unknown

101 S. Bryn Mawr Ave	New student center	Unknown
200 Pennswood Rd	Addition	Unknown
637 W. Montgomery Ave	Addition	Unknown
333 E. City Ave	New mixed use	Unknown
555 E. City Ave	New / 254 Apts.	Unknown
1 Belmont Ave	New Mixed use	Unknown
1 Presidential Blvd.	New mixed use	Unknown
121 E. City Ave	New mixed use	Unknown
104-198 W. Lancaster Ave	New mixed use	Unknown

Note:(%) - percentage of completion as of March 15, 2019.

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Single family and multi-family residential developments recently completed, under construction or proposed include the following:

Name	Estimated Number	Approximate Sale
Club House Road (10%)	5	\$2,750,000
Fenimore Lane (ns)	1	2,500,000
1029 Waverly Road (50%)	2	1,500,000
1632 Old Gulph Road (75%)	5	1,500,000
Merriam Estate (ns)	2	1,300,000
310-324 Righters Mill Road (90%)	2 SFD/5 Condos	1,200,000
Barkers Mill (ns)	33 Condos	1,000,000
533 E. Lancaster Avenue (50%)	3 Condominiums	655,000
232-236 W. Montgomery Avenue (30%)	8 Townhouses	750,000
110 Montgomery Avenue (75%)	4 Twin Homes	675,000
18 Lancaster Avenue (10%)	22 Apartments	2k-3k per month
600 Righters Ferry Road (50%)	275 Apts./parking garage	2k-3k per month
150 Monument Road (CAD/RCA) (5%)	207 Apartments	2k per month
131-151 Rock Hill Road (ROHO) (ns)	332 Apartments	1.5k-2k per month
371 W. Lancaster Avenue (25%)	Reno/10 Apts.	1.5-2k per month
718 Sussex Road (ns)	8 twins/6 Condos/2 SFD	750,000
225 E. Montgomery Avenue (90%)	8 townhomes	850,000
1432 Mt. Pleasant Road (ns)	2	2,500,000
660 Williamson Road (ns)	3	2,500,000
111 Montgomery Avenue (ns)	4 Quad	750,000
11 Union Avenue, One Cynwyd (CAD-BV) (ns)	74 Apartments	2k-3k per month
6 Old Gulph Road (ns)	2	2,500,000
104 W. Lancaster Avenue (MUST) (ns)	35 Apartments	2k-3k per month
5-9 N. High. A. & 206-216 Bala A. (CAD-BV) (ns)	86 Apartments	2k-3k per month
9 Presidential Boulevard (CAD-BV) (ns)	173 Apartments	1k-2k per month
121 E. City Avenue (CAD/RCA) (10%)	87 Apartments	2k-3k per month
75 Coulter Ave (MUST) (ns)	Mixed use / 158 Apts.	2k-3k per month
102-106 E. Montgomery Ave (ns)	26 Condos	2k-3k per month
39-41 E. Montgomery Ave & 108 Glenn Rd. (ns)	21 Condos	1,000,000
501-507 Old Lancaster Rd (2%)	2	800,000
1010 Spring Mill Road (ns)	2	800,000
314 River Road (ns)	2	800,000
1306 Waverly Rd (ns)	1	1,000,000

Note:(%) - percentage of completion as of March 15, 2019.

Abbreviations:

ns (not started)
ROHO (Rock Hill Overlay District)
MUST (Mixed Use Special Transit)
BV (Bala Village)
CAD/RCA (City Avenue District/ Regional Center Area)
(%) - percentage of completion

Comprehensive Plan and Updated Zoning Code

In January 2016, the Township adopted a new Comprehensive Preservation Infill and Redevelopment Plan (the “Comprehensive Plan”) to guide future land use and housing policies as well as public investments in infrastructure and services. The Comprehensive Plan recognizes the predominantly high quality residential character and the built out conditions of the residential community and includes recommendations and strategies to guide preservation and infill of residential neighborhoods while directing new growth towards the redevelopment and revitalization of transit-oriented commercial districts.

The Comprehensive Plan establishes the framework for a complete update of the Township’s Zoning and Land Development codes to meet current realities and future needs. In February 2017, the Township retained DPZ Associates of Miami, Florida to align the Township’s Zoning and Subdivision Codes with the new Comprehensive Plan. Drafts of the updated codes have been received and the Township is now going through an extensive public process to review the Code with the Board of Commissioners and various stakeholder groups. The updated land development codes are intended to preserve and enhance the value of existing residential neighborhoods through preservation, modest expansions and targeted infill while directing new, higher-density, transit-oriented mixed-use development primarily to the City Avenue District and Ardmore commercial area.

Existing Zoning Code

The Township’s Zoning Code provides for ten classifications of residential districts, six classifications of commercial districts, two medical districts, a Mixed-Use Special Transportation Overlay (MUST), the Rock Hill Road Overlay (ROHO) district and one manufacturing district. The most recent update to the Zoning Code was the adoption of the City Avenue District including the Bala Village and Bala Cynwyd Retail Districts. Zoning regulates land use and size of both buildings and lots, percentage of lot coverage, building setbacks and required planted buffer areas. Among other things, the Code provides for required off-street parking for buildings and restricts development on steep slopes and in floodplains.

Township staff directs the Township’s economic development program by working closely with the local business districts and large commercial and multi-family property owners to promote and grow a healthy commercial and mixed-use base. The Township of Lower Merion has made substantial progress in planning for the redevelopment of its commercial areas. The rezoning of the City Avenue and Bala Districts, which form the Township’s eastern border with the City of Philadelphia, encourages mixed-use buildings and allows greater density while promoting transit-oriented development. The floor area ratio limits that existed previously were increased to permit building area to more than double in this district. Several multifamily projects have secured land development approvals and are nearing or under construction that will bring about 600 new residential units to the City Avenue District.

The Township adopted a Medical Center Zoning District for the Lankenau Hospital property that permits the hospital to expand to meet its medical service needs in the community. With the assistance of \$2.5 million in grant funds from the Pennsylvania Redevelopment Assistance Capital Program (RACP), Lankenau has constructed improvements that cost approximately \$500 million. These improvements include new medical facilities and patient rooms, a physical plant expansion and a new parking garage.

The Township also adopted a zoning district for the Bryn Mawr Hospital property which includes a larger area around the hospital site to allow for future expansion. In recent years, Bryn Mawr Hospital completed a 150,000 square foot medical office building and a 1,000 vehicle parking garage. In early 2019 the Bryn Mawr Hospital completed construction of a new 110,000 square foot building to accommodate new patient rooms.

The Township, in conjunction with SEPTA, continues to support multi-modal bus and rail improvements to the Ardmore Amtrak/SEPTA station facilities, platforms and commuter and public parking. Public funding is envisioned as a catalyst for private investment in the district. The Ardmore Transit Center (ATC) project will include new station facilities and ADA accessible high-level platforms to be built on properties currently

publicly owned by the Township and Amtrak. The project has been divided into two phases: Phase 1 Transit Improvements and Phase 2 Garage and Transit Facilities.

Phase 1 of the ATC project includes the new Dranoff Properties, One Ardmore Place, a mixed-use retail and residential project with 110 apartments and a parking garage to accommodate both public and private parking. One Ardmore Place started construction in late 2016 and opened in Spring 2019. This overall \$86 million project for a revitalized Ardmore Business District is the result of many years of public process involving elected officials, Township staff, residents, businesses, transit agencies and the consulting teams. The Commonwealth of Pennsylvania awarded \$14 million in grant funding through the Montgomery County Redevelopment Authority for the ATC project. These grant funds are part of Pennsylvania's Redevelopment Assistance Capital Program, or "RACP," which is a grant program for the construction of regionally significant economic development projects.

The project is a focus for revitalization and a way to strengthen linkages across railroad tracks that bisect the business community, improve pedestrian and traffic conditions, generate pedestrian activity and provide sufficient parking spaces to meet current and future demand. PennDOT placed \$12.8 million on the TIP to enable the Ardmore Transit Center to be advanced through design engineering and constructed in two phases. Along with the remaining FTA appropriation and Township match, and RACP, the funding package totals \$22.2 million.

Suburban Square has completed construction of a 600 space garage and a 3,000 SF expansion of Trader Joe's. In addition, a new 20,000 square foot building with retail on the ground level and offices above will be completed in late 2019 in a commuter parking lot on Coulter Avenue. The commuter parking has been relocated to the West (Ruby's) Parking lot during construction. Adding new retail, parking and expanding some existing uses such as Trader Joe's will help to keep the Suburban Square fresh and further stimulate the economy of the Ardmore Business District.

The business districts will continue to receive special attention as the Township advances its economic development and revitalization initiatives. Through the use of periodic meetings with civic and business groups, electronic communication, and professional consultation and data collection, the Township continues to provide technical assistance to the business community. The Township included funds in its Adopted 2019 Budget to start the process of completing commercial area masterplans with the goal to sustain economic development in the Township's commercial districts and to monitor its successful outcomes.

