

**TOWNSHIP OF EAST PENNSBORO  
CUMBERLAND COUNTY, PENNSYLVANIA**

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**ORDINANCE NO. 306**

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AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF EAST PENNSBORO, CUMBERLAND COUNTY, PENNSYLVANIA (THE "TOWNSHIP"), AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION DEBT, AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. C.S. § 8001 *ET SEQ.*, AS AMENDED (THE "DEBT ACT"), TO BE EVIDENCED BY THE TOWNSHIP'S GENERAL OBLIGATION BONDS, SERIES OF 2019, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$27,000,000 (THE "BONDS"), WITH THE PROCEEDS THEREOF TO BE APPLIED FOR AND TOWARD (A) THE REFUNDING OF ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE TOWNSHIP'S GENERAL OBLIGATION BONDS, SERIES A OF 2010 (FEDERALLY TAXABLE-ISSUER SUBSIDY-BUILD AMERICA BONDS), AND (B) PAYING THE COSTS AND EXPENSES ASSOCIATED WITH THE ISSUANCE OF THE BONDS; DETERMINING THAT THE BONDS SHALL BE SOLD AT A PRIVATE SALE BY NEGOTIATION; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS, AND AWARDING THE BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING FOR PRINCIPAL AMORTIZATION, MATURITIES AND INTEREST RATES FOR THE BONDS; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF THE BONDS INCLUDING DATED DATE, MATURITY DATES AND DENOMINATIONS, AND INTEREST PAYMENT DATES; SETTING FORTH REDEMPTION PROVISIONS AND PROCEDURES; PROVIDING THAT THE BONDS, WHEN ISSUED, SHALL BE TAX-EXEMPT GENERAL OBLIGATIONS OF THE TOWNSHIP; AUTHORIZING THE EXECUTION, AUTHENTICATION AND DELIVERY OF THE BONDS; COVENANTING TO PAY DEBT SERVICE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER FOR THE PAYMENT OF THE BONDS; CREATING A SINKING FUND IN CONNECTION WITH THE ISSUANCE OF THE BONDS AS REQUIRED BY THE DEBT ACT; AUTHORIZING AND DIRECTING OFFICERS AND OFFICIALS OF THE TOWNSHIP TO EXECUTE AND DELIVER DOCUMENTS AND TO TAKE ACTION AS MAY BE NECESSARY RELATING TO THE ISSUANCE AND DELIVERY OF THE BONDS; SETTING FORTH CERTAIN COVENANTS RELATING TO PROVISIONS FOR THE REDEMPTION OF THE REFUNDED BONDS; AUTHORIZING THE PURCHASE OF A POLICY OF MUNICIPAL BOND INSURANCE, IF DETERMINED TO BE AN ECONOMIC BENEFIT TO THE TOWNSHIP; APPROVING THE FORM OF THE BONDS; RATIFYING AND CONFIRMING AUTHORIZATION TO THE TOWNSHIP SOLICITOR, BOND COUNSEL AND THE FINANCIAL ADVISOR; PROVIDING FOR SEVERABILITY OF PROVISIONS AND REPEALING INCONSISTENT ORDINANCES.

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ENACTED MAY 1, 2019

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WHEREAS, the Township of East Pennsboro, Cumberland County, Pennsylvania (the "Township"), is a municipality existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), and is a Local Government Unit, as defined in the Local Government Unit Debt Act, 53 Pa. C.S. § 8001 *et seq.*, as amended and supplemented (the "Debt Act"); and

WHEREAS, pursuant to Ordinance No. 770-10 enacted on November 3, 2010 (the "2010A Ordinance"), the Board of Commissioners of the Township heretofore incurred debt, evidenced by the Township's General Obligation Bonds, Series A of 2010, in the aggregate principal amount of \$23,920,000 (the "2010A Bonds"), currently outstanding in the aggregate principal amount of \$22,080,000, which were issued to provide funds to be applied, *inter alia*, for and toward certain capital projects of the Township relating to the Township's wastewater treatment plant and sanitary sewage collection system, as more specifically set forth in the 2010A Ordinance (the "2010A Capital Project"); and

WHEREAS, the Township desires to undertake a project, as such term is defined in the Debt Act (the "2019 Project"), consisting of the refunding of the Township's outstanding 2010A Bonds (hereinafter the "Refunded Bonds", and as a project, the "Refunding Project"), in order to reduce the total debt service over the life thereon pursuant to Section 8242(b)(1) of the Debt Act, and including as part thereof, the payment of the cost of issuing and insuring, if applicable, the debt hereafter incurred to undertake the Refunding Project; and

WHEREAS, the Township intends to issue a series of tax-exempt, nonelectoral general obligation bonds in accordance with the terms of this Ordinance and the Debt Act to be evidenced by its General Obligation Bonds, Series of 2019, in the maximum aggregate principal amount of \$27,000,000 (the "Bonds"), for the purpose of financing the 2019 Project; and

WHEREAS, Stifel, Nicolaus & Company, Inc. (the "Purchaser") has presented to the Township a written contract as its proposal for the purchase of the Bonds (the "Bond Purchase Proposal"); and

WHEREAS, the Township has heretofore authorized Eckert Seamans Cherin & Mellott, LLC, of Harrisburg, Pennsylvania, to act as its bond counsel (the "Bond Counsel"), with respect to legal matters associated with the financing of the 2019 Project; and

WHEREAS, the Township desires to approve and authorize the 2019 Project, issuance of the Bonds, acceptance of the Bond Purchase Proposal, the form of the Bonds, the appointment of a paying agent for the Bonds, to award the Bonds to the Purchaser and to incur tax-exempt, nonelectoral general obligation debt, in the maximum aggregate principal amount of \$27,000,000 pursuant to this Ordinance and the provisions of the Debt Act, to reaffirm the useful lives of the capital projects refinanced with proceeds of the Bonds, and to authorize such further provisions as are required by law for the issuance of general obligation debt and further actions by its officers and professional advisors consistent with this Ordinance, the Debt Act, and all other applicable law.

