

**CUMBERLAND TOWNSHIP,
Adams County, Pennsylvania**

ORDINANCE NO. 2021 - 187

AN ORDINANCE AUTHORIZING AND APPROVING THE INDEBTEDNESS OF CUMBERLAND TOWNSHIP, ADAMS COUNTY, PENNSYLVANIA (THE "TOWNSHIP"), BY DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF NINE HUNDRED THIRTY THOUSAND DOLLARS (\$930,000.00) ("SERIES OF 2021 NOTE") TO PROVIDE FUNDS FOR (1) THE REFINANCING OF ITS GENERAL OBLIGATION BOND, SERIES OF 2011 (the "REFUNDING") AND (2) TO PAY COSTS OF ISSUANCE OF THE NOTE (COLLECTIVELY REFERRED TO HEREINAFTER AS THE "PROJECT"); THE GENERAL OBLIGATION NOTE, SERIES OF 2021 NOTE IS TO BE ISSUED TO ACNB BANK (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; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE TOWNSHIP 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 OBLIGATION, ISSUED AS NON-ELECTORAL, GENERAL OBLIGATION DEBT OF THE TOWNSHIP SECURED BY THE GENERAL REVENUES OF THE TOWNSHIP AND PLEDGING THE FULL FAITH, CREDIT, AND TAXING POWER OF THIS TOWNSHIP 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, Cumberland Township (the "TOWNSHIP") 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 TOWNSHIP has requested proposals for refinancing to refund the TOWNSHIP's General Obligation Bond, Series of 2011 (the "Refunding Project"); and

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 Project, and paying related costs, fees, and expenses of the Project, as such costs are permitted and defined in Section 8007 of the Act.

SECTION 1.03. The Township specifies that the realistic, estimated, remaining useful life of the capital projects or facilities originally financed by the Refunding Project is stated to mature prior to the end of such useful life. The Refunding Project is authorized under Section 8241(b)(5) of the Debt Act (substituting bonds with notes).

SECTION 1.04. The TOWNSHIP hereby declares, for purposes of the Act, that the outstanding balance of the General Obligation Bond, Series of 2011 as well as the cost of issuance of the new debt shall not exceed \$930,000.00.

ARTICLE II

SECTION 2.01. The TOWNSHIP authorizes and directs, as permitted by the Act, the issuance of the Note of this TOWNSHIP, in the maximum principal amount of \$930,000.00, to be designated generally as the General Obligation Note, Series of 2021 (the “Note”), to the Purchaser, in accordance with the Act, for purposes of the Project, and hereby determines that the debt to be incurred hereby, of which debt the Note shall be evidence, shall be non-electoral debt of this TOWNSHIP.

SECTION 2.02. The TOWNSHIP covenants to and with the Purchaser and such other holders, from time to time, of the Note that this TOWNSHIP shall do the following: (i) include the amount of the debt service for the Note, for each fiscal year of this TOWNSHIP 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 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, this TOWNSHIP does pledge, irrevocably, its full faith, credit, and taxing power. The foregoing covenant of this TOWNSHIP shall be specifically enforceable.

SECTION 2.03. The Note, when issued, will be a general obligation of this TOWNSHIP.

SECTION 2.04. The TOWNSHIP shall and does accept the proposal of the Purchaser (the “Commitment Letter”), for purchase of the Note at par with the total maximum purchase price of \$930,000.00, and the Note shall be and is awarded to the Purchaser in accordance with the terms and conditions of the Commitment Letter, at private sale by negotiation. The TOWNSHIP finds that a private sale by negotiation is in the best financial interest of the TOWNSHIP.