Capital Improvement Program 2019-2024

Capital improvements, in the aggregate principal amount of approximately \$215,570,000 including those funded from the Township general obligation bond proceeds and Federal/State/County Grants and private development funds, are as follows:

- Reconstruct roads and bridges throughout the Township
- Improve signalized intersections
- Implement the Ardmore Transit Center project
- Continue storm water management program
- Perform inflow and infiltration storm water maintenance
- Extend and replace sanitary sewer lines
- Improve sanitary sewer pump station
- Improve athletic fields, parks, trails and Township facilities
- Implement Transportation Improvement in the City Avenue Transportation Service area
- Replace fire apparatus equipment for the Township volunteer fire stations

Employment

The following are the principal employers within the Township in 2018 according to the fourth quarter reporting for the Local Services Tax.

	<u>2018 Employees</u>
Main Line Hospitals	4,168
Lower Merion School District	1,779
Susquehanna International Group LLP	1,270
Bryn Mawr College	1,112
Maxim Healthcare Services	723
St. Joseph's University	603
Great Valley Health	584
Maguire Insurance Agency Inc	482
Township of Lower Merion	474
365 Health Services LLC	435

Banking

Comprehensive banking services are provided by the various banking institutions named below with approximately 50 offices located throughout the Township. The Bryn Mawr Trust Company has its main office in the Township. Other banks with branch offices within the Township are: BB&T Bank, Bank of America, Citizens Bank of Pennsylvania, Franklin Mint Federal Credit Union, Firsttrust Savings Bank, PNC Bank, Republic First Bank, Santander Bank and Wells Fargo.

Lower Merion Township Profile

Based on the 2010 United States Census and the most recent data from the U.S. Census Bureau, Lower Merion Township remains Montgomery County's most affluent and populated municipality with the highest incomes, largest labor force, highest ratio of white collar and professional workers, most households, most single-family detached dwellings, and most married residents. This information is intended to provide a general summary of population, income, education and housing information throughout the Township.

- The total population of the Township has remained relatively flat since 1980. The 2010 population of Lower Merion Township was 57,825 people, which was a decrease of 915 people from 2000. The most recent Census Bureau population estimate as of July 1, 2017, is 59,089.
- Lower Merion Township *as a whole* remains a relatively low density suburb when compared to surrounding communities. However, some villages of the Township such as Gladwyne and Rosemont are much less dense than similar communities throughout the region while communities such as Penn Wynne and parts of Ardmore approach almost urban densities. The variation in population density throughout the Township is a result of the historic land use pattern, land use controls and the amount of public and private open space within those census tracts. Open space is a major contributor to a low-density land use pattern.
- The median household income of Lower Merion Township is \$127,127, which is significantly higher than Montgomery County (\$84,791) and more than twice as high as the state average (\$56,951).
- Over three-quarters (77.7%) of Lower Merion residents age 25 and older have a Bachelor's degree, again significantly higher than Montgomery County (48.2%) or the state average (30.1%).

- High annual income of Township residents may be a contributing factor to the fact that over three quarters (75.1%) of the housing units in the Township are owner-occupied. Nearly one quarter (24.9%) of all housing units in the Township are renter-occupied.
- Over thirty percent (33.0%) of all housing units in the Township were constructed prior to 1939 and nearly two-thirds of all housing units (64.7%) were constructed prior to 1960 making them potentially eligible for historic designation.
- The age and quality of Lower Merion's housing stock may be a contributing factor to the high property values throughout the Township. The median value of a house in Lower Merion Township is \$570,400, which is significantly higher than most surrounding communities and much higher than Montgomery County (\$299,300).

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Assessed Values and Total Market Values (see Note below)

The assessed valuations of the Township for the years 2010 to 2019, inclusive, are shown on page A-3. The assessed value of tax-exempt property (not included on assessment rolls) in the Township in 2019 is \$1,145,238,030 and was \$1,143,721,740 in 2018.

The market values of all assessed taxable real property as published by the State Tax Equalization Board ("STEB") for certain years since 2010 are shown below, together with the ratio of the then current assessed valuation to such market value.

<u>Year</u>	<u>Market Value (\$)</u>	<u>Ratio</u>
2010	12,896,635,131	58.0%
2011	12,003,626,816	62.0%
2012	11,678,270,191	63.4%
2013	12,922,564,767	57.5%
2014	13,294,706,096	56.2%
2015	13,354,058,251	56.1%
2016	13,427,666,594	56.1%
2017	13,989,106,726	54.1%
2018	14,929,661,371	51.0%
2019	14,984,174,106	51.0%

NOTE: A Common Level Ratio for counties was established by Court Stipulation. In 1982 the STEB commenced publishing such ratios in conformity with Act 267-1982. The market values are based upon the latest information published by the Pennsylvania State Tax Equalization Board (STEB) on July 1, 2018. This STEB publication established a current Common Level Ratio of 51.0 for Montgomery County, Pennsylvania. The Township real estate tax assessments are based on information as of January 1, 2018. For 2019, the 2018 Common Level Ratio is being used as an estimate.

The Township ranks third in the State according to the 2017 estimated total market values as last published by the STEB.

<u>Municipality</u>	<u>Total Market Values (\$)</u>
Philadelphia City	54,890,066,190
Pittsburgh City	18,192,834,160
Lower Merion Township	12,425,754,359
Tredyffrin Township	6,288,421,429
Upper Merion Township	5,434,511,923
Bensalem Township	5,402,600,162
Abington Township	5,261,509,178
Radnor Township	5,188,529,135
Northampton Township	4,725,727,034
Haverford Township	4,708,797,376
Middletown Township	4,683,515,088
Lower Makefield Township	4,586,774,848
Allentown City	4,564,251,308
Upper Macungie Township	3,990,268,548
Lower Paxton Township	3,757,179,746
Montgomery Township	3,745,023,938
Manheim Township	3,677,037,251
Millcreek Township	3,656,701,658
Horsham Township	3,612,226,757
Upper Dublin Township	3,444,673,554

Note: Total Market Values as reported by the STEB on August 15, 2018.

Largest Taxpayers

The ten largest taxpayers within the Township are shown below together with their 2019 assessed valuation of real estate and the percentage of each in relation to the Township's total 2019 assessed valuation of real estate.

	<u>2019 Assessed Valuation</u>	<u>Percentage of Township's 2019 Assessed Valuation</u>
Bala Plaza, Inc. (Bala Cynwyd Plaza 1, 2 & 3)	\$ 97,991,670	1.28%
Amerishop Suburban (53 and 75 E. St. James Place, 100 Coulter Ave. & Parking Lots)	57,935,220	0.76%
401 City Avenue Associates (401 E. City Avenue)	52,419,350	0.69%
Waverly Heights, Ltd (1400 Waverly Road)	47,193,860	0.62%
Righters Ferry Associates (600 Righters Ferry Road & Righters Ferry Road Condo 100-200)	35,620,900	0.47%
Federal Realty Investment Trust (50 E. Wynnewood Road)	33,720,000	0.44%
Beaumont Retirement Community Inc. (601 N. Ithan Avenue)	33,482,030	0.44%
Maybrook Estate LLC (325 Penn Road)	30,449,350	0.40%
Guttman, Steven J., et al (25 E City Avenue & 121 E. City Avenue)	30,224,350	0.40%
Main Line Hospitals Inc. (101 S. Bryn Mawr Avenue, 306 E. Lancaster Avenue & 825 Old Lancaster Road)	<u>26,348,930</u>	<u>0.34%</u>
	\$ 445,385,660	5.84%

Record of Last Bond Sale

The last bond sale was held by the Township of Lower Merion on September 13, 2017, at which time the Township sold \$9,805,000 General Obligation Bonds, Series A of 2017 with an average life of 11.272 years at a true interest cost ("TIC") of 2.425%.

Proceeds of the Bonds were applied towards: (1) funding the Township's ongoing Capital Improvement Program; and (2) paying the costs of issuing the Bonds.

Other Highlights

- *Telephone:* Verizon and Comcast supply voice and data services to residents of the Township.
- *Electricity and Gas:* PECO Energy Co. is the primary distributor of both electricity and natural gas to users within the Township. However, with the deregulation of electricity in 2010, many companies now provide these services to both residential and commercial customers in the Township.
- *Water:* Aqua Pennsylvania Inc. supplies water service to a majority of the Township residents; however some residents are served by on-site wells.
- *Sewer:* The Township Department of Public Works supervises the construction, maintenance and operation of the Township Sanitary Sewer System consisting of 241.8 miles of sanitary sewers and 120.1 miles of storm sewers. There are seventeen pumping stations in the system network, which are required to pump sewage from low areas to higher elevations where collecting lines carry the sewage to the Southwest Sewage Treatment Plant in Philadelphia.
- The Township currently operates under a 35-year agreement with the City of Philadelphia for the provision of waste water treatment services. Under this agreement, the Township is required to pay capital contributions to the City in order to maintain its reserved treatment capacity.
- Approximately 75% of the area of the Township and 93% of the population is served by the sanitary sewer system. New construction has averaged about one mile annually. Areas not sewered rely upon on-lot sewage disposal facilities which meet the needs of the properties served. These are subject to inspection by the Township to assure adequate performance. The Township has an updated State Act 537 Plan for long range sanitary sewer service planning.

