

**BOROUGH OF WAYNESBORO,
Franklin County, Pennsylvania**

ORDINANCE NO. 2022 - 1196

OF THE BOROUGH COUNCIL OF THE BOROUGH OF WAYNESBORO, FRANKLIN COUNTY, PENNSYLVANIA (THE "BOROUGH"), APPROVING AND AUTHORIZING THE INCREASE OF THE INDEBTEDNESS OF THE BOROUGH OF WAYNESBORO, BY (1) DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF FOUR HUNDRED EIGHTY-NINE THOUSAND ONE HUNDRED ELEVEN DOLLARS AND EIGHTY-SIX CENTS (\$489,111.86) ("SERIES A OF 2022 NOTE") TO PROVIDE FUNDS FOR THE (1) REFINANCING OF ITS GENERAL OBLIGATION NOTE, SERIES OF 2019 (the "REFUNDING PROJECT") AND TO PAY COSTS OF ISSUANCE OF THE NOTE; THE SERIES A OF 2022 NOTE IS TO BE ISSUED TO FARMERS AND MERCHANTS TRUST COMPANY OF CHAMBERSBURG (the "PURCHASER" OR THE "BANK"), PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT; ACCEPTING A CERTAIN PROPOSAL FOR THE PURCHASE OF SUCH NOTE (THE "COMMITMENT LETTER" WHICH TERM INCLUDES ANY AMENDMENT THERETO, RESTATEMENT OR REISSUANCE THEREOF HEREAFTER MADE), AT PRIVATE SALE WHICH COMMITMENT LETTER IS HEREBY ACCEPTED AND APPROVED; RESTATING THE REALISTIC USEFUL LIFE OF SAID PROJECT; AND (2) DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION NOTE TO THE WAYNESBORO BOROUGH AUTHORITY, IN THE AMOUNT OF FOUR HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$425,000.00) ("SERIES B OF 2022") TO PROVIDE FUNDS FOR THE PURCHASE OF COMMUNICATION AND RECORDING EQUIPMENT (the "NEW MONEY PROJECT") AND TO PAY COSTS OF ISSUANCE OF THE NOTE (THE REFUNDING PROJECT AND NEW MONEY PROJECT "COLLECTIVELY REFERRED TO HEREINAFTER AS THE "PROJECTS") (THE SERIES A OF 2022 NOTE AND THE SERIES B OF 2022 NOTE COLLECTIVELY REFERRED TO AS THE "OBLIGATIONS" OR "NOTES"); AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE BOROUGH TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS REQUIRED BY THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT; APPROVING THE SUBSTANTIAL FORM, MAXIMUM PRINCIPAL AMOUNT, DATE, INTEREST, MATURITY, AND SOURCES OF PAYMENT OF SAID OBLIGATIONS, ISSUED AS NON-ELECTORAL, GENERAL OBLIGATION DEBT OF THE BOROUGH SECURED BY THE GENERAL REVENUES OF THE BOROUGH AND PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THIS BOROUGH IN SUPPORT THEREOF; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY; MAKING CERTAIN COVENANTS WITH RESPECT THERETO AS REQUIRED BY THE DEBT ACT AND THE PENNSYLVANIA CONSTITUTION; PROVIDING FOR REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the Borough of Waynesboro (the "BOROUGH") is a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under provisions of the "local Government Unit Debt Act", 53 Pa C.S.A. §8001 *et. seq.* (the "Act"); and

WHEREAS, the BOROUGH has requested proposals for refinancing to refund the BOROUGH's General Obligation Note, Series of 2019 (the "Refunding Project") to reduce its total debt service over the life thereof; and

WHEREAS, the outstanding balance of the General Obligation Note, Series of 2019 along with the cost of issuance for the Refunding Project is in an amount not to exceed \$489,111.86; and

WHEREAS, the BOROUGH has determined that private sale by negotiation is in the best financial interest of the BOROUGH to obtain financing for the Refunding Project; and

WHEREAS, Farmers and Merchants Trust Company of Chambersburg ("F&M Trust") (the "Bank") has submitted a proposal to purchase the Series A of 2022 Note to currently refund the General Obligation Note, Series of 2019 (the "Series A of 2022 Note") of the BOROUGH, and such proposal has been duly opened, read, and considered; and

WHEREAS, the BOROUGH has received a commitment letter (the "Series A Commitment Letter") from the Bank for the purchase of the Series A of 2022 Note in the maximum principal amount of \$489,111.86 for the purpose of providing financing for the Refunding Project; and