**NOW, THEREFORE, BE AND IT HEREBY IS ORDAINED** by the Board of Commissioners of the Township of East Pennsboro that:

**SECTION 1. The 2019 Project.**

The Township hereby authorizes and approves the undertaking as a project, as defined in and established by the Debt Act, the 2019 Project. The description of the 2019 Project contained in the recitals to this Ordinance hereby is incorporated into this Section by reference as if set out at length. The foregoing recitals and all terms defined therein are incorporated herein, and such defined terms may hereafter be used as if set out at length.

**SECTION 2. Incurrence of Indebtedness and Purpose.**

For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the 2019 Project, the incurring of nonelectoral debt by the Township in the maximum aggregate principal amount of \$27,000,000 hereby is authorized. Such debt shall be evidenced by the issuance of said debt obligations, consisting of a series of tax-exempt, nonelectoral, general obligation bonds of the Township, designated as the "Township of East Pennsboro, Cumberland County, General Obligation Bonds, Series of 2019," or such similar designation as is appropriate, in the maximum aggregate principal amount of \$27,000,000 (the "Bonds"). The debt evidenced by the Bonds is being incurred for the purpose of the 2019 Project. The purpose of the Refunding Project, pursuant to Section 8241(b)(1) of the Debt Act, is to reduce total debt service over the remaining life of the Refunded Bonds.

**SECTION 3. Approval of Private Sale by Negotiation.**

After considering the advantages and disadvantages of the manners of sale of the Bonds permitted by the Debt Act and of current market conditions, the Board of Commissioners of the Township hereby determines that a private sale by negotiation is in the best financial interest of the Township.

**SECTION 4. Acceptance of the Bond Purchase Proposal; Addendum.**

(a) The Purchaser has submitted the Bond Purchase Proposal to the Township for the purchase of all, but not less than all, of the Bonds, maturing and bearing interest rates, terms and other provisions not inconsistent with this Ordinance. The Bond Purchase Proposal is hereby approved and accepted and, as approved and accepted is referred to, hereinafter, as the Bond Purchase Agreement. Proper officers (as hereinafter defined) are authorized to execute, attest and seal the Bond Purchase Agreement and to deliver an executed counterpart thereof to the Purchaser. It is hereby authorized and directed that the Purchaser shall, subsequent to the enactment of this Ordinance, submit to the Township an addendum to the Bond Purchase Agreement that shall set forth the final terms for the sale and purchase of the Bonds, including, but not limited to: the net savings realized from the Refunding Project, the underwriting discount, and the net original issue discount or premium, if any (the "Addendum").

(b) The Addendum to the Bond Purchase Agreement shall be submitted to the President, or if he is unavailable to the Vice President of Board of Commissioners, for approval and acceptance, which Addendum shall be consistent with the provisions set forth in the Bond Purchase Agreement and in this Ordinance, and shall contain (i) such insertions as to interest rates, principal amounts, maturity dates and redemption provisions and related matters, and (ii) such deletions and amendments as the President or Vice President, upon the advice of the Township Solicitor and Bond Counsel shall approve. The execution and delivery of the Addendum by the President or Vice President of Board of Commissioners and the Secretary or Assistant Secretary of Board of Commissioners shall constitute conclusive evidence of such approval.

(c) In order to be accepted by the President, or if the President is unavailable, the Vice President, of Board of Commissioners, the Addendum must meet the following requirements:

(i) The aggregate principal amount of the Bonds shall not exceed \$27,000,000;

(ii) The principal amount scheduled to mature in each year for the Bonds shall not exceed the principal amount shown on Schedule A, attached hereto, and incorporated herein and, further, the rate of interest, per annum, for each maturity of the Bonds shall not exceed the rates set forth in Schedule A;

(iii) The aggregate purchase price for the Bonds to be purchased pursuant to such Addendum shall not be less than 95.0% nor more than 120.0% of the total of (A) the aggregate principal

amount of the Bonds to be issued, (B) reduced or increased by any net original issue discount or premium, if any, (C) reduced by the underwriting discount, and (D) plus accrued interest, if any;

(iv) The debt service savings to the Township, net of the costs of issuance, must be at least equal to three percent (3.0%) of the aggregate par amount of the Refunded Bonds;

(v) In the event that less than all of the 2010A Bonds are to be redeemed the Addendum must specifically identify the portions of the 2010A Bonds that will constitute the Refunded Bonds; otherwise, as hereinbefore identified, all of the outstanding principal amount of the 2010A Bonds shall constitute the Refunded Bonds;

(vi) The Addendum must identify the Bond Insurer and the premium therefor, if any;  
and

(vii) The Bonds contemplated by the Addendum must conform to the requirements of the Debt Act.

(d) The execution and delivery of the Bond Purchase Agreement, concurrent with the enactment of this Ordinance, and of the Addendum, subsequent to the enactment of this Ordinance, by the proper officers of the Township, as specified where appropriate, shall constitute acceptance hereunder of the Bond Purchase Agreement and of the Addendum. Upon acceptance of the Bond Purchase Agreement by enactment of this Ordinance and acceptance of the Addendum, the Bonds shall be and are hereby awarded and sold unto the Purchaser in accordance with the requirements set forth in the preceding provisions of this Section 4, in accordance with all the terms of the Bond Purchase Agreement and of the Addendum. Proper officers are authorized and directed to accept the Addendum by signing it, to return it to the Purchaser and to file a copy of the same with the records of the Township. Upon acceptance and execution of the Addendum, the Bond Purchase Agreement and the Addendum shall constitute one agreement by and between the Township and the Purchaser and shall be construed in all respects as one agreement, which hereinafter is referred to, for convenience as the Bond Purchase Agreement, which Bond Purchase Agreement, together with this Ordinance, shall constitute a contract between the Township and the Purchaser.

(e) A proper officer of the Township is hereby authorized and directed to deliver the Bonds to the Purchaser and receive payment therefor on behalf of the Township after sale of the same in the manner required by law and the terms of this Ordinance. Proper officers of the Township are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the Bonds, to execute and deliver such documents and to do all such other acts, upon advice of the Township Solicitor and Bond Counsel, as are reasonably necessary to ensure a satisfactory settlement of the sale of the Bonds, and a proper application of the proceeds thereof to the 2019 Project.