Education

The former School Districts of the Township of Lower Merion and of the Borough of Narberth reorganized under Act 299 to form the Lower Merion School District effective July 1, 1966. The School District has a current enrollment of approximately 8,700 students and operates the following schools:

- *6 Elementary Schools (Kindergarten - 5th Grade):* Belmont Hills, Cynwyd, Gladwyne, Merion, Penn Valley and Penn Wynne
- *2 Middle Schools (6th – 8th Grade):* Bala Cynwyd and Welsh Valley
- *2 High Schools (9th – 12th Grade):* Harriton and Lower Merion

Lower Merion School District's opening day enrollment of 8,700 students has not been as high since the early 1970s. Lower Merion is one of the faster-growing school districts in Pennsylvania in recent years and its projected that enrollment could surpass 9,300 students in the next ten years. Growth projections and trends are indicating higher than expected growth at the elementary level. Multiple schools are at or nearing capacity and require additional classroom space to accommodate students.

Lower Merion School District has taken numerous steps to increase classroom capacity. In 2013, the Board approved four classroom additions at Penn Valley and Gladwyne elementary schools, a twelve classroom addition at Welsh Valley Middle School and the expansion of classroom and storage space at Bala Cynwyd Middle School. To accommodate the high school population and avoid the cost of a classroom addition at Harriton High School the Board moved to re-purpose empty classrooms in the District Administration Building (formerly part of Lower Merion High School) for classroom use. The District also installed temporary classrooms at Penn Wynne Elementary School for 2016-17 and at Bala Cynwyd for 2017-18. In 2018, the District began the process of acquiring land to build a new middle school. Additional temporary classrooms or

renovations will likely be necessary until the third middle school opens which is currently projected to be in the Fall of 2022. It is expected that building the third middle school and moving fifth grade from elementary to middle school will help to alleviate overcrowding issues for all the existing elementary and middle schools.

Other schools located within the Township are as follows:

- *Nursery Schools (19)* – Ardmore United Methodist Pre-School, Ardmore Presbyterian Church Pre-School, Bala House Montessori, The Bala Cynwyd School for Young Children, Bryn Mawr Presbyterian Church Weekday School, Cambridge School, The Children’s School at St. John’s, The Early Childhood Learning Center at Temple Adath Israel, Gateway School for Little Children, The Goddard School, Kinder Care, Lane Montessori School Inc., Montgomery Early Learning Centers, Phebe Anna Thorne School of Bryn Mawr College, Play & Learn, St. Christopher’s Church Day School, St. Thomas of Villanova Preschool, The Wetherill School and The West Hill School.
- *Special Schools (5)* – Arboretum of the Barnes Foundation, Bryn Mawr Conservatory of Music, Bryn Mawr Film Institute, Lower Merion Vocational Training and Main Line Conservatory of Music.
- *Private and Parochial Elementary and Secondary Schools (17)* – Baldwin School, French International School of Philadelphia, Friends’ Central School, Gladwyne Montessori, I.S. Kosloff Torah Academy for Girls, The Haverford School, Merion Mercy Academy, Mesivta High School of Greater Philadelphia, Perelman Jewish Day School, Regina Angelorum Academy, Rosemont School of the Holy Child, The Shipley School, The Foundation for Islamic Education, Villanova Academy for Honor Studies, Torah Academy, Waldron Mercy Academy, and Kohelet Yeshiva High School.
- *Colleges and Seminaries (7)* – Bryn Mawr, Harcum, Haverford, Rosemont, St. Charles Borromeo Seminary and residences/facilities of St. Joseph’s University and Haverford College.
- *Churches and Synagogues* – Over 50 that represent all major denominations.

Transportation

Railroads: Passenger regional railroad service (Paoli/Thorndale and Cynwyd regional rail lines) is provided by Southeastern Pennsylvania Transportation Authority (SEPTA). SEPTA has eight commuter train stations in the Township, located at Rosemont, Bryn Mawr, Haverford, Ardmore, Wynnewood, Narberth, Merion, Bala and Cynwyd. In addition, Amtrak has a stop at Ardmore, which provides direct service from Harrisburg to New York City, stopping at numerous train stations in Pennsylvania, New Jersey and New York. Commercial freight services are provided in the Township by Conrail and Norfolk Southern.

Bus: SEPTA provides local bus service connecting with regional transportation hubs, which services Bucks, Chester, Delaware, Montgomery and Philadelphia Counties, with selected rail service in New Jersey and the State of Delaware.

Air: Philadelphia International Airport is approximately thirty minutes away by automobile. The Airport can also be accessed directly by SEPTA regional rail service.

Parks & Recreation

Lower Merion can boast of a comprehensive system of improved active parks, playgrounds, swimming pools, trails, picnic areas and passive natural areas comprising approximately 725 acres. These facilities combined with 125.5 acres of school playgrounds provide Lower Merion with the ten acres for each 1,000 population recommended by recreation experts. The active parks are variously equipped for tennis, baseball, softball, football, volleyball, soccer, lacrosse and basketball. Active and educational recreation programs are provided year-round. In addition, within the Township’s borders, there are the following private recreational facilities:

the Jewish Community Center (JCC), the Cynwyd Club, the Merion Cricket Club, the Philadelphia Country Club and the Philadelphia Humane Society and Skating Club.

Lower Merion owns and maintains Appleford, a historic estate donated to the Township that is open to the public and used for meetings, tours and various social functions. Harriton House, the former residence of Charles Thomson, Secretary to the Continental Congress and listed on the National Register of Historic Places, is also located in and owned by the Township, as is Ashbridge House which is used as one of four community centers.

The Cynwyd Heritage Trail, including the Manayunk Viaduct in Bala Cynwyd, is part of the Circuit Trails, a regional trail network comprised of hundreds of miles of interconnected trails.

Parks and Recreational Services are guided by the Comprehensive Parks and Recreation Plan.

Commercial Activity

Numerous shopping centers, both large and small, containing high end boutiques, small and medium sized independent and national retail uses as well as a variety of restaurants and personal service, and experiential retail are strategically located throughout the Township. Commercial activity is concentrated in Ardmore, Bala Cynwyd, Bryn Mawr, Haverford, Rosemont and Wynnewood. Additionally, there are commercial main street shopping districts located in Ardmore, Bryn Mawr, Gladwyne, Merion, Bala and Penn Valley areas of the Township.

Currently, the vacancy rate of existing “Main Street” commercial districts’ first floor space in sections of Ardmore, Bala Cynwyd, Bryn Mawr and Merion-Cynwyd average 5.2% with restaurants and personal service becoming the most leased uses. With the addition of new mixed-use projects expected for completion between 2019 and 2021, another 207,527 square feet of retail and commercial property will be added to these districts particularly in Ardmore, including Suburban Square.

A Retail Market Analysis completed in 2017 by the Gibbs Planning Group, considered one of the foremost retail planning consultancies in the US, found that the Lower Merion Township neighborhoods of Ardmore and City Avenue, could presently support up to 358,600 square feet of additional retail and restaurant development, generating up to \$137.2 million in sales. By 2022, the retail demand could likely grow in strength to capture \$168.8 million in sales. This new development would be considered a community type shopping center by industry definitions and could be absorbed with the opening of 85 to 105 new restaurants and stores. This study further finds that the Lower Merion primary trade area includes 174,300 people and is expected to increase to 177,300 by 2022, at an annual rate of 0.34 percent. Incomes in the primary trade area average \$136,700 annually and are estimated to increase to \$151,100 by 2022. Moreover, 55% of the primary trade area’s households earn above \$75,000 per year. The primary trade area’s average household size is 2.41 and the median age is 39.7 years.

Lower Merion Township households represent a diversity of life-stages ranging from young families to retirees, and incomes ranging from low to high which advances the breadth of retail and restaurants supportable in the existing commercial areas.

The Township is in the process of updating its Zoning Code with an anticipated adoption date of July 2019, to encourage infill development along its traditional shopping streets and improved urbanism along its more auto-oriented corridors.

Libraries

The Township operates a thriving system of six public libraries – Ardmore, Bala Cynwyd, Belmont Hills, Gladwyne, Ludington, and Penn Wynne – collectively known as the Lower Merion Library System (LMLS). In 2010 the Township began a project to renovate the six libraries, addressing deferred maintenance,

accessibility and space needs. The renovations were funded primarily through municipal bonds, with assistance from a volunteer-run Capital Campaign which has contributed almost \$2,000,000 to the project. The Library System also received two grants for \$500,000 each toward the Gladwyne and Belmont Hills Library renovations from the State's Keystone Recreation, Park and Conservation Fund. LMLS's two largest libraries, Ludington and Bala Cynwyd, were the first to be renovated and were reopened in 2012 and 2013, respectively. The Ardmore and Penn Wynne Libraries both reopened following renovations in early 2016. The Gladwyne Library reopened in March 2017. The final project was the expansion and renovation of the Belmont Hills Library which reopened in November 2018.