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

SECTION 2.12. The principal of and interest on the Note 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 TOWNSHIP 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 2021 calendar year and, accordingly, hereby designates the General Obligation Note, Series of 2021 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 Project, and to pay related costs and expenses in connection with the issuance of the Note, the TOWNSHIP hereby authorizes the execution and delivery of all other agreements, documents, certificates, and related instruments necessary or appropriate to issue and deliver the Note to the Purchaser (this Ordinance, the Note, and all other agreements, documents, certificates, and instruments to be executed and delivered concurrently with the issuance of the Note 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 Note and other documents, substantially in the forms submitted to this meeting, are hereby approved. The Chairman or Vice Chairman of this Board of Supervisors is hereby authorized to execute all documents necessary to effectuate the issuance of the Note, 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 the TOWNSHIP is hereby authorized to cause the official seal of the TOWNSHIP to be affixed thereto and to attest to the same. Appropriate officers of the TOWNSHIP are further authorized to acknowledge the same, as appropriate, on behalf of the TOWNSHIP and to deliver said documents to the Purchaser.

EXHIBIT "A"

GON -

\$930,000.00

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ADAMS

CUMBERLAND TOWNSHIP

GENERAL OBLIGATION NOTE, SERIES OF 2021

<u>Interest rate</u>	<u>Maturity Date</u>	<u>Date of Issuance</u>
1.28% FIXED RATE THROUGH OCTOBER 31, 2031	FEBRUARY 29, 2036	OCTOBER 29, 2021

THEN

79% OF THE WALL STREET JOURNAL PRIME
WITH A FLOOR OF 2.0% AND A CEILING OF 4.00%
FOR THE REMAINING TERM

Registered Owner **ACNB BANK**

Principal Sum: **NINE HUNDRED THIRTY THOUSAND DOLLARS (\$930,000.00)**

The TOWNSHIP OF CUMBERLAND, Adams County, Pennsylvania (the "Township"), 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 ACNB (the "Bank"), or registered assigns, on the maturity date stated hereon, upon presentation and surrender hereof, the principal sum of NINE HUNDRED THIRTY THOUSAND DOLLARS (\$930,000.00), together with interest on the unpaid principal balance advanced and outstanding hereunder, which principal amount shall not exceed the amount of \$930,000.00. Principal and interest payments shall be paid monthly beginning on December 1, 2021 for the term to the registered owner hereof. Monthly principal and interest payments shall be made no later than the close of business on the 1st day of each month. Principal and interest shall be payable on this Note in amounts which shall fully amortize the then outstanding principal balance of this Note on an approximately level basis. On February 29, 2036 (the "Maturity Date"), all unpaid principal, accrued interest, and any other applicable fees or charges outstanding under this Note shall be due and payable. This Note shall bear interest from the date of issuance upon any principal amount drawn by the Township.

For ten (10) years from the date of issuance (the "Fixed Rate Period") interest shall be computed on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months. 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 with respect to this Note.

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 1.28% through October 31, 2031, thereafter to float at 79% of the Wall Street Journal Prime Rate, with a floor of 2.00% and a ceiling of 4.00%.

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 Township without any prior notice, of any nature whatsoever, to the registered owner hereof.

This Note is issued in accordance with provisions of the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 *et seq.*, as amended and supplemented (the "Debt Act"), and by virtue of a duly enacted Ordinance (the "Ordinance") of the Board of Supervisors of the Cumberland Township. The Debt Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the Township and the registered owner, from time to time, of this Note. A copy of the Ordinance, duly certified by the Secretary of the Township, is on file at the principal office of the Township.

The Township 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 Township shall do the following: (i) include the amount of the debt service for the Note, for each fiscal year of the Township 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 Township has pledged, irrevocably, its full faith, credit, and taxing power. The foregoing covenant of this Township shall be specifically enforceable.

The Township, in the Ordinance, has established a sinking fund with the ACNB Bank (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 Township 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 Township, shall be registered, both as to principal and interest, in the name of the owner, on records of the Township 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.

This Note is a note under which advances of the principal amount may be made. Pursuant to the provisions of ACNB Bank (the "Bank") loan commitment letter, dated September 9, 2021, accepted and approved by the Ordinance, the Township, so long as this Note remains outstanding, shall provide to the Bank CPA prepared financial statements in the form of audited statement when available, as well as other information that the Lender shall reasonably request.