WHEREAS, financing for the Refunding Project is to be evidenced and secured by the BOROUGH's Series A of 2022 Note; and

WHEREAS, the BOROUGH desires to: accept the proposal of the Bank at par with a total maximum purchase price of \$489,111.86; award the Series A of 2022 Note to the Bank; and to incur the non-electoral debt in the total maximum principal amount of \$489,111.86 pursuant to the provisions of the Act for the purpose of payment of costs and expenses related to the Refunding Project, including the cost of issuance; and

WHEREAS, Waynesboro Borough Authority (the "Authority") is a municipality authority existing and governed under the Pennsylvania Municipality Authorities Act, as amended, 53 Pa.C.S.A. §5601 *et. seq.* (the "Authorities Act"); and

WHEREAS, the BOROUGH, as Borrower, has requested proposals for financing to purchase communication and video equipment for the police and the fire departments as well as fund costs of issuance (the "New Money Project"); and

WHEREAS, the BOROUGH has determined that private sale by negotiation is in the best financial interest of the BOROUGH to obtain financing for the New Money Project; and

WHEREAS, the BOROUGH, has determined to proceed with the New Money Project and

accept the proposal from the Authority for said project through the issuance of a general obligation note; and

WHEREAS, the BOROUGH has received a purchase proposal from the Authority (the "Series B Commitment Letter") for the purchase of the Series B of 2022 Note in the maximum principal amount of \$425,000.00 for the purpose of providing funding for the New Money Project; and

WHEREAS, the maximum principal amount of the New Money Project shall not exceed \$425,000.00, with an interest rate of 1.25%, for a term of seven (7) years; and

WHEREAS, the BOROUGH desires to accept the proposal of the Authority at par with a total maximum purchase price of \$425,000.00; award the Series B of 2022 Note to the Authority; to incur the non-electoral debt in the total maximum principal amount of \$425,000.00 pursuant to the provision of the Act for the purpose of payment of costs and expenses related to the New Money Project, including the cost of issuance.

WHEREAS, the proposed increase of indebtedness will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the BOROUGH desires to reaffirm its approval and authorization of the Projects; approve and authorize the financing, including acceptance of the Commitment Letters and issuance of debt in a total maximum principal amount not to exceed \$914,111.86 as evidenced by the Notes; and authorize proper officers and officials of the BOROUGH to take action and perform such acts as are necessary and proper for the completion of the Project.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Borough Council of the Borough of Waynesboro, Franklin County, Pennsylvania, as follows:

ARTICLE I

SECTION 1.01. The Recitals to this Ordinance, including the defined terms and description of the Projects are hereby incorporated herein by reference as if set out at length.

SECTION 1.02. The BOROUGH hereby authorizes and directs the issuance of the Series A of 2022 Note and the Series B of 2022 Note of this BOROUGH, as provided in Section 2.01 hereof and as permitted by the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 et. seq. (the "Act"), pursuant to this Ordinance (the "Ordinance") to provide funds for and towards the Projects, and paying related costs, fees, and expenses of the Projects, as such costs are permitted and defined in Section 8007 of the Act.

SECTION 1.03. The BOROUGH specifies that the realistic, estimated, remaining useful life of the facilities originally financed by the Refunding Project extend beyond the term of the Series A of 2022 Note. The Refunding Project is authorized pursuant to Section

8241(b)(1) of the Debt Act in order to reduce the total debt service over the life thereon. The BOROUGH specifies that the realistic, estimated, useful life of the Series B of 2022 Note is at least ten (10) years. The BOROUGH estimates the Project will be completed by June 30, 2022.

SECTION 1.04. The BOROUGH hereby declares, that the outstanding Notes shall not exceed \$914,111.86.

ARTICLE II

SECTION 2.01. The BOROUGH authorizes and directs, as permitted by the Act, the issuance of the Series A of 2022 Note in the maximum principal amount of \$489,111.86 to the Bank and the Series B of 2022 Note in the maximum principal amount of \$425,000.00, to the Authority (the Bank and the Authority collectively referred to herein as the "Purchasers"), in accordance with the Act, for purposes of the Projects, and hereby determines that the debt to be incurred hereby, of which debt the Notes shall be evidence, shall be non-electoral debt of this BOROUGH. The Series A of 2022 Note and Series B of 2022 Note of this BOROUGH, shall be in the aggregate maximum principal amount of \$914,111.86, as shall be designated generally as the General Obligation Notes.