In 2018, LMLS circulated 989,652 books, audio-visual items and e-materials, a per capita circulation almost three times the state average. The libraries welcomed 626,111 visitors in 2018. An impressive collection of 461,394 books, periodicals and audio-visual materials are housed in the six Lower Merion libraries and a remote storage facility. In 2018, 42,353 people attended 1,461 library programs. As a member of the Montgomery County Library and Information Network Consortium (MCLINC), LMLS also makes available to residents a combined database of over 1.2 million items.

In cooperation with the Commonwealth of Pennsylvania and Montgomery County, LMLS also offers the public a network of electronic databases and e-books. Access to the internet – both wired and wireless – is available at each Lower Merion library. A full range of story hours, summer reading clubs, lectures, book discussions and other programs for children and adults complement the excellent collections and reference services. In 2016, Lower Merion Township conducted a citizen survey of municipal services. Township residents reported a 92% approval rating of the libraries and 71% of Township households had visited an LMLS library in the prior 12 months.

Cable Television

The Township has cable television franchise agreements with both Comcast Corporation and Verizon Pennsylvania Inc. to provide service within the Township. Comcast has held its franchise since 1979, and signed its latest contract, a 12-year agreement, in 2014. In 2007, to bring cable competition to the residents of Lower Merion, the Township authorized a 15-year cable television franchise with Verizon Pennsylvania Inc. Both of these franchise agreements provide a franchise fee paid to the Township at 5% of gross revenue.

In 1991, the Township activated its government-access channel, known as "LMTV." It provides gavel-to-gavel coverage of weekly Board of Commissioners and Committee meetings, providing a valuable public service. In addition, original programming, public service announcements and government affairs shows (from the Commonwealth of Pennsylvania and Montgomery County) are produced to educate citizens about Township services and programs. LMTV, with two fulltime Township employees, also features a bulletin board of government and community information. In 2015, online live streaming and online on-demand services were introduced for all LMTV programming. In 2006, a separate public-access channel was activated, produced by and for residents of Lower Merion Township.

Newspapers and Media

The Main Line Times newspaper is a weekly publication providing Township news coverage and has a daily online presence. Its parent company, Main Line Media News, also publishes Suburban Life serving portions of Lower Merion Township and the western Main Line area. The News of Delaware County, Philadelphia Inquirer, Philadelphia Daily News, and Philadelphia Business Journal—as well as national and international newspapers—are also sold within the Township. NBC 10 TV studios, as well as many of the major regional radio stations, are located in Lower Merion Township. There are also two online-only news services that cover Lower Merion Township through Patch.com and Tapinto.net.

Website and Social Media

The Township's official web site, www.LowerMerion.org, was re-designed and made more effective in 2015. Lower Merion also has an official Twitter feed and an official Facebook page, updated each business day. The

Lower Merion Police Department, Township Building & Planning Department, and Lower Merion Library System also have Facebook pages, as do each of the Township's six libraries.

Publications

A Township newsletter is published three times each year (Fall, Winter, and Spring/Summer) and distributed to every household, with copies circulated to all libraries and other Township public spaces. The Township's Annual Report is included in a glossy, informational calendar, published and sent to each residence every July.

Other Communications

The Township and its residents also communicate through other outgoing and incoming communications channels. These include the use of Blackboard Connect, used by the Township to inform residents of emergencies, general outreach messages (road closures, major events, etc.), or with surveys—the system connects through land phone lines, cell phones, texting, and email. Residents can inform the Township of non-emergency situations such as road problems, street sign issues, blight, and other problems through an app called LM Report-It, which is free to download through Apple and Android devices.

Apartment Houses and Condominiums

There are over 500 multi-unit dwellings with a combined total of over 7,000 units located within the Township, the largest of which are: Green Hill (544), Oak Hill Condominiums (449), Tower at Oak Hill (304), One-Ninety-One (239), Wynnewood Park (224), Thomas Wynne (215), Sutton Terrace (172), The Brynwood (144), and The Corinthian (105).

Developments completed within the last five years include: Maybrook with 250 units, Phase 1 of 600 Righters Ferry Road with 300 units, Cambridge Square with 46 units, St. Georges with 31 units, The Danley development in Bryn Mawr with 28 units, 1121 W. Lancaster Avenue in Bryn Mawr with eight apartment units, 306 Bala Avenue with seven units, 225 E. Montgomery Avenue with eight units and Thistlegreen with six units,

Developments currently under construction include: One Ardmore Place with 110 units, Bell Arbor with 210 units, 10 Union Avenue with 110 units, One Cynwyd with 77 units, The Cricket with 77 units, Cricket Springs Crossing with 21 units and 121 E. City Avenue with 87 units, and 232-236 W. Montgomery Avenue with eight units.

Continuing Care/Senior Housing Facilities

There are two continuing care facilities in the Township: Waverly Heights in Gladwyne and Beaumont at Bryn Mawr in Bryn Mawr. Waverly Heights consists of 90 villa units, 171 apartment units, 60 skilled nursing beds, administrative offices and a common building on approximately 62 acres; and Beaumont in Bryn Mawr consists of 68 villa units, 132 apartment units, a nursing facility, administrative offices and a common building on approximately 57 acres. Sunrise Assisted Living contains 60 assisted living units. Symphony House in Merion contains 60 assisted living beds. The former Mary Drexel Home was refurbished approximately five years ago and contains 80 assisted living units and is now referred to as the Hearth at Drexel.

In 2018, approval was granted for the construction of a modern senior living apartment building that includes independent, assisted living and memory care with 84 units, 96 beds at 211 Belmont Avenue in Bala Cynwyd. Construction is anticipated to begin by LCB Senior Living on this project in 2019.

Police Department

Authorized strength of the Department is 159 of which 136 are authorized as sworn police officers. All police patrol vehicles are equipped with two-way radios, portable defibrillator equipment and medical equipment to deal with emergencies. The vehicles are also equipped with installed laptop computers for connection with the National Crime Information Center and the Commonwealth Law Enforcement Assistance Network. All

marked patrol vehicles are equipped with in-car video systems and the Department has begun implementation of a Body Worn Camera program. An independent agency maintains specially equipped emergency vehicles to provide 24-hour ambulance service for use in accidents and other medical emergencies. The Lower Merion Police Department is accredited nationally by the Commission on Accreditation for Law Enforcement Agencies (CALEA) and the Pennsylvania Chiefs of Police Association (PLEAC) and maintains a service delivery plan through proactive community-oriented policing programs designed to obtain direct input from the community in identification of problems and associated solutions. Bicycle patrols work primarily in commercial districts and a canine unit, Traffic Safety Unit and an Emergency Response Team are also provided.

Fire Department

The Lower Merion Fire Department is composed of the Township Fire Department and the following six volunteer fire companies: Belmont Hills; Bryn Mawr; Gladwyne; Merion of Ardmore; Penn Wynne-Overbrook Hills; and Union Fire Association of Lower Merion. The buildings and grounds of the volunteer fire companies are owned by the respective companies; however, all major building repairs and fire apparatus purchases are covered under the Township Capital Improvement Program. Starting in 2018, the Township will own all future apparatus purchased by the six volunteer fire companies. There are more than 150 active volunteers in addition to 18 full time and 31 part time paid housemen who are under the direct supervision of the fire companies and the four career firefighters in the Township Fire Department who are employees of the Township. The Narberth Fire Company also provides emergency services to the Township.

Fire Department personnel are responsible to assist with fire suppression, conduct all origin and cause investigations, code enforcement activities and arrange lectures, demonstrations and programs for fire prevention to educate the public when confronted by a fire emergency. The Department uses modern fire equipment and trains people to operate both firefighting and specialized rescue equipment.

Highways

There are approximately 279.2 miles of highways open to public travel in Lower Merion, of which the Township maintains approximately 217.5 miles. The remaining mileage consists of 38.3 miles of State highways and approximately 23.4 miles of private roads, which are the responsibility of the abutting property owners.

Health Services

In 2018, the Pennsylvania Department of Health approved the name change of Montgomery County Health Department to Montgomery County Office of Public Health (OPH). The Office of Public Health will integrate with Montgomery County Health and Human Services (HHS), to provide public health programs such as Human Services, Aging & Adult Services, Children & Youth, Drug & Alcohol, Mental Health and more. It is the *mission* of the OPH to provide public health services and foster collaborative actions that empower our community to improve its health and safety. The Township does not provide health services separate from OPH.

Government

Lower Merion has been a Township of the First Class since 1900 - the oldest in the State. The Township is divided into 14 wards and is governed by a Board of Commissioners, with one Commissioner elected from each ward for a term of four years. Seven of the Commissioners are elected every two years to hold overlapping terms. The Board makes policy and legislates by passing resolutions and ordinances within the guidelines and powers established by the First Class Township Code. The Board appoints a Township Manager who is chosen on the basis of executive qualifications and serves as the Township's Chief Executive and Administrative Officer. The Township Manager is responsible to the Board for the administration of all municipal affairs as authorized by the Board and/or Administrative Code of the Township. Other Officers of the Township are the Secretary, Solicitor, Engineer and Treasurer. The Township has 409 full-time positions budgeted for 2019.