**SECTION 5. Maturities and Interest Rates.**

The rates of interest, per annum, for each maturity of the Bonds shall not exceed the rates set forth in Schedule A, attached hereto, and incorporated herein; provided that, in the case of term bonds, the applicable rate of interest shall be the rate set forth in Schedule A for the relevant maturity date of each such term bond. The principal amount of Bonds annually scheduled to mature or to be subject to mandatory redemption, as the case may be, shall not exceed the principal amount on each date set forth in Schedule A, attached hereto.

**SECTION 6. Appointment of Paying Agent, Registrar and Sinking Fund Depository.**

TD Bank, National Association hereby is appointed Paying Agent (“Paying Agent”) and Registrar (“Registrar”) for the Bonds and Sinking Fund Depository (“Sinking Fund Depository”) for the Sinking

Fund created hereby. The proper officers of the Township hereby are authorized and directed to contract with TD Bank, National Association, having a corporate trust office in Harrisburg, Pennsylvania, for its services as Sinking Fund Depository, Paying Agent and Registrar, at such initial and annual charges as shall be appropriate and reasonable for such services. The Township may, by resolution, from time to time appoint a successor Paying Agent, Sinking Fund Depository or Registrar to fill a vacancy or for any other reason.

**SECTION 7. Forms of Bond, Interest Payment Dates and Record Dates.**

The Bonds shall be issued in fully registered form without coupons and shall be numbered in such manner as may be satisfactory to the Township and the Paying Agent. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. Each Bond shall be dated as of the date of issue and delivery thereof, and shall be issued in denominations of \$5,000 or any whole multiple thereof.

The Bonds shall bear interest payable initially on September 1, 2019 and on each March 1 and September 1 (each, an "Interest Payment Date") thereafter, from the Interest Payment Date, as the case may be, next preceding the date of registration and authentication of each Bond, unless: (a) such Bond is registered and authenticated as of an Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date; or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding Interest Payment Date, in which event such Bond shall bear interest from such succeeding Interest Payment Date; or (c) such Bond is registered and authenticated prior to the Record Date (hereinafter defined) preceding September 1, 2019, in which event such Bond shall bear interest from the date of delivery; or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond until the principal sum thereof is paid.

If the date for payment of the principal of, premium, if any, or interest on any Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required 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 a day on which banking institutions are authorized or required to close, and payment on such subsequent day shall have the same force and effect as if made on the nominal date established for such payment.

The term "Record Date" with respect to any Interest Payment Date shall mean the fifteenth (15<sup>th</sup>) day (whether or not a day on which the Paying Agent is open for business) next preceding such Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent that the Township defaults in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds are registered at the close of business on a special record date established by the Paying Agent, notice of which shall have been mailed to all registered owners of Bonds not less than fifteen (15) days prior to such date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business of the fifth (5<sup>th</sup>) day preceding the date of mailing.

**SECTION 8. Bond Register, Registrations and Transfer.**

The Township shall cause to be kept at the designated corporate trust office of the Paying Agent a register ("Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Township shall provide for the registration of Bonds and the registration of transfers and exchanges of

Bonds. No transfer or exchange of any Bond shall be valid unless made at such office and registered in the Bond Register.

Upon surrender of any Bond at the designated corporate trust office of the Paying Agent for registration of transfer, the Township shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the Bond so surrendered.

Any Bond shall be exchangeable for other Bonds of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Bond or Bonds presented for exchange. Upon surrender of any Bond for exchange at the designated corporate trust office of the Paying Agent, the Township shall execute and the Paying Agent shall authenticate and deliver in exchange therefor the Bond or Bonds which the owner making the exchange shall be entitled to receive.

All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the Township, evidencing the same debt and entitled to the same benefits under this Ordinance as the Bonds surrendered for such registration of transfer or exchange.

Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Township and the Registrar, duly executed by the registered owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer or exchange of any Bond, but the Township may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Township shall not be required to: (a) issue, or register the transfer or exchange of, any Bond during a period of fifteen (15) business days before any date of selection of Bonds to be redeemed and ending on the close of business on such date on which the applicable notice of redemption is given; or (b) register the transfer or exchange of any Bond after it has been selected for redemption, in whole or in part, until after the date fixed for redemption.

**SECTION 9. Execution and Authentication.**

The Bonds shall be executed on behalf of the Township by the President or Vice President of Board of Commissioners, and shall have the corporate seal of the Township affixed thereto (or a facsimile thereof), duly attested by the Secretary or Assistant Secretary of the Township, and said officers hereby are authorized and directed to execute the Bonds. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No Bond shall be valid until such Certificate of Authentication shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. To the extent that any one signature on a Bond (including the signature of an officer of the Paying Agent) is manual, all other signatures may be by facsimile. The President or Vice President of Board of Commissioners, Secretary or Assistant Secretary of the Township or Treasurer, or any such proper officers of the Township hereby are authorized and directed to deliver, or cause the delivery of, the Bonds to the respective Purchasers and receive payment therefor on behalf of the Township after sale of the same in the manner required by law and this Ordinance.

**SECTION 10. Book-Entry Only Registration.**

The Township authorizes and approves the sale and purchase of the Bonds as book-entry only obligations with The Depository Trust Company, New York, New York ("DTC"). If required, proper officers of the Township are authorized and directed to execute DTC's Letter of Representations, in substantially the form submitted to the Township for execution, and such other documents as shall be necessary to complete the sale of the Bonds as book-entry obligations.

The Bonds, upon original issuance, are expected to be issued in the form of a single, fully registered bond or note for each maturity, in denominations equal to the principal amount of Bonds maturing on each such date, and shall be delivered, physically or constructively, to DTC or its nominee, CEDE & CO, pursuant to arrangements between DTC and the Paying Agent. Each such Bond shall be registered on the registration books kept by the Paying Agent, as registrar and transfer agent, in the name of DTC or, at DTC's option, in the name of CEDE & CO, as DTC's nominee, and no beneficial owners thereof will receive certificates representing their respective interest in such Bonds. Purchasers shall initially provide to the Paying Agent a list of the registered owners (beneficial owners under the book-entry only system) which list shall be continuously updated so long as the Bonds are issued under the book-entry only system. For purposes of this Ordinance, so long as the Bonds are issued under the book-entry only system, the registered owners shall mean the beneficial owners under the book-entry only system, and, where necessary, DTC or its nominee, CEDE & CO.