SECTION 2.02. The BOROUGH covenants to and with the Purchaser and the Authority, and such other holders, from time to time, of the Notes that this BOROUGH shall do the following: (i) include the amount of the debt service for the Notes, for each fiscal year of this BOROUGH in which such sums are payable, in its budget for that fiscal year; (ii) appropriate such amounts from its tax and other general revenues for the payment of such debt service; and (iii) duly and punctually pay or cause to be paid from the sinking fund created pursuant to Section 2.07 hereof, or any other of its revenues or funds, the principal and interest due under the Notes, at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this BOROUGH does pledge, irrevocably, its full faith, credit, and taxing power. The foregoing covenant of this BOROUGH shall be specifically enforceable.

SECTION 2.03. The Notes, when issued, will be general obligations of this BOROUGH.

SECTION 2.04. The BOROUGH shall and does accept the proposals of the Purchasers (the "Series A Commitment Letter and the Series B Commitment Letter"), for purchase of the Notes at par with the aggregate maximum purchase price of \$914,111.86, and the Notes shall be and is awarded to the Purchasers in accordance with the terms and conditions of the Series A Commitment Letter and the Series B Commitment Letter, at private sale by negotiation. This BOROUGH finds that a private sale by negotiation is in the best financial interest of this BOROUGH.

SECTION 2.05. The form of the Notes shall be substantially as set forth in Exhibit "A", which is attached hereto and made a part hereof, with appropriate insertions and variations. The Notes shall be in the denomination, shall be subject to redemption, shall bear interest

at the rates per annum, and principal and interest shall be payable in the amounts and on the dates substantially set forth in said form of the Notes and in the schedules set forth as Exhibit "B", which is attached hereto and made a part hereof. In accordance with Section 8142 (b)(1) of the Act, the principal installments of the Notes have been fixed so as to amortize the Notes on at least an approximately level annual debt service plan during the term of the Notes.

SECTION 2.06. The Notes shall be executed in the name of and on behalf of this BOROUGH by the manual signature of the President or Vice President of the Borough Council of this Borough, and the official seal of this BOROUGH shall be affixed thereto and the manual signature of the Secretary or Assistant Secretary shall be affixed thereto in attestation thereof; and said officers are authorized to execute and attest the Notes.

SECTION 2.07. There is created, pursuant to Section 8221 of the Act, a sinking fund for the Series A of 2022 Note to be known as "Sinking Fund – Series A of 2022" (the "Series A Sinking Fund") and a sinking fund for the Series B of 2022 Note, (the "Series B of 2022 Sinking Fund") (the Series A Sinking Fund and Series B Sinking Fund collectively referred to as the "Sinking Funds") which Sinking Funds shall be administered in accordance with applicable provisions of the Act.

SECTION 2.08. The BOROUGH appoints Farmers and Merchants Trust Company of Chambersburg, with a branch in Chambersburg, Pennsylvania (the "Bank"), as the sinking fund depository with respect to the Sinking Funds and as Paying Agent. Appropriate officers of this BOROUGH are authorized and directed to contract with the Bank for its services as paying agent with respect to the Notes and as sinking fund depository in connection with the Sinking Funds.

SECTION 2.09. The BOROUGH covenants to make payments out of the Sinking Funds, or out of any other of its revenues or funds, at such times and in such amounts as shall be sufficient for prompt and full payment of all obligations of the Note when due.

SECTION 2.10. The President or Vice President of Borough Council and the Secretary or Assistant Secretary, respectively, of this BOROUGH, which shall include their duly qualified successors in office, if applicable, are authorized and directed, as required, necessary and appropriate: (i) to prepare, to certify, and to file with the Department of Community and Economic Development of the Commonwealth (the "Department") the debt statement required by Section 8110 of the Act; (ii) to prepare for filing with the Department an appropriate borrowing base certificate as required by Section 8110 of the Act; (iii) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings for the required approval relating to the debts, of which debts the Notes, upon issuance, will be evidence, as required by Section 8111 of the Act; (iv) to pay or cause to be paid to the Department all proper filing fees required in connection with the foregoing; and (v) to take other required, necessary and/or appropriate action.

SECTION 2.11. It is declared that the debts to be incurred hereby, together with any other

indebtedness of this BOROUGH, is not in excess of any limitation imposed by the Act upon the incurring of debt by this BOROUGH.

SECTION 2.12. The principal of and interest on the Notes shall be payable at the principal office, or any branch office of the Purchaser, in lawful money of the United States of America.