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

§ _____
TOWNSHIP OF LOWER MERION
(Montgomery County, Pennsylvania)
GENERAL OBLIGATION BONDS, SERIES A OF 2019

_____, 2019

TO THE PURCHASERS OF THE
ABOVE-CAPTIONED BONDS:

We have acted as bond counsel to the Township of Lower Merion (the “**Township**”) in connection with the issuance of its \$_____ General Obligation Bonds, Series A of 2019, dated the date hereof (the “**Bonds**”). The Bonds are being issued to currently refund a portion of the Township’s outstanding General Obligation Bonds, Series A of 2014 and General Obligation Bonds, Series B of 2014 (the “**Refunded Bonds**”) and to pay the costs of issuing the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Township, and are valid, binding and enforceable general obligations of the Township.
2. The Bonds are payable from general revenues of the Township, presently including ad valorem taxes which may be levied on all property taxable for township purposes within the Township without limitation as to rate or amount.
3. The Township has made a provision for the redemption and payment of the Refunded Bonds in accordance with the terms thereof.
4. Interest [(including accrued original issue discount)] on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions. The opinion set forth in the preceding sentence is subject to the condition that the Township comply with all applicable federal income tax law requirements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon continues to be excluded from gross income for purposes of federal income taxation. Failure to comply with certain of such requirements could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. The Township has covenanted to comply with all such requirements. Interest on the Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the “**Code**”) for purposes of the federal alternative minimum tax.

We further call to your attention that the Code, subject to limited exceptions, denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or carry tax-exempt obligations such as the Bonds. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations generally applies to those tax-exempt obligations acquired after August 7, 1986. In the case of “qualified tax-exempt obligations,” however, a denial of twenty percent (20%) of the deduction will apply in lieu of the denial of one hundred percent (100%). A “qualified tax-exempt obligation” is a tax-exempt obligation which is designated as such by the issuer and is not a private activity bond (other than a qualified 501(c)(3) bond). An issuer and all other entities that must be aggregated with it pursuant to the Code (“**Other Issuers**”) may not designate or issue more than \$10,000,000 of tax-exempt obligations

during any calendar year. The Township has designated \$_____ of the Bonds as qualified tax-exempt obligations, has demonstrated that \$_____ of the Bonds are “deemed designated” under the Code and has represented to us that neither it nor any Other Issuers has issued or expects to issue more than \$10,000,000 of tax-exempt obligations (other than \$_____ principal amount of the Bonds which are “deemed designated” and certain other obligations not required to be taken into account under the Code) in the calendar year 2019. Based on such representations, it is our opinion that banks, thrift institutions and other financial institutions which purchase the Bonds may deduct eighty percent (80%) of their interest expense on indebtedness incurred to purchase or carry the Bonds pursuant to Sections 265(b) and 291(e)(1)(B) of the Code. We express no opinion regarding other federal tax consequences relating to the Bonds or the receipt of interest thereon.

5. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, the Bonds and the interest thereon are free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but such exemption does not extend to gift, inheritance, succession or estate taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated _____, 2019, relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX D

INVITATION TO BID



TOWNSHIP OF LOWER MERION, PENNSYLVANIA GENERAL OBLIGATION BONDS

consisting of

\$9,040,000* General Obligation Bonds, Series A of 2019

NOTICE IS HEREBY GIVEN that electronic bids will be received on the date and up to the time specified below:

SALE DATE: **Wednesday, May 8, 2019**

SALE TIME: **10:30 a.m. to 10:45 a.m. Prevailing Eastern Time**

ELECTRONIC BIDS: Must be submitted through ***PFMAuction*** as described below.
No other form of bid or provider of electronic bidding services will be accepted.

NOTICE IS GIVEN that the Board of Commissioners (the “Township Commissioners”) of the Township of Lower Merion (the “Township” or the “Issuer”), Montgomery County, Pennsylvania, will receive bids, pursuant to this Invitation to Bid (the “Invitation to Bid”) for the purchase of an issue of general obligation bonds of the Township, in the aggregate amount of \$9,040,000* General Obligation Bonds, Series A of 2019 (the “Bonds”). **All bids must be submitted in their entirety on PFM Financial Advisors LLC (“PFM”) PFMAuction website, www.pfmauction.com, prior to 10:45 a.m., prevailing time on Wednesday, May 8, 2019, unless otherwise extended by the two-minute rule described herein (see “Bidding Details”).** The auction will begin at 10:30 a.m., prevailing time on May 8, 2019. The Bonds are more particularly described in the Preliminary Official Statement dated April 30, 2019 relating to the Bonds, available at PFMAuction website. Prior to accepting bids, the Township reserves the right to change the principal amount of the Bonds being offered, to change the terms of the Bonds, to postpone the sale of the Bonds to a later date, or to cancel the sale of the Bonds based on market conditions.

To bid via the PFMAuction website, bidders must (1) have completed the registration form on either the PFMAuction website or Grant Street Group website (parent of MuniAuction, herein referred to as MuniAuction), (2) have requested and received admission to the Township’s auction, as described under “Registration and Admission to Bid” below, and (3) have an established industry reputation for underwriting new issuances of municipal bonds. The use of PFMAuction shall be at the bidder’s risk and expense, and the Township shall have no liability with respect thereto.

Consideration of the bids and the award will be made by the Township on the Sale Date (as set forth above and in the “Bidding Parameters Table” herein). The Township also reserves the right to adjust the principal amount of the Bonds offered, to eliminate maturities, or to cancel the sale of the Bonds after the bids are opened as further described herein. See “Adjustment of Amounts and Maturities.”

No bid will be considered which does not offer to purchase all of the Bonds.

*Preliminary, subject to change.

Contact Information

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PFM FINANCIAL ADVISORS LLC (FINANCIAL ADVISOR)

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GRANT STREET/PFMAUCTION (ELECTRONIC BIDDING PLATFORM)

Client Services

Phone: (412) 391-5555
Email: AuctionSupport@GrantStreet.com

BIDDING PARAMETERS TABLE*

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	115.0%
Anticipated Date of Delivery:	June 11, 2019	Min. Aggregate Bid Price:	98.5%
Interest Payment Dates:	January 15 and July 15	Min. Bid Price, per maturity:	98.5%
First Interest Payment Date:	January 15, 2020		
Coupon Multiples:	1/8 or 1/20 of 1%	Max. Reoffering Price (each maturity):	Unlimited
Split Coupons:	Not Allowed	Min. Reoffering Price (each maturity):	Unlimited
Maximum Difference Between Coupons:	N/A	Maximum Coupon:	N/A
Increasing Yields:	NO BOND MATURING ON OR AFTER JULY 15, 2020 SHALL HAVE A YIELD TO MATURITY THAT IS LOWER THAN THE YIELD TO MATURITY OF THE IMMEDIATELY PRECEDING MATURITY	Minimum Coupon:	N/A
PRINCIPAL		PROCEDURAL	
Optional Redemption:	July 15, 2024 @ 100%	Sale Date:	May 8, 2019
		Sale Time:	10:30 a.m. to 10:45 a.m. Prevailing Eastern Time
Post-bid Principal Increases		Bid Submission:	Electronic bids through PFMAuction only
Aggregate:	15%		
Post-bid Principal Reductions		All or None?	Yes
Aggregate:	15%		
Term Bonds: Any two or more consecutive maturities of the Bonds may be designated as term bonds; mandatory sinking fund payments must be equal in timing and amount to the Principal Amortization Schedule set forth herein.		Bid Award Method:	Lowest TIC Electronically
		Bid Confirmation:	Fax Signed PFMAuction or BidComp screen
		Awarding of Bid:	On the Sale Date by the Township
		Good Faith Deposit:	2% of the face value of the Bonds; as more fully described on page D-10 "Good Faith Deposit"
		Issue Price Methodology:	"Competitive Sale" exemption expected; if there are only 2 or less bidders, the "Hold the Price" methodology will be used (see "Establishment of Issue Price" herein)

* If numerical or date references contained in the body of this Invitation to Bid conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Invitation to Bid shall control. Consult the body of this Invitation to Bid for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

PRINCIPAL AMORTIZATION SCHEDULE*

The Bonds will be issued in serial form or, if subject to mandatory sinking fund redemption, in term form, or in a combination of such forms, as designated by the successful bidder for the Bonds in its proposal, as described below. The principal of the Bonds shall be payable in installments on July 15 in the following years and in the following amounts.