So long as any of the Bonds are registered in the name of DTC or its nominee, CEDE & CO., to the extent available, the Paying Agent shall transfer, on each Interest Payment Date, the amount of interest and principal, as applicable, due on each such date to DTC, at the addresses set forth in the Letter of Representations, which amounts so transferred, shall be, on the interest and principal payment date, at the principal office of DTC, "good funds next day." All payments made by the Paying Agent to DTC or its nominee shall fully satisfy the Township's obligations to pay principal and interest, or maturity amount, as applicable, and any applicable redemption premium, on such Bonds to the extent of such payments, and no beneficial owner of any interest in any Bond registered in the name of DTC or its nominee shall have any recourse against the Township hereunder for any failure by DTC or any participant therein to remit such payments to the beneficial owners of such Bonds.

So long as DTC or its nominee, CEDE & CO., is the registered owners of the Bonds, if all or less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods described in the Letter of Representations. If less than all of the Bonds of a particular maturity are to be redeemed, the Bonds to be redeemed shall be selected by the Township in any order the Township may decide and within a maturity by lot selected by DTC. In the event that DTC or its nominee, CEDE & CO., is not the registered owner of the Bonds, then the selection by lot within a maturity of the Bonds to be redeemed shall be made by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

The Township or DTC may elect to terminate the book-entry only system with respect to the Bonds by giving notice to the Paying Agent in accordance with DTC's Letter of Representations. Upon termination of the book-entry only system, bond and note certificates are required to be printed and delivered in accordance with this Ordinance.

Upon termination of the book-entry only system, this Section, as applicable to the book-entry only system, shall become null and void. All other Sections of this Ordinance shall remain in full force and effect with regard to the Bonds.

**SECTION 11. General Obligation Covenant.**

The Bonds hereby are declared to be general obligations of the Township. The Township hereby covenants with the registered owners from time to time of the Bonds outstanding pursuant to this Ordinance

that it will include the amount of the debt service as specified in this Section, subject to appropriate adjustment in the event of the optional redemption of any Bonds prior to maturity, on the Bonds for each fiscal year in which such sums are payable, in its budget for that year, will appropriate such amounts for such payments and will duly and punctually pay or cause to be paid the principal of the Bonds and the interest thereon on the dates, at the places and in the manner stated therein, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township does hereby pledge its full faith, credit and taxing power. The maximum amount of the debt service, which the Township hereby covenants to pay on the Bonds in each year, is shown on Schedule A which is attached hereto and incorporated herein by reference as if set out here at length. As provided in the Debt Act, the foregoing covenants are specifically enforceable.

## **SECTION 12. Redemption.**

(a) Optional Redemption. The Bonds shall be subject to redemption at the option of the Township prior to their stated maturity dates as a whole or in part from time to time, in any order of maturity (and in any authorized principal amount within a maturity) and by lot within a maturity, on the dates and at the redemption prices provided in the Bond Purchase Agreement.

(b) Mandatory Redemption. The Bonds may be subject to mandatory redemption, if at all, on the dates (each, a "Mandatory Redemption Date") and in the amounts as provided in the Bond Purchase Agreement, which mandatory redemption provisions are incorporated herein by reference as if set out here at length. The Township covenants and directs the Paying Agent to redeem the specified aggregate principal amount of Bonds of the specified series and maturity on the respective Mandatory Redemption Dates set forth in the Bond Purchase Agreement.

(c) Notice. Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not more than forty-five (45) days nor less than twenty (20) days prior to the redemption date to the registered owners of the Bonds to be redeemed, as applicable, at the addresses which appear in the Bond Register, provided, however, that 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, as applicable, shall not 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 funds for the payment of the redemption price of the Bonds, as applicable, so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such Bonds shall cease to accrue after such redemption date.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use), and shall also contain the serial identification numbers printed on the Bonds called for redemption, as applicable. The Township, however, makes no representation as to the accuracy of such CUSIP numbers either printed on the Bonds or as contained in any redemption notice.

(e) Selection by Lot. Subject to the provisions of Section 10 with respect to Bonds being registered in the book-entry only format, if less than all of the Bonds, as applicable, maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the specific Bonds, as applicable, to be redeemed at such time.

(f) Portions of Bonds. Any portion of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Prior to selecting Bonds, as applicable, for redemption, the Paying Agent shall assign numbers to each \$5,000 portion of any Bond, as applicable, of a denomination larger than \$5,000 and shall treat each portion as a separate Bond, as applicable, in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of



any Bond for redemption of a portion thereof, the Paying Agent shall authenticate and deliver to the registered owner thereof a new Bond, as applicable, of the same maturity and in any authorized denominations requested by the registered owner in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

**SECTION 13. Bonds Sinking Fund.**

(a) Deposit. There hereby is established with the Sinking Fund Depository, a sinking fund to be known as the Township of East Pennsboro, General Obligation Bonds, Series of 2019 Sinking Fund (the "Sinking Fund"). The Township covenants to deposit, and the proper officers hereby are authorized and directed to deposit into the Sinking Fund (A) on or before each Interest Payment Date, so long as the Bonds remain outstanding, amounts sufficient to pay the interest due on such dates on the Bonds then outstanding, and (B) on or before September 1, 2019, and on or before each September 1 thereafter, so long as the Bonds remain outstanding, amounts sufficient to pay the principal of the Bonds due on each such date at maturity. Should the amounts covenanted to be paid into the Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal of the Bonds, whether by reason of funds already on deposit in the Sinking Fund, or by reason of the purchase of or redemption of the Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Credit for Bonds Delivered. The Township may satisfy any part of its obligations with respect to subsection (a) above by delivering to the Paying Agent and Sinking Fund Depository, for cancellation, of Bonds, as appropriate, maturing or subject to mandatory redemption, as applicable, on the date on which such deposit is required. The Township shall receive credit against such deposit for the face amount of the Bonds so delivered, provided that such Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the Bonds, as applicable, for which credit is requested, in the case of a deposit required for the payment of the Bonds, as applicable, at maturity, or (ii) in the case of a deposit required to be made on a Mandatory Redemption Date, with respect to the Bonds, no later than forty-five (45) days prior to the Mandatory Redemption Date for which credit is requested.