SECTION 2.13. The BOROUGH determines that it has not issued, and does not reasonably expect to issue, tax-exempt obligations, together with all tax-exempt obligations issued and reasonably expected to be issued by entities that must be aggregated with it pursuant to the Internal Revenue Code of 1986, as amended the (the "Code"), which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2022 calendar year and, accordingly, hereby designates or deems designated the Series A of 2022 Note as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for the purposes and with the effect contemplated by Section 265 of the Code.

ARTICLE III

SECTION 3.01. For the purpose of providing funds for the financing of the Projects, and to pay related costs and expenses in connection with the issuance of the Notes, this BOROUGH hereby authorizes the execution and delivery of all other agreements, documents, certificates, and related instruments necessary or appropriate to issue and deliver the Notes to the Purchaser (this Ordinance, the Notes, and all other agreements, documents, certificates, and instruments to be executed and delivered concurrently with the issuance of the Notes are collectively referred to herein as "Loan Documents"), and authorizes the taking of all actions necessary and required under the provisions of the Loan Documents.

SECTION 3.02. The forms, terms, and conditions of the Notes and other documents, substantially in the forms submitted to this meeting, are hereby approved. The President or Vice President of this Borough Council is hereby authorized to execute all documents necessary to effectuate the issuance of the Notes, subject to such changes and modifications, if any, as may be approved by such officers, the execution of such documents to constitute conclusive evidence of such approval, and the Secretary or Assistant Secretary of this BOROUGH is hereby authorized to cause the official seal of the BOROUGH to be affixed thereto and to attest to the same. Appropriate officers of this BOROUGH are further authorized to acknowledge the same, as appropriate, on behalf of this BOROUGH and to deliver said documents to the Purchaser and the Authority.

SECTION 3.03. The Notes shall be repaid at the times and in the amounts and is subject to early repayment all as set forth in the Loan Documents.

SECTION 3.04. Upon receipt, the proceeds of the Notes shall be applied by this BOROUGH under the terms and conditions set forth in the Loan Documents.

SECTION 3.05. Appropriate officers of this BOROUGH are hereby authorized,

empowered, and directed on behalf of this BOROUGH to execute any and all paper and documents and to do or cause to be done any and all acts and things necessary or proper for the execution and carrying out of this Ordinance and the Loan Documents.

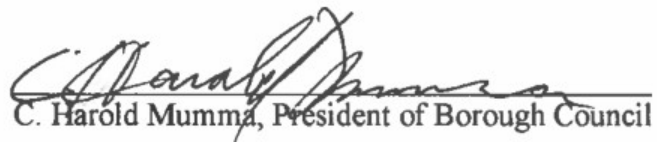
SECTION 3.06. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this BOROUGH that such remainder shall be and shall remain in full force and effect.

SECTION 3.07. All ordinances or parts of ordinances that are inconsistent herewith shall be and the same expressly are repealed.


SECTION 3.08. This Ordinance shall be effective in accordance with the Act.

DULY ENACTED AND ORDAINED, this 16th day of February, 2022, by
the Council of the Borough of Waynesboro, in lawful session duly assembled.

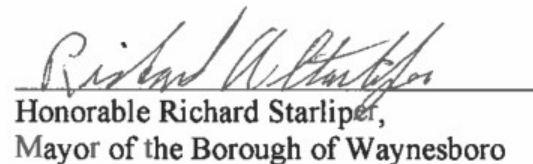
BOROUGH OF WAYNESBORO,
Franklin County, Pennsylvania


C. Harold Mumma, President of Borough Council

ATTEST:


Melinda Knott, Borough Secretary

(SEAL)


Honorable Richard Starlip,
Mayor of the Borough of Waynesboro

ORDINANCE

EXHIBIT "A"

FORM OF NOTES

ORDINANCE

EXHIBIT "B"

**The maximum Debt Service on the 2022 General Obligation Notes, being issued by the
Borough of Waynesboro.**

SEE ATTACHED PAGES

EXHIBIT "A"

GON - __

\$489,111.89

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF FRANKLIN

BOROUGH OF WAYNESBORO

GENERAL OBLIGATION NOTE, SERIES A OF 2022

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Issuance</u>
1.85% FIXED RATE THROUGH APRIL __, 2032	SEPTEMBER __, 2035	APRIL 1, 2022