\$9,040,000* General Obligation, Series A of 2019

<u>Year of Principal Payment*</u>	<u>Principal Amount Payable*</u>
2020	\$15,000
2021	35,000
2022	35,000
2023	475,000
2024	915,000
2025	875,000
2026	955,000
2027	965,000
2028	985,000
2029	1,015,000
2030	530,000
2031	540,000
2032	550,000
2033	565,000
2034	580,000

**Preliminary, subject to change.*

The Bonds

Security

The Bonds will be general obligations of the Township, payable from its tax and other general revenues. The Township has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues of each year, the amount of the debt service on the Bonds for such year, and will 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 of every Bond and the interest thereon at the date and place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the Township irrevocably has pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy ad valorem taxes on all taxable property within the Township presently unlimited as to rate or amount for such purpose.

Description of the Bonds

The Bonds will be dated as of the Anticipated Delivery Date set forth in the Bidding Parameters Table, and the Bonds of any maturities may be designated as separate series or subseries as determined by the Township and will be issued as nonelectoral debt pursuant to a debt-incurring Ordinance (the “Ordinance”) and the Pennsylvania Local Government Unit Debt Act, 53 Pa.Cons. Stat. 8001 et seq., as amended (the “Act”). The Bonds will be issued in fully registered form in denominations of \$5,000 or integral multiples thereof, will be dated the anticipated date of delivery (the “Dated Date”) set forth in the Bidding Parameters Table, and will bear interest from the Dated Date until paid or duly called for redemption at the annual rate or rates specified by the successful bidder, subject to the limitations specified below, payable as shown on the Bidding Parameters Table. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board (“MSRB”). The Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

The Bonds will mature on the month and day, in the years and principal amounts shown in the Principal Amortization Schedule, subject in each case to adjustment to the extent permitted in this Invitation to Bid.

Book-Entry Only

The Bonds will be issued in fully registered, book-entry only form and a bond certificate for each maturity of each series will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of, premium, if any, and interest on the Bonds will be payable by the paying agent and registrar (the “Bond Registrar”) by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the Township nor the Bond Registrar will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. The successful bidder will be required to furnish to DTC within seven days after the sale the customary underwriter’s questionnaire and information as to each DTC participant and the Bonds to be held for it. See the Preliminary Official Statement for more information regarding DTC.

Credit Rating

Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Services have assigned to the Bonds municipal bond ratings of “Aaa” and “AAA” respectively. An explanation of the significance of these ratings and any outlook may be obtained from Moody’s Investors Service, Inc. 99 Church Street, New York, New York 10007, and Standard & Poor’s Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that these ratings will continue for any period of time or that the ratings will not be revised or withdrawn. Any such revision or withdrawal of either rating may have an adverse effect on the market price of the Bonds.

Tax Exemption

In the opinion of Bond Counsel, interest on the Bonds is not includable in gross income for purposes of federal income taxation under existing statutes, regulations, rulings and court decisions, subject to the condition described in “TAX MATTERS” in the Preliminary Official Statement and interest on the Bonds is not treated as an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of federal alternative minimum tax. This opinion of Bond Counsel is subject to continuing compliance by the Township with its covenants in the Ordinance (defined below) and other documents to comply with requirements of the Code and applicable regulations thereunder. Under the laws of the Commonwealth of Pennsylvania, the Bonds are exempt from personal property taxes in Pennsylvania, and interest on the Bonds is exempt from Pennsylvania personal income tax and the Pennsylvania corporate net income tax. For a more complete discussion, see “TAX MATTERS” in the Preliminary Official Statement.

“Bank Qualified” Bonds under IRC Section 265

The Township has designated the Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Code (or such Bonds are deemed designated under the Code). For a more complete discussion, see “TAX MATTERS - Deduction for Interest Paid by Financial Institutions to Purchase or Carry Tax Exempt Obligations” in the Preliminary Official Statement.

Paying Agent

The principal of and interest on the Bonds will be payable in lawful money of the United States of America, at the designated corporate trust office in Pennsylvania of a paying agent and sinking fund depository (the “Paying Agent” and “Sinking Fund Depository”). The selected paying agent may also designate one or more of its other offices within or outside Pennsylvania as additional places for payment of the Bonds. While the Bonds are in the Book-Entry Only System, however, payment on the Bonds will be made by wire transfer to DTC.

Designation of Term Bonds

Within the Bonds, bidders may, at their option, designate any two or more consecutive principal amounts (as such principal amounts may be adjusted in accordance herewith) to be combined into term bonds as set forth in the Bidding Parameters Table. Each such term bond designated will be subject to mandatory sinking fund redemption commencing on the principal payment date of the first year which has been combined to form such term bond and continuing on the principal payment date in each year thereafter until the stated maturity date of such term bond, which will be the last year combined to form such term bond. The amount redeemed in any year will be equal to the principal amount for such year as set forth in the Principal Amortization Schedule (as such principal amounts may be adjusted in accordance herewith). The Bonds to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par. Bidders may specify one or more of such term bonds.

Optional Redemption

The Bonds stated to mature on or after July 15, 2025 shall be subject to redemption prior to maturity, at the option of the Township, as a whole or in part, from time to time, in any order of maturity or portion of a maturity as designated by the Township, on July 15, 2024, or on any date thereafter upon payment of a redemption price of 100% of the principal. If less than all of the Bonds within a maturity are to be redeemed, Bonds will be selected by lot or other reasonable method of selection approved by the Paying Agent.

Adjustment of Amounts and Maturities

Prior to the Sale Date, the Township may cancel the sale of the Bonds or adjust the aggregate principal amount and the principal amount of any maturity of the Bonds. The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each installment payment on the Bonds as set forth in this Invitation to Bid (the “Preliminary Aggregate Principal Amount” and the “Preliminary Principal Amount”, and collectively the “Preliminary Amounts”) may be revised before the receipt and opening of the bids for their purchase. **ANY SUCH REVISIONS** made prior to the opening of the bids (the “Revised Aggregate Principal Amount” and the “Revised Principal Amount”, and collectively the “Revised Amounts”) **WILL BE PUBLISHED ON THOMPSON MUNICIPAL MARKET MONITOR (“TM3”) (www.tm3.com) NOT LATER THAN 4:00 P.M., PREVAILING EASTERN TIME, ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE SALE DATE FOR THE BONDS.**

In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts and the Revised Amounts will be used to compare bids and select a winning bidder.

After the receipt and opening of the bids for their purchase, the Township may reject the bids for the Bonds or adjust the aggregate principal amount and the principal amount of each maturity of the Bonds; provided that such adjustments are within the limitations set forth in the Bidding Parameters Table, calculated based on the applicable bid amount. The Township will consult with the successful bidder before adjusting the amount of any maturity of the Bonds or canceling the sale of the Bonds; however, the Township reserves the sole right to make adjustments, within the limits described above, or to cancel the sale of the Bonds. The Township intends to notify the successful bidder, if any, of any adjustments made after the opening of the bids promptly and in any event not later than twenty-four (24) hours after the bid opening unless waived by the successful bidder. Adjustments within the limits described above will not relieve the successful bidder from its obligation to purchase all of the Bonds offered by the Township, assuming the Township has satisfied all other conditions of this Invitation to Bid.

If the principal amount of any maturity of the Bonds is adjusted after the award, the interest rate and reoffering price (as a percentage of the adjusted principal) for each maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

Change of Sale Date and/or Closing Date

Notice of a change or cancellation will be announced via the Thomson Municipal News wire at www.tm3.com not later than 4:00 p.m., prevailing Eastern Time, on the day preceding the bid opening. Such notice will specify the revised principal amount or other revised feature, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated on at least forty-eight (48) hours notice via the Thomson Municipal News wire at www.tm3.com.

Conditions of Closing

As a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds, the successful bidder will be furnished the following documents: (i) within seven (7) business days following acceptance of the bid, sufficient copies of the Final Official Statement relating to the Bonds as are required by Rule 15c2-12(b)(3) under the Securities Exchange Act of 1934, (the cost of 15 of which shall be borne by the Township), which Final Official Statement shall be dated as of the date of sale of the Bonds and shall be similar in form and substance in all material respects to the POS referred to above, as amended or supplemented to the date and time of sale of the Bonds (inclusive of those amendments or supplements made from details contained in the successful bid(s) for purchase of the Bonds), (ii) a certificate signed by the President or Vice President of the Township and dated as of the date of delivery of and payment for the Bonds certifying that (a) as of the date of the Final Official Statement furnished by the Township in relation to the sale of the Bonds, the Final Official Statement to the best of his/her knowledge did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that, while information in the Final Official Statement obtained from sources other than the Township is not certified as to accuracy, completeness or fairness, the President or Vice President has no reason to believe and does not believe that such information is materially inaccurate or misleading and (b) to his/her knowledge, since the date of the Final Official Statement, there has been no material adverse change in the general affairs of the Township or in its financial condition as set forth in the Final Official Statement other than as disclosed in or contemplated by the Final Official Statement; (iii) a Tax Certificate or Regulatory Agreement, satisfactory to Bond Counsel, necessary to comply with Sections 103 and 141-150 of the Code and applicable regulations promulgated thereunder; and (iv) the legal opinion of Saul Ewing Arnstein & Lehr LLP of Philadelphia, Pennsylvania, Bond Counsel, stating among other things, that (a) under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, as more fully described under "TAX MATTERS" in the Final Official Statement; and (b) under the existing laws of the Commonwealth of Pennsylvania interest is free from Pennsylvania personal income taxation and Pennsylvania corporate net income taxation, but such exemption does not extend to gift, inheritance, succession or estate taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of the Bonds are subject to state and local taxation within the Commonwealth of Pennsylvania.