(c) Application of Funds. All sums in the Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid by Section 11 hereof as the same from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the Sinking Fund, to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and as permitted by Section 24 hereof. The Sinking Fund shall be kept as separate accounts at the aforementioned corporate trust office of the Sinking Fund Depository. The Sinking Fund Depository, without further authorization other than as herein contained, shall pay from the moneys in the Sinking Fund the interest on the Bonds, as and when due to the registered owners on the appropriate Record Date and principal of the Bonds, as and when the same shall become due, to the registered owners thereof.

(d) Optional Deposits. Notwithstanding the foregoing, in the case of optional redemption of any or all of the Bonds, as permitted by Section 12 hereof, the proper officers of the Township hereby are authorized and directed to deposit to the Sinking Fund, as appropriate, from time to time before the applicable optional redemption date funds in the amount which together with the interest to be earned thereon, if any, will equal the principal of, premium, if any, and the interest to the date fixed for redemption on, the Bonds so called for redemption.

**SECTION 14. Disposition of Proceeds.**

(a) Clearing Account. All proceeds of the Bonds derived from the sale of the Bonds and delivered to the Paying Agent shall be deposited in the Clearing Account created pursuant to Section 21 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2019 Project, including but not limited to payment of the costs and expenses of preparing, marketing, issuing and insuring the Bonds, if applicable, and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination be deposited in the Sinking Fund and used for the payment of interest on the Bonds.

(b) Use of Proceeds. Notwithstanding any other provision of this Section, proceeds of the Bonds may be used for purposes other than those enumerated in this Ordinance; provided that, the Township shall have first complied with the applicable provision of the Debt Act and the Code (as hereinafter defined), respectively, regarding a change in the use of proceeds.

**SECTION 15. Cost and Realistic Useful Life.**

(a) Reasonable cost estimates have been obtained for the 2019 Project from advisers and professional consultants, each of whom is qualified by education, training and experience to provide such estimates. The cost estimate of the 2019 Project has been estimated to be, approximately, \$27,000,000.

(b) The useful life of the 2010A Capital Project, which was originally funded with proceeds of the 2010A Bonds, which 2010A Bonds are now being refunded with the proceeds of the Bonds, has a remaining estimated useful life of at least twenty (20) years, which exceeds the final maturity of the Bonds.

(c) In accordance with Section 8142(b)(1) of the Debt Act, and after giving effect to the provisions of Section 8142(d) of the Debt Act, the maturities of the Bonds have been fixed so that principal of the Bonds will be amortized on an approximately level annual debt service plan, as more fully set forth at Schedule A, attached hereto.

**SECTION 16. Internal Revenue Code Covenants.**

(a) General. The Township hereby covenants with the registered owners, from time to time, of the Bonds that no part of the proceeds of the Bonds will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended ("Code") and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Bonds, and that it will comply with the requirements of Section 148 of the Code and the Regulations throughout the term of the Bonds.

(b) Rebate. The Township covenants that if it is not eligible for any rebate exception to the rebate requirements of the Code, the Township covenants that it will rebate to the United States Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Bonds at a yield not in excess of the yield on the Bonds.

(c) Filing. The Township will file IRS Form 8038-G and any other forms or information required by the Code to be filed in order to permit the interest on the Bonds to be excluded from gross income for federal income tax purposes.

**SECTION 17. Advertising.**

The action of the officers and officials of the Township in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers and officials of the Township or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the Township within ten (10) days after final enactment. The Secretary or Assistant Secretary of the Township hereby is directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

**SECTION 18. Filing with Department of Community and Economic Development.**

The President or Vice President of Board of Commissioners and the Secretary or Assistant Secretary of the Township, which shall include their duly qualified successors in office, if applicable, are authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of proceedings relating to the issuance of the Bonds, including, the Debt Statement and Borrowing Base Certificate required by Section 8110 of the Debt Act, and to take other necessary action to authorize, prepare and file all necessary documents with the Department of Community and Economic Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the Bonds from the appropriate debt limit as self-liquidating debt or subsidized debt.

It is declared that the debt to be incurred hereby is within the limitation imposed by the Debt Act upon the incurring of such debt by the Township.

**SECTION 19. General Authorization.**

The officers and officials of the Township hereby are authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

**SECTION 20. Official Statement.**

The Preliminary Official Statement prepared with respect to the Bonds hereby is approved. The President or Vice President of Board of Commissioners hereby is authorized to execute and approve a final Official Statement relating to the Bonds provided that the final Official Statement shall have been approved by the Township's Solicitor. The distribution of the Preliminary Official Statement hereby is ratified and the Purchasers hereby are authorized to use the Preliminary and the final Official Statements in connection with the sale of the Bonds. The Board of Commissioners of the Township deems the Preliminary Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information which has been omitted in accordance with such Rule and which will be supplied with the final Official Statement.

**SECTION 21. Clearing Account; Refunded Bonds Sinking Fund.**

(a) Clearing Account. The Township hereby creates with the Paying Agent a special fund to be known as the Township of East Pennsboro 2019 Bonds Clearing Account (the "Clearing Account"), which shall be held as a trust fund for the benefit of the Township until disbursed in accordance with the provisions hereof. The Township shall deliver the net proceeds (including accrued interest, if any) derived from the sale of the Bonds to the Paying Agent for deposit to the Clearing Account. Upon written direction from the Township signed by proper officers of the Township, the Paying Agent shall out of the Clearing Account: (i) pay the costs and expenses of issuance allocable to the Bonds, (ii) transfer the amount of accrued interest, if any, to the Sinking Fund, and (iii) transfer proceeds of the Bonds in the amounts designated by the Township to the respective Sinking Funds described in subsection (b) below as required to prepay the Refunded Bonds.