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.

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF ACNB BANK, GETTYSBURG, PENNSYLVANIA (THE "PAYING AGENT")

DATE OF REGISTRY	NAME OF REGISTERED OWNER	REGISTERED BY AUTHORIZED REPRESENTATIVE OF THE PAYING AGENT
October __, 2021	ACNB Bank	

29	4/1/2024	5,921.63	842.74	5,078.89	784,986.97
30	5/1/2024	5,921.63	837.32	5,084.31	779,901.85
31	6/1/2024	5,921.63	831.90	5,089.73	774,812.12
32	7/1/2024	5,921.63	826.47	5,095.16	769,716.96
33	8/1/2024	5,921.63	821.03	5,100.60	764,616.36
34	9/1/2024	5,921.63	815.59	5,106.04	759,510.32
35	10/1/2024	5,921.63	810.14	5,111.49	754,398.83
36	11/1/2024	5,921.63	804.69	5,116.94	749,281.89
37	12/1/2024	5,921.63	799.23	5,122.40	744,159.49
38	1/1/2025	5,921.63	793.77	5,127.86	739,031.63
39	2/1/2025	5,921.63	788.30	5,133.33	733,898.30
40	3/1/2025	5,921.63	782.82	5,138.81	728,759.49
41	4/1/2025	5,921.63	777.34	5,144.29	723,615.20
42	5/1/2025	5,921.63	771.86	5,149.77	718,465.43
43	6/1/2025	5,921.63	766.36	5,155.27	713,310.16
44	7/1/2025	5,921.63	760.86	5,160.77	708,149.39
45	8/1/2025	5,921.63	755.36	5,166.27	702,983.12
46	9/1/2025	5,921.63	749.85	5,171.78	697,811.34
47	10/1/2025	5,921.63	744.33	5,177.30	692,634.04
48	11/1/2025	5,921.63	738.81	5,182.82	687,451.22
49	12/1/2025	5,921.63	733.28	5,188.35	682,262.87
50	1/1/2026	5,921.63	727.75	5,193.88	677,068.99
51	2/1/2026	5,921.63	722.21	5,199.42	671,869.57
52	3/1/2026	5,921.63	716.66	5,204.97	666,664.60
53	4/1/2026	5,921.63	711.11	5,210.52	661,454.08
54	5/1/2026	5,921.63	705.55	5,216.08	656,238.00
55	6/1/2026	5,921.63	699.99	5,221.64	651,016.36
56	7/1/2026	5,921.63	694.42	5,227.21	645,789.15
57	8/1/2026	5,921.63	688.84	5,232.79	640,556.36
58	9/1/2026	5,921.63	683.26	5,238.37	635,317.99
59	10/1/2026	5,921.63	677.67	5,243.96	630,074.03
60	11/1/2026	5,921.63	672.08	5,249.55	624,824.48
61	12/1/2026	5,921.63	666.48	5,255.15	619,569.33
62	1/1/2027	5,921.63	660.87	5,260.76	614,308.57
63	2/1/2027	5,921.63	655.26	5,266.37	609,042.20
64	3/1/2027	5,921.63	649.65	5,271.98	603,770.22
65	4/1/2027	5,921.63	644.02	5,277.61	598,492.61
66	5/1/2027	5,921.63	638.39	5,283.24	593,209.37
67	6/1/2027	5,921.63	632.76	5,288.87	587,920.50
68	7/1/2027	5,921.63	627.12	5,294.51	582,625.99
69	8/1/2027	5,921.63	621.47	5,300.16	577,325.83
70	9/1/2027	5,921.63	615.81	5,305.82	572,020.01
71	10/1/2027	5,921.63	610.15	5,311.48	566,708.53
72	11/1/2027	5,921.63	604.49	5,317.14	561,391.39
73	12/1/2027	5,921.63	598.82	5,322.81	556,068.58
74	1/1/2028	5,921.63	593.14	5,328.49	550,740.09
75	2/1/2028	5,921.63	587.46	5,334.17	545,405.92
76	3/1/2028	5,921.63	581.77	5,339.86	540,066.06
77	4/1/2028	5,921.63	576.07	5,345.56	534,720.50