Preliminary and Final Official Statement

The Township's Preliminary Official Statement ("POS"), dated April 30, 2019 is available for viewing in electronic format on the PFMAuction website. The PFMAuction website address is www.PFMAuction.com. In addition, FINRA registered broker-dealers and dealer banks with DTC clearing arrangements may either: (a) print out a copy of the POS on their own printer, or (b) at any time prior to the Sale Date, elect to receive a photocopy of the POS in the mail by requesting it on the PFMAuction website or by calling the Township's financial advisor, PFM Financial Advisors LLC (the "Financial Advisor"), 1735 Market Street, 43rd Floor, Philadelphia, PA 19103 at (215) 567-6100. In order to print a copy or request a photocopy of the POS from PFMAuction, click the "View POS" button on the PFMAuction Selections Page and follow the instructions. All bidders must review the POS and certify that they have done so prior to participating in the bidding.

The Preliminary Official Statement is deemed by the Township to be final as of its date, for purposes of SEC Rule 15C2-12(b)(1) under the Securities Exchange Act of 1934, except for the omission of information concerning the offering price(s), interest rates(s), selling compensation, aggregate principal amount of the Bonds, and any other terms or provisions to be determined from the successful bid(s) or depending on such matters, and the identity of the underwriter(s). The Preliminary Official Statement is, however, subject to such further revisions, amendments and completion in a Final Official Statement as may be necessary.

The Township shall provide a successful bidder with up to 15 conformed copies of a Final Official Statement within seven (7) business days following the date of acceptance of the bid.

Electronic Bidding

Registration and Admission to Bid

To bid via the PFMAuction website, bidders must (1) have completed the registration form on either the PFMAuction website or Grant Street Group website (parent of MuniAuction, herein referred to as MuniAuction), (2) have requested and received admission to the Township's auction, as described under "Registration and Admission to Bid" below, and (3) have an established industry reputation for underwriting new issuances of municipal bonds. The use of PFMAuction shall be at the bidder's risk and expense, and the Township shall have no liability with respect thereto.

Bids

No bid will be considered which does not offer to purchase all of the Bonds. Each bid must specify an annual rate of interest and yield for each maturity and a dollar purchase price for the entire issue of the Bonds.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

- (1) All bids must be submitted on the PFMAuction website at www.PFMAuction.com. **No telephone, telefax, telegraph or personal delivery bids will be accepted.**
- (2) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by PFMAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.
- (3) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (4) The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd", etc.).
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

- (7) During bidding, a bidder will be able to see what issue price methodology is being utilized at the current time (see “Establishment of Issue Price” herein). In the event 2 or less bidders have submitted bids at any point during the auction, the issue price methodology displayed will say “Hold the Price”. Once 3 or more bidders have submitted bids, the issue price methodology will be automatically updated to say “Competitive Sale Exemption”. **All bidders, regardless of position or if they have previously submitted bids, will be able to see this issue price methodology information.** See “Notification of Competitive Sale Exemption During Auction” herein for more details.

Rules of PFMAuction

The “Rules” of PFMAuction can be viewed on the PFMAuction website and are incorporated herein by reference. Bidders must comply with the Rules of PFMAuction in addition to the requirements of this Invitation to Bid. To the extent there is a conflict between the Rules of PFMAuction and this Invitation to Bid, this Invitation to Bid shall control.

Rules

- (1) A Bidder (“Bidder”) submitting a winning bid (“Winning Bid”) is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Issuer, as set forth in this Invitation to Bid. A Winning Bid is not officially awarded to the Winning Bidder until formally accepted by the Issuer.
- (2) Neither the Issuer, PFM nor MuniAuction (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with PFMAuction, slowness in transmission of bids, or other technical problems.
- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon Bidder, unless the Issuer exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in this Invitation to Bid (including Amendments, if any) related to each auction.
- (6) Neither the Issuer, PFM nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Invitation to Bid, Amendments, or Preliminary Official Statement as they appear on PFMAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. PFM and the Auction Administrator reserve the right to deny access to PFMAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the Issuer, PFM nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder’s PFMAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by PFMAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Pages they must report them to PFMAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by PFMAuction, bonds are definitively awarded to winning bidders only upon official award and acceptance by the Issuer. If, for any reason, the Issuer fails to: i) award bonds to the winner reported by PFMAuction, or ii) deliver bonds to winning bidders at settlement, neither the Issuer, PFM or the Auction Administrator will be liable for damages.

Definitions:

“Bid”:	any confirmed purchase offer received by PFMauction on or before the auction deadline.
“Bidder”:	any firm registered with either PFMauction or MuniAuction and approved for participation in auctions.
“Winning Bid”:	any purchase offer made by a Bidder by clicking the “Submit Bid” button and received by PFMauction which, at the end of the bidding time period, results in the lowest True Interest Cost in the auction and which is acceptable to the Township.
“True Interest Cost”:	calculation described in Invitation to Bid related to each auction which serves as basis for awarding bonds to Winning Bidders.

Award of Bid

Subject to the right reserved to the Township to reject any or all bids, the Bonds will be sold to the bidder whose bid produces the lowest True Interest Cost (“TIC”) for the Issuer and otherwise complies with this Invitation to Bid. The TIC for the Bonds will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the semiannual debt service payments from the payment dates to the dated date of the Bonds and to the aggregate purchase price, excluding interest accrued to the date of delivery, if any.

Revocable bids are NOT permitted.

Bids shall be presented by the Financial Advisor to the Township at a meeting of the Township Commissioners, at the Township of Lower Merion, 75 E. Lancaster Avenue, Ardmore, PA 19003-2376, at 8:00 p.m., prevailing time on the Sale Date, at which meeting the bids will be considered. Bids must remain valid until at least 9:00 a.m. prevailing time, May 9, 2019 and if accepted by the Board of Commissioners of the Township prior to such time, shall be irrevocable except as otherwise provided in this Invitation to Bid.

Right of Rejection

The Township expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

Delivery and Payment

Delivery of the Bonds will be made by the Township to DTC in book-entry only form, in New York, New York on or about the Dated Date, or on or about such other date as may be agreed on by the Township and the successful bidder.

At the time of delivery of the Bonds, payment of the amount due for the Bonds must be made by the successful bidder to the order of the Township immediately available in federal funds or other funds immediately available to the Township, or by such other means as may be acceptable to the Chief Financial Officer of the Township. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the purchaser.

Good Faith Deposit

The successful bidder will be required to wire the Good Faith Deposit (2% of the face value of the Bonds) to the Township as bid security by 4:00 p.m. on the Sale Date as set forth in the Bidding Parameters Table. The Financial Advisor will contact the successful bidder to provide wire instructions for the bid security. The bid security will be retained by the Chief Financial Officer of the Township and: (a) will be applied, without allowance for interest, against the purchase price when the Bonds actually are delivered to and paid for by such successful bidder; or (b) will be retained by the Township as liquidated damages if the bidder defaults with respect to the bid; or (c) will be returned to the bidder with interest at the rate of five percent per annum (5%), if the Bonds are not issued by the Township for any reason which does not constitute a default by the bidder. The balance of the purchase price shall be paid in Federal Funds.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

Information Required from Winning Bidder

By making a bid for the Bonds the successful bidder further affirmatively agrees:

- (1) to provide to the Township, in writing, immediately upon being unofficially awarded the Bonds, a written confirmation of the bid as appropriate, which shall include the purchase price, annual rate of interest for each maturity, reoffering yield(s), and other related information necessary for completion of the Final Official Statement
- (2) to disseminate to all members of any underwriting syndicate copies of the Official Statement, including any supplements prepared by the Township
- (3) to promptly file a copy of the final Official Statement, including any supplements prepared by the Township, with the MSRB in an electronic format prescribed by the MSRB and
- (4) to take any and all other actions necessary to comply with applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Bonds to the ultimate purchasers; and
- (5) sign a certificate dated the settlement date regarding issue price of the Bonds, a form of which is contained within Appendix F and explained in more detail in the “Establishment of Issue Price” described herein

CUSIP Numbers

It is anticipated that CUSIP numbers will be assigned to each of the Bonds, but neither the failure to type or print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. All expenses of typing or printing CUSIP numbers for the Bonds will be paid for by the Township. The Township also assumes responsibility for any CUSIP Service Bureau charge that may be imposed for the assignment of such numbers.

Establishment of Issue Price

The winning bidder shall assist the Township in establishing the issue price of the Bonds and shall execute and deliver to the Township prior to Closing an “issue price” or similar certificate acceptable to Bond Counsel setting forth the reasonably expected initial offering price (the “Initial Public Offering Price”) to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix F, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Township and Bond Counsel.