The written direction from the Township shall state the specific amount to be paid from the Clearing Account, the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

(b) Payment to the Holder of the Refunded Bonds. The Township hereby directs that a portion of the Bond proceeds from the Clearing Account and designated as part of the Refunding Project for the refunding and prepayment of the Refunded Bonds, shall be transferred to the paying agent for the Refunded Bonds (the "Refunded Bonds Paying Agent"), as holder of the Refunded Bonds, for the prepayment thereof, which proceeds, together with other available funds, if any, shall be in an amount sufficient to pay, upon deposit and without regard to any interest or other income being earned thereon or maturity value of any investment, the outstanding principal of the Refunded Bonds, together with accrued interest when and as due pursuant to the terms of the Refunded Bonds, respectively, through and including, the date specified for the prepayment of the Refunded Bonds.

## **SECTION 22. Prepayment of the Refunded Bonds.**

(a) Refunded Bonds Identified. In accordance with this Ordinance and the Bond Purchase Agreement, the Refunded Bonds constitute all of the outstanding principal amounts of the 2010A Bonds, and hereinbefore identified as the Refunded Bonds.

(b) Prepayment Instructions. The Township hereby authorizes the execution and delivery of the Prepayment Instructions for the Refunded Bonds (the "Prepayment Instructions"), if determined to be necessary and appropriate, to the Refunded Bonds Paying Agent. Any Prepayment Instructions furnished to the Prior Notes Paying Agent shall, *inter alia*, set forth the terms of prepayment of the Refunded Bonds, respectively, in accordance with the terms of each of the Refunded Bonds.

(c) Bond Retirement Agreement. If applicable, this Township, simultaneously with delivery of the Bonds to the Purchaser, shall enter into one or more bond retirement agreements (collectively, the "Bond Retirement Agreement") with the Refunded Bonds Paying Agent. The Bond Retirement Agreement shall provide for a deposit of Bond proceeds into the sinking fund held by the Refunded Bonds Paying Agent sufficient to pay the redemption price of the applicable Refunded Bonds on the specified Redemption Date. The President or Vice President of the Board of Commissioners and the Township Secretary, respectively, are authorized and directed to execute, to attest, and to seal, as appropriate, and to deliver such Bond Retirement Agreement simultaneously with such delivery of the Bonds. The Township approves the Bond Retirement Agreement in form satisfactory to the Solicitor and Bond Counsel for this Township and as shall be approved by the officers of the Board of Commissioners executing the same. Such approval of such officers shall be conclusively presumed to have been given by their execution of the Bond Retirement Agreement. The officers and agents of this Township are hereby authorized and directed to take all such actions as may be necessary and appropriate to accomplish the redemption and retirement of the Refunded Bonds.

(d) Investment Securities. If applicable, the President, Vice President of the Board of Commissioners or Township Manager, respectively, of this Township is each hereby authorized and directed: (1) to execute and deliver agreements, orders or subscriptions for purchase of United States Treasury Certificates of Indebtedness, Bonds or Bonds, State and Local Government Series, other securities of the United States of America, collateralized certificates of deposit or other investments satisfying the requirements of 53 Pa.C.S. §8250, as described in the Refunding Report, from proceeds of the Bonds and, if applicable, other funds to be deposited under the Bond Retirement Agreement, (2) to contract with a verification agent to produce a report relating to the sufficiency of the escrow for the Refunded Bonds and

the yield on the Bonds and such escrow, and (3) to do, to take and to authorize such other acts as shall be necessary or appropriate to provide for retirement of the payment of principal and interest on the Refunded Bonds, as described in the Addendum and this Ordinance.

**SECTION 23. Payment of Expenses.**

All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and deposited in the Clearing Account. Proper officers of the Township and officials are authorized to sign and deliver requests for payment of such expenses.

**SECTION 24. Investment.**

Any proceeds derived from the issuance of the Bonds may be invested or deposited as permitted by applicable law for funds of the Township or as permitted under the Debt Act. Authorized representatives or officers of the Township shall designate such investments in such combination as to provide safety of principal, liquidity to any draws to fund costs and expenses of the 2019 Project and maximum investment income.

Any moneys held in the Sinking Fund and not required for prompt expenditure, may, at the direction of the Township, be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds in accordance with the Debt Act. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the registered owners of the Bonds.

**SECTION 25. Purchase of Insurance.**

If determined to be economically advantageous to the 2019 Project, the Township hereby agrees to purchase and hereby accepts the commitment of such bond insurer, if any, as may be specified in the Bond Purchase Agreement (the "Bond Insurer") to issue a Municipal Bond Insurance Policy insuring the Bonds and directs that the appropriate premium be promptly paid at the settlement of the sale of the Bonds. A legend indicating the existence of such a policy shall be printed on the Bonds in the form required by the Bond Insurer. All terms and conditions required to be contained in this Ordinance by the terms of the commitment are incorporated herein by reference with the same effect as if set out at length.

**SECTION 26. Authorization of Officers.**

Any authorization granted to, power conferred on, or direction given to the President of Township Board of Commissioners and the Secretary of the Township, shall be deemed to run to the Vice President of Township Board of Commissioners and the Assistant or Acting Secretary of the Township, respectively, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

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**SECTION 27. Form of 2019 Bond.**

The form of the Bonds shall be substantially in the form set forth in this Section with such changes thereto as shall hereafter be made upon the advice of the Township’s solicitor and Bond Counsel, approval of such changes being evidenced by the execution and attestation of the Bonds by proper officers of the Township.

No.: GOB-00\_

\$\_\_\_\_,000.00

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to the Township or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF EAST PENNSBORO  
CUMBERLAND COUNTY, PENNSYLVANIA  
GENERAL OBLIGATION BOND, SERIES \_\_ OF 2019

Interest Rate                      Maturity Date                      Date of Issue                      CUSIP  
%                                      \_\_\_\_\_ 1, 20\_\_                      \_\_\_\_\_, 2019

REGISTERED OWNER:              CEDE & CO.