THEN

**79% of the U.S. Prime Rate Index
with a floor of 2.48% and a ceiling of 5.80%
for the remaining term**

Registered Owner **FARMERS AND MERCHANTS TRUST COMPANY OF
CHAMBERSBURG ("F&M TRUST")**

Principal Sum: **FOUR HUNDRED EIGHTY-NINE THOUSAND ONE HUNDRED ELEVEN
DOLLARS AND EIGHTY-SIX CENTS (\$489,111.86)**

The **BOROUGH OF WAYNESBORO**, Franklin County, Pennsylvania (the "Borough"), a municipality existing under the laws of the Commonwealth of Pennsylvania and a local government unit as defined in the "Local Government Unit Debt Act", 53 Pa.C.S.A. §8001 et. seq. as amended and supplemented (the "Debt Act"), for value received, acknowledges itself to be indebted to and promises to pay to Farmers and Merchants Trust Company of Chambersburg ("F&M Trust"), or registered assigns, on the maturity date stated hereon, upon presentation and surrender hereof, the principal sum of **FOUR HUNDRED EIGHTY-NINE THOUSAND ONE HUNDRED ELEVEN DOLLARS AND EIGHTY-SIX CENTS (\$489,111.86)**, together with interest on the unpaid principal balance advanced and outstanding hereunder, which principal amount shall not exceed the amount of \$489,111.89, or such lesser sum as shall be advanced hereunder from time to time, together with principal and interest payments thereon, with interest payments semi-annually on June 1st and December 1st beginning on June 1, 2022, to the registered owner hereof until said principal sum has been paid or provision or payment thereof duly has been made. The annual principal payments and semi-annual payments of interest shall be in an amount to fully amortize the debt in accordance with the terms hereof on an approximately level basis. On September __, 2035 (the "Maturity Date"), all unpaid principal advanced hereunder, accrued interest, and any other applicable fees or charges shall be due and payable.

Interest shall be computed on a 30/360 basis. On the Maturity Date, the amount of the then remaining balance of principal and accrued and unpaid interest, together with any fees, are due and payable to the registered owner hereof.

So long as no event of default or determination of taxability has occurred as described herein, advances on this Note shall bear interest at a bank qualified, tax-exempt rate from the

date of issuance at a fixed rate of 1.85% for ten (10) years, thereafter to float at a rate established as 79% of the U.S. Prime Rate Index, with a floor of 2.48% and a ceiling of 5.80%, until the Maturity Date.

The Borough has designated or deemed designated under, and for purposes of Section 265(b)(3) of the Internal Revenue Code, as amended, and regulations promulgated or adopted pursuant thereto (collectively the "Code") this Note as a "qualified tax-exempt obligation", as such phrase is defined in Section 265(b)(3) of the Code.

This Note shall bear interest at a qualified tax-exempt rate from the date of delivery of this Note (hereinafter defined) to the Maturity Date at the Interest Rate defined above. Following an event of default or a determination by proper authority that the interest hereon is not exempt from taxation or this Note is not a bank qualified tax exempt obligation, in both instances pursuant to the Internal Revenue Code of 1986, as amended, and regulations promulgated or adopted pursuant thereto (collectively, the "Code"), the interest rate on this Note shall reset on the date of such event of default or the date on which interest on this Note was determined not to be exempt from taxation (retroactively, if applicable), at the rate of 2.34% per annum for the Fixed Rate Period and thereafter at the U.S. Prime Rate Index with a floor of 3.14% and a ceiling of 7.34% until the Maturity Date.

Payments of principal hereof, in whole or in part, and of interest hereon shall be made in any coin or currency of the United States of America which, at time of payment, shall be legal tender for payment of public and private debts, at the office of Farmers and Merchants Trust Company of Chambersburg, Pennsylvania (the "Paying Agent") which term shall include any duly appointed alternate or successor paying agent, at any of the Bank's office locations. So long as the Bank shall be the registered owner hereof, payment of any part of the principal of and interest on this Note by or in behalf of the Borough shall be valid and effective to satisfy and discharge fully the obligations of the Borough or its Paying Agent, with respect to such payments of principal and interest, without surrender hereof to the Paying Agent for appropriate notation upon the Payment Record attached hereto and made part hereof. So long as the registered owner hereof shall not be the Bank, payment of any part of the principal of and interest on this Note shall be made only upon surrender hereof by the registered owner at the office of the Paying Agent (or the office of any successor paying agent) for appropriate notations with respect to such payments and any unrecorded prior payments upon such Payment Record. Notations upon such Payment Record with respect to payments of principal and interest shall satisfy and discharge fully the obligations of the Borough with respect to such payments of principal and interest, and such notations upon such Payment Record shall be conclusive and binding upon the registered owner hereof.