The Township intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- 1) the Issuer shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- 2) all bidders shall have an equal opportunity to bid;
- 3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- 4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

In the event that the Township receives bids from less than three bidders that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Township intends to treat the Initial Public Offering Price of each maturity of the Bonds as the issue price of that maturity (the "Hold-the-Price Methodology"). Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Price Methodology in order to establish the issue price of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the Initial Public Offering Price, or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Price Methodology shall apply to any person at a price that is higher than the Initial Public Offering Price during the period starting on the sale date and ending on the earlier of the following:

- 1) the close of the fifth (5th) business day after the sale date; or
- 2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The winning bidder shall promptly advise the Issuer when the underwriters have sold 10% of each maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Township acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Price Methodology, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Methodology, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Price Methodology, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Methodology and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Price Methodology as applicable to the Bonds.

By submitting a bid, each bidder confirms, in the event the Competitive Sale Requirements are not met, that:

- 1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to:
 - a) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and
 - b) comply with the Hold-the-Price Methodology, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and
- 2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to:
 - a) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

- b) comply with the Hold-the-Price Methodology, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- 1) “public” means any person other than an underwriter or a related party,
- 2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- 3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- 4) “sale date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

Notification of Competitive Sale Exemption During Auction

During the auction process, there will be an indication once bids from at least three bidders have been received, thus fulfilling the minimum bid requirements of the competitive sale requirements. This will appear in the bidder’s bidding page under the title “Issue Price Methodology:” and will automatically update to “Competitive Sale Exemption” once the minimum bid requirements of the competitive sale requirements have been met. If bids from two or less bidders have been received, the section will display “Hold the Price”. This message will be updated in live time during the auction process, notifying all bidders, regardless of rank or if they have previously submitted a bid, during the auction that the competitive sale exemption has been reached.

This notification is provided by the Issuer under the assumption that the remaining requirements for the competitive sale requirements have been met, including that i) the Issuer has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters, ii) all bidders shall have an equal opportunity to bid; and iii) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

By submitting a bid, the bidder is confirming that it has an established industry reputation for underwriting new issuances of municipal bonds, thereby completing the full requirements of the competitive sale requirements assuming that at least 3 bidders submit bids.

Changes in Federal Law

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the treatment of interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It cannot be predicted whether or in what form any such proposals may be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory or other actions are from time to time announced or proposed which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory or other actions will be implemented or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or other potential changes in law. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond

Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulations or other potential changes in law.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences. Such prospective purchasers should consult their own tax advisors as to the consequences of investing in the Bonds.

Continuing Disclosure

In order to assist bidders in complying with the requirements of the Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “Rule”), the Township intends, for the benefit of the respective holders of the Bonds, to execute a Continuing Disclosure Agreement dated _____ 2019, (the “Disclosure Agreement”), setting forth the undertaking of the Township to provide certain annual financial reports and notices of the occurrence of certain events. A description of this undertaking, including certain limitations thereon, is set forth in the Preliminary Official Statement, and will also be set forth in the final Official Statement.

Miscellaneous

The bidding for the Bonds will be conducted as “private sale upon invitation” as permitted by the Debt Act. Anyone who desires to be considered to be invited to make a bid shall contact the Financial Advisor on or before May 8, 2019. The Township shall receive and consider bids only from those who are invited.

Additional Information

Additional information and the Preliminary Official Statement relating to the Bonds may be obtained from the Township’s Financial Advisor, PFM Financial Advisors LLC, 1735 Market Street, 43rd Floor, Philadelphia, PA 19103, attention: Mr. Daniel Kozloff (215-567-6100) or Mr. Paul Matteo (215-567-6100). The Invitation to Bid and the Preliminary Official Statement may be viewed on the PFMauction website. However, the Township makes no assurance or representation with respect to the form of the Invitation to Bid and the Preliminary Official Statement on the PFMauction website, and no investment decision should be made in reliance thereon. Printed copies of the POS and the Invitation to Bid may be obtained from the Financial Advisor at the address and phone number stated above. Additional information relating to the auction or a private bidding tutorial may be obtained by calling the Auction Administrator, MuniAuction, at (412) 391-5555.

April 30, 2019

TOWNSHIP OF LOWER MERION
Montgomery County, Pennsylvania

By /s/ Daniel S. Bernheim
President of the Township Board of Commissioners

APPENDIX E

**WINNING BID FORM
(All-or-None Bid)
TOWNSHIP OF LOWER MERION
Montgomery County, Pennsylvania**

\$ _____ GENERAL OBLIGATION BONDS, Series A of 2019

May 8, 2019

Board of Commissioners
Township of Lower Merion
c/o PFM Financial Advisors LLC – Daniel Kozloff
1735 Market Street, 43rd Floor
Philadelphia, PA 19103
Fax #: (215) 567-4180
Email: Kozloffd@pfm.com
ATTN: Daniel Kozloff

Ladies and Gentlemen:

Subject to the provisions of and in accordance with the terms of the Invitation to Bid, dated May 8, 2019 of the Township of Lower Merion (the “Township”) for \$ _____ General Obligation Bonds, Series A of 2019 (the “Bonds”).

We hereby confirm that we have agreed to purchase all, but not less than all, of the \$ _____ aggregate principal amount of the Bonds described in the Invitation to Bid and to pay therefore the amount of \$ _____ constituting the principal amount of the Bonds (\$ _____), plus the net premium (\$ _____), less the underwriter’s discount (\$ _____), plus the interest accrued, if any, on the Bonds from [June 11, 2019] to the date of their delivery. This offer is for the Bonds bearing interest at the rates and in the form of serial bonds as follows:

Series A of 2019

<u>Maturity</u> <u>July 15*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate*</u>	<u>Yield</u>
2020		%	%
2021		%	%
2022		%	%
2023		%	%
2024		%	%
2025		%	%
2026		%	%
2027		%	%
2028		%	%
2029		%	%
2030		%	%
2031		%	%
2032		%	%
2033		%	%
2034		%	%

** Bonds stated to mature on or after [July 15, 2025] shall be subject to optional redemption on [July 15, 2024] or any date thereafter.*

As the winning bidder, we confirm that we have wired the Good Faith Amount of \$____, or 2% of the face value of the Bonds, to the Township, as security against any loss of the Township resulting from failure of the undersigned bidder to comply with terms of the Bid.

As the winning bidder, we confirm that we have agreed to immediately furnish the additional information described under the captions “Information Required From Winning Bidder” and “Reoffering Price Certificate” in the Invitation to Bid.

As the winning bidder, we confirm that we have agreed to provide to the Township as soon as possible after the sale of the Bonds a complete list of syndicate members, if any, the actual allocation of the Bonds and the orders placed by the syndicate members.

We have noted that payment of the net purchase price is to be made in immediately available Federal Funds at the time of delivery of the Bonds.

In the event we have bid on behalf of a bidding syndicate, we represent that we have full and complete authority to submit the bid on behalf of our bidding syndicate and that the undersigned will serve as the lead manager for the group.

We desire ____ copies (not exceeding 15) of the Final Official Statement for the Bonds (as provided in the Invitation to Bid). We understand that we may obtain additional copies at our own expense.

We further certify (or declare) under penalty of perjury under the laws of the Commonwealth of Pennsylvania that our Bid and this proposal is genuine, and not a sham or collusive, nor made in the interest of or on behalf of any person not herein named, and that the bidder has not directly or indirectly induced or solicited any other bidder to put in a sham bid or any other person, firm or corporation to refrain from bidding, and that the bidder has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

Respectfully submitted,

Name of Bidder: _____

By: _____

Name and Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail: _____

The above Bid is hereby accepted by the Board of Commissioners of the Township of Lower Merion, with Final Maturity Schedule as shown above.

TOWNSHIP OF LOWER MERION
Montgomery County, Pennsylvania

Attest

By _____
President

Date: _____, 2019

Secretary

(names of other account members, if any, are listed below)

ACCOUNT MEMBERS

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

APPENDIX F

FORMS OF ISSUE PRICE CERTIFICATE

[COMPETITIVE SALE – LESS THAN 3 BIDDERS]

\$ _____
Township of Lower Merion, Pennsylvania
General Obligation Bonds, Series A of 2019

ISSUE PRICE CERTIFICATE

The undersigned, [on behalf of NAME OF UNDERWRITER/REPRESENTATIVE (“SHORT NAME OF UNDERWRITER”)][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [The SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Invitation to Bid, [the SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([May 8, 2019]), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the

Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Township of Lower Merion, Pennsylvania.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [May 8, 2019].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Saul Ewing Arnstein & Lehr LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES
OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

[COMPETITIVE SALES – AT LEAST 3 BIDDERS]

\$ _____
Township of Lower Merion, Pennsylvania
General Obligation Bonds, Series A of 2019

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [May 8, 2019].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Saul Ewing Arnstein & Lehr LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By:_____

Name:_____

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(Attached)

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