PRINCIPAL SUM:                      \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND  
AND 00/100 DOLLARS (\$\_\_\_\_\_)

TOWNSHIP OF EAST PENNSBORO, Cumberland 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. § 8001 *et seq.*, as amended and supplemented (the “Debt Act”), for value received, hereby promises to pay to the registered owner of this General Obligation Bond, Series of 2019, on the above stated maturity date, the above stated principal sum unless this Bond shall be redeemable and duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for, and to pay semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), beginning September 1, 2019, to the registered owner hereof, interest thereon at the above stated annual rate of interest, from the Interest Payment Date next preceding the date of registration and authentication of this Bond, unless: (a) this Bond is registered and authenticated as of an Interest Payment Date, in which event this Bond shall bear interest from such Interest Payment Date; or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding Interest Payment Date, in which event this Bond shall bear interest from such succeeding Interest Payment Date; or (c) this Bond is registered and authenticated prior to the Record Date preceding September 1, 2019, in which event this Bond shall bear interest from the Date of Issue; or (d) as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid on this Bond until the principal sum hereof is paid.

The principal of this Bond is payable to the registered owner hereof in lawful moneys of the United States of America upon presentation hereof at the designated corporate trust office of \_\_\_\_\_ (the "Paying Agent"), in \_\_\_\_\_, Pennsylvania. The term "Paying Agent", when hereinafter used, also shall include any successor paying agent under the Ordinance, hereinafter defined. Payment of the interest due hereon shall be paid to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register (the "Bond Register") maintained by the Paying Agent, as bond registrar, on the fifteenth (15<sup>th</sup>) day (whether or not a business day) next preceding such Interest Payment Date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. The person in whose name this Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent that the Township defaults in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date established by the Paying Agent, notice of which shall have been mailed to the registered owner of this Bond not less than fifteen (15) days prior to such proposed payment date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing.

If the date for payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the municipality where the designated corporate trust office of the Paying Agent is located are authorized or required 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 a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

This Bond is one of an initially authorized series of \$\_\_\_\_\_,000 aggregate principal amount of general obligation bonds of the Township, known as "General Obligation Bonds, Series \_\_ of 2019" (herein, the "Bonds"), all of like tenor, except as to dates of maturity, denominations, provisions for redemption and rates of interest, and all issued in accordance with provisions of the Debt Act under and by virtue of an ordinance of the Board of Commissioners of the Township duly enacted on \_\_\_\_\_, 2019 (the "Ordinance"). The Debt Act, as such shall have been in effect when this Bond was authorized, and the Ordinance shall constitute a contract between the Township and the registered owner, from time to time, of this Bond.

#### REDEMPTION PROVISIONS

Optional Redemption. The Bonds, stated to mature on or after September 1, 20\_\_ are subject to redemption prior to maturity, at the option of the Township, in whole or in part, on \_\_\_\_ 1, 20\_\_, or on any date thereafter, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

If less than all Bonds are to be redeemed at any time, the Bonds shall be redeemed in such order of maturity as the Township shall select. If less than all Bonds maturing on any one date are to be redeemed at any time, the Bonds to be called for redemption at such time shall be drawn by lot by the Paying Agent. In the event any Bonds are in a denomination greater than \$5,000 a portion of such Bonds may be redeemed, but portions of Bonds shall be redeemed only in the principal amount of \$5,000 or any whole multiple thereof.

Mandatory Redemption. The Bonds maturing on September 1, 20\_\_ are subject to mandatory redemption prior to their stated maturity dates, in part, by lot, or by any other method deemed fair and

appropriate by the Paying Agent, on the dates and in the amounts shown below upon payment of the redemption price of 100% of the principal amount, together with interest accrued to the date fixed for redemption.

September 1, 20\_\_ Maturity

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	*

\* At maturity

Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not more than forty-five (45) days nor less than twenty (20) days prior to the redemption date to the registered owners of the Bonds to be redeemed at the addresses which appear in the Bond Register, provided, however, that 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 shall 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 funds for the payment of the redemption price of the Bonds so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such Bonds shall cease to accrue after such redemption date.

The Township, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures ("CUSIP"), has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices of redemption and other notices, if any, as a convenience to the Registered Owners of the Bonds. No representation is made by the Township as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice and reliance may be placed only on the identification number printed hereon.

This Bond shall be transferable upon books of the Township kept at the aforesaid corporate trust office of the Paying Agent, by the registered owner hereof in person or by his duly authorized agent or legal representative at such corporate trust office of the Paying Agent, upon surrender hereof, together with a written instrument of transfer, in form and with guaranty of signature satisfactory to the Township and the Registrar, duly executed by the registered owner hereof or his duly authorized agent or legal representative, and thereupon the Township shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the Bond so surrendered. The Township and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The Township and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, this Bond during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of Bonds to be redeemed and ending on the close of business on such date on which the applicable notice of redemption is given; or (b) register the transfer or exchange of this Bond after it has been selected for redemption, in whole or in part, until after the date fixed for redemption.

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



So long as The Depository Trust Company (“DTC”) or its nominee, CEDE & CO., is the registered owner hereof, all payments of principal of and interest on this Bond shall be payable in the manner and at the respective time of payment provided for in the Letter of Representations (the “Letter of Representations”).

So long as DTC or its nominee, CEDE & CO., is the registered owner of this Bond, if all or less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods described in the Letter of Representations. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be selected by the Township in any order the Township may decide and within a maturity by lot selected by DTC. In the event DTC or its nominee, CEDE & CO., is not the registered owner of the Bonds, then the selection by lot within a maturity of the Bonds to be redeemed shall be made by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

It hereby is 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 Bond or in creation of the debt of which this Bond 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 Bond, together with any other indebtedness of the Township, if any, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by the Township. The Township has covenanted, in the Ordinance, with the registered owners from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the Township, as appropriate, shall include the amount of debt service, for each fiscal year of the Township 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 Bond 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 Township has and does pledge, irrevocably, its full faith, credit and taxing power. The Debt Act provides that the foregoing covenant of the Township shall be enforceable specifically.

The Township, in the Ordinance, has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Bond 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 Bond.

This Bond is issuable only in the form of a fully registered bond, without coupons, in the denomination of \$5,000 or any whole multiple thereof. This Bond or this Bond, together with other Bonds, at the option of the registered owner hereof, may be exchanged for an aggregate principal amount of a registered Bond or Bonds of the same series, designation, maturity and interest rate of any authorized denomination.