125	4/1/2032	6,280.34	927.17	5,353.17	272,797.23
126	5/1/2032	6,280.34	909.32	5,371.02	267,426.35
127	6/1/2032	6,280.34	891.42	5,388.92	262,037.43
128	7/1/2032	6,280.34	873.46	5,406.88	256,630.55
129	8/1/2032	6,280.34	855.44	5,424.90	251,205.65
130	9/1/2032	6,280.34	837.35	5,442.99	245,762.66
131	10/1/2032	6,280.34	819.21	5,461.13	240,301.53
132	11/1/2032	6,280.34	801.01	5,479.33	234,822.20
133	12/1/2032	6,280.34	782.74	5,497.60	229,324.60
134	1/1/2033	6,280.34	764.42	5,515.92	223,808.68
135	2/1/2033	6,280.34	746.03	5,534.31	218,274.37
136	3/1/2033	6,280.34	727.58	5,552.76	212,721.61
137	4/1/2033	6,280.34	709.07	5,571.27	207,150.34
138	5/1/2033	6,280.34	690.50	5,589.84	201,560.50
139	6/1/2033	6,280.34	671.87	5,608.47	195,952.03
140	7/1/2033	6,280.34	653.17	5,627.17	190,324.86
141	8/1/2033	6,280.34	634.42	5,645.92	184,678.94
142	9/1/2033	6,280.34	615.60	5,664.74	179,014.20
143	10/1/2033	6,280.34	596.71	5,683.63	173,330.57
144	11/1/2033	6,280.34	577.77	5,702.57	167,628.00
145	12/1/2033	6,280.34	558.76	5,721.58	161,906.42
146	1/1/2034	6,280.34	539.69	5,740.65	156,165.77
147	2/1/2034	6,280.34	520.55	5,759.79	150,405.98
148	3/1/2034	6,280.34	501.35	5,778.99	144,626.99
149	4/1/2034	6,280.34	482.09	5,798.25	138,828.74
150	5/1/2034	6,280.34	462.76	5,817.58	133,011.16
151	6/1/2034	6,280.34	443.37	5,836.97	127,174.19
152	7/1/2034	6,280.34	423.91	5,856.43	121,317.76
153	8/1/2034	6,280.34	404.39	5,875.95	115,441.81
154	9/1/2034	6,280.34	384.81	5,895.53	109,546.28
155	10/1/2034	6,280.34	365.15	5,915.19	103,631.09
156	11/1/2034	6,280.34	345.44	5,934.90	97,696.19
157	12/1/2034	6,280.34	325.65	5,954.69	91,741.50
158	1/1/2035	6,280.34	305.81	5,974.53	85,766.97
159	2/1/2035	6,280.34	285.89	5,994.45	79,772.52
160	3/1/2035	6,280.34	265.91	6,014.43	73,758.09
161	4/1/2035	6,280.34	245.86	6,034.48	67,723.61
162	5/1/2035	6,280.34	225.75	6,054.59	61,669.02
163	6/1/2035	6,280.34	205.56	6,074.78	55,594.24
164	7/1/2035	6,280.34	185.31	6,095.03	49,499.21
165	8/1/2035	6,280.34	165.00	6,115.34	43,383.87
166	9/1/2035	6,280.34	144.61	6,135.73	37,248.14
167	10/1/2035	6,280.34	124.16	6,156.18	31,091.96
168	11/1/2035	6,280.34	103.64	6,176.70	24,915.26
169	12/1/2035	6,280.34	83.05	6,197.29	18,717.97
170	1/1/2036	6,280.34	62.39	6,217.95	12,500.02
171	2/1/2036	6,280.34	41.67	6,238.67	6,261.35
172	2/29/2036	6,280.34	18.99	6,261.35	0.00
Grand Totals		1,037,173.28	107,173.28	930,000.00	