If the date for payment of the principal of or interest on this Note shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the office of the Paying Agent is located are authorized by law or executive order to close, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or on a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the date fixed for such payment.

The principal hereof is subject to prepayment, at the option of the Borough, without penalty or premium, as a whole, or, from time to time, in part, on any date, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal may be credited against such stated installment of principal on the Note as the Borough may designate in writing to the

Bank at the time of prepayment; otherwise a partial prepayment shall be applied against the principal installment last, by date, due and payable. The registered owner hereof, by acceptance hereof, agrees that any such prepayment may be made by the Borough without any prior notice, of any nature whatsoever, to the registered owner hereof.

This Note is issued in accordance with the Debt Act, and by virtue of a duly enacted Ordinance (the "Ordinance") of the Borough Council of the Borough of Waynesboro. The Debt Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the Borough and the registered owner, from time to time, of this Note. A copy of the Ordinance, duly certified by the Secretary of the Borough, is on file at the principal office of the Borough.

The Borough has covenanted in the Ordinance, to and with registered owners, from time to time, of the Note that shall be outstanding, from time to time, pursuant to the Ordinance, that the Borough shall do the following: (i) include the amount of the debt service for the Note, for each fiscal year of the Borough in which such sums are payable, in its budget for that fiscal year; (ii) appropriate such amounts from its tax and other general revenues for the payment of such debt service; and (iii) duly and punctually pay or cause to be paid from the sinking fund created pursuant to the Ordinance, or any other of its revenue or funds, the principal and interest on the Note, at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Borough has pledged, irrevocably, its full faith, credit, and taxing power. The foregoing covenant of this Borough shall be specifically enforceable.

The Borough, in the Ordinance, has established a sinking fund with F&M Trust (the "Paying Agent"), as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for disbursement thereof. The Borough has covenanted in the Ordinance to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Note.

This Note, immediately upon execution and delivery hereof by the Borough, shall be registered, both as to principal and interest, in the name of the owner, on records of the Borough to be kept for that purpose by the Paying Agent, such registration to be noted hereon by a duly authorized representative of the Paying Agent. After such registration, no transfer hereof shall be valid unless made by the registered owner hereof in person or by his duly authorized attorney and similarly noted upon said records and hereon. Rights of any registered owner hereof, subsequent to the initial registered owner hereof, shall not exceed rights of the predecessor registered owner hereof.

Pursuant to the provisions of F&M Trust's loan commitment letter, dated December 7, 2022, accepted and approved by the Ordinance, the Borough, so long as this Note remains outstanding, shall provide to the Bank annual financial statements on an annual basis. The Borough agrees to maintain at least one depository account with the Bank during the term of the Note. The Borough also agrees to provide to the Bank, so long as this Note remains outstanding, its annual budget.

The registered owner shall have all rights and remedies granted under the Debt Act, including without limitation, the right to serve and exercise the powers conferred upon a trustee appointed pursuant to the Debt Act.

It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the Borough, if any, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by the Borough. The Borough has covenanted in the Ordinance with the registered owners, from time to time, of this Note that the Borough, as appropriate, shall include the amount of debt service, for each fiscal year of the Borough in which sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Borough has and does pledge, irrevocably, its full faith, credit and taxing power. The Debt Act provides that the foregoing covenant of the Borough shall be enforceable specifically.

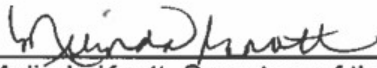
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the BOROUGH OF WAYNESBORO, Franklin County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Note to be executed in its name and in its behalf by its President or Vice President of the Borough Council of the Borough of Waynesboro and the official seal of the Borough to be affixed hereunto and the signature of its Secretary or Assistant Secretary to be affixed hereunto in attestation thereof and to be delivered

BOROUGH OF WAYNESBORO
Franklin County, Pennsylvania



C. Harold Mumma, President of the Borough Council



Melinda Knott, Secretary of the Borough



REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED
REPRESENTATIVE OF FARMERS AND MERCHANTS TRUST COMPANY OF
CHAMBERSBURG
(THE "PAYING AGENT")

DATE OF REGISTRY	NAME OF REGISTERED OWNER	REGISTERED BY AUTHORIZED REPRESENTATIVE OF THE PAYING AGENT
April 1, 2022	F&M Trust	