This Bond has been determined to be and has been designated by the Township or is deemed designated as a “qualified tax exempt obligation” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance and shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the Certificate of Authentication endorsed hereon duly signed by or in behalf of the Paying Agent.

The owner of this Bond, by acceptance hereof, shall be deemed to have assented to all terms and conditions of the Ordinance.

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IN WITNESS WHEREOF, the Township of East Pennsboro, Cumberland County, Pennsylvania, has caused this Bond to be duly executed in its name and on its behalf by the manual signature of the President or Vice President of Township Board of Commissioners and a manual seal to be imprinted hereon and attested by the manual signature of its Secretary or Assistant Secretary.

ATTEST:

TOWNSHIP OF EAST PENNSBORO,  
Cumberland County, Pennsylvania

Specimen  
(Assistant) Secretary

By: Specimen  
(Vice) President

[SEAL]

CERTIFICATE OF AUTHENTICATION AND CERTIFICATE AS TO OPINION  
CERTIFICATE AS TO INSURANCE

It is certified that:

(i) This Bond is one of the Bonds designated therein, described in the within mentioned Ordinance;

(ii) The Opinion of Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, attached hereto, is a true and correct copy of an original Opinion which was signed and dated as of the date of original delivery of the Bonds and is on file at our designated corporate trust office described in the within mentioned Ordinance where the same may be inspected; and

(iii) The Statement of Insurance printed hereon refers to an original policy of insurance issued by of \_\_\_\_\_, New York, New York and on file at our designated corporate trust office where the same may be inspected.

\_\_\_\_\_  
as Paying Agent  
By: \_\_\_\_\_  
Authorized Representative

DATE OF AUTHENTICATION: \_\_\_\_\_

STATEMENT OF INSURANCE

[TO BE COMPLETED]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common	UNIF GIFT MIN ACT-	
TEN ENT - as tenants by the entireties	_____ (Cust)	
JT TEN - as joint tenants with	_____	Minor)
right of survivorship and	under Uniform Gifts to Minors Act	
not as tenants in common	_____	(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

Please insert Social Security or other identifying number of assignee

(Please print or typewrite name and address including postal zip code of transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the Bond, in every particular, without alteration or enlargement, or any change whatever.

[END FORM OF BOND]

**SECTION 28. Ratification.**

The Township hereby ratifies and confirms authorization to the Solicitor to the Township, Coyne & Coyne, P.C., Esquire, Bond Counsel, Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, the financial advisor, PFM Financial Advisors LLC (the "Financial Advisor"), and the Purchasers to undertake the necessary steps or to take necessary action relating to the marketing and issuance of the Bonds, including but not limited to the preparation and distribution of the Preliminary Official Statement.

**SECTION 29. Disclosure Covenants.**

In accordance with Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended, the Township hereby covenants, with and for the benefit of the holders and beneficial

owners (which shall include any person or entity that has a pecuniary interest in any of the Bonds) from time to time of the Bonds, to provide to the Municipal Securities Rulemaking Board (the "MSRB") in the manner prescribed by the MSRB (currently through the MSRB's Electronic Municipal Market Access (EMMA) System), on an annual basis, certain annual financial information and operating data identified in the Township's Continuing Disclosure Certificate, to be dated and executed concurrently with the issuance of the Bonds, commencing with the fiscal year ending December 31, 2019. Such financial information and operating data shall be provided by October 1st after the end of each fiscal year. The Township hereby also covenants, with and for the benefit of the holders and beneficial owners from time to time of the Bonds, to provide to the MSRB for disclosure through its EMMA System, (A) in a timely manner, notice of a failure to provide the required annual financial information specified above, on or before the date specified above, and (B) in a timely manner not in excess of ten (10) business days after the occurrence of any of the following events with respect to the Bonds: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of the holders of the Bonds, if material; (viii) bond calls, if material, and tender offers; (ix) defeasance of the Bonds or any portion thereof; (x) release, substitution or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the obligated person; (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Township's covenants in the immediately preceding paragraph shall terminate upon legal defeasance, or other arrangement whereby the Township is released from any further obligations with respect to the Bonds, prior to redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Township shall give prompt notice of such termination to the MSRB.

Proper officers or officials of the Township hereby are authorized in the name and on behalf of the Township to amend or terminate, in whole or in part, any of the foregoing covenants in this Section, without the consent of the holders or beneficial owners of the Bonds, provided that (A) the amendment requires the Township to provide more information than was required by this Section prior to the amendment, without diminishing in any way the obligations of the Township to provide information hereunder as required by this Section prior to the amendment, or (B) the following conditions are satisfied: (i) the amendment or termination is in connection with a change in circumstances that arises from a change in or clarification of legal requirements, change of law, or change in the identity, nature or status of an obligated person (within the meaning of the Rule) with respect to the Bonds, or the type of business conducted; (ii) such covenants, as amended, would, in the opinion of the independent nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or termination either (a) is approved by the holders of the Bonds in the same manner as provided in the Debt Act for modifications of this Ordinance with the consent of such holders or (b) does not, in the opinion of independent nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds. The Township shall give prompt notice of any such amendment or termination to the MSRB. In addition, the Township shall describe such amendment in the next submission to the MSRB and shall include, as applicable, a narrative explanation of the reason for the amendment and

its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by the Township. If the amendment relates to the accounting principles to be followed in preparing the Township's audited financial statements (the "Audits"), (A) the Township shall give prompt notice of such change to the MSRB, and (B) the Audits for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the Audits as prepared on the basis of the new accounting principles and the Audits prepared on the basis of the former accounting principles.

The sole remedy for a breach by the Township of any of the covenants in this Section shall be an action to compel performance of such covenant. Under no circumstances may monetary damages be assessed or recovered or payment of the Bonds be accelerated, nor shall any such breach constitute a default under the Bonds. Nothing in this Section is intended as or shall be deemed a "provision of the bonds" for purposes of the Debt Act.

**SECTION 30. Subsidy Payments.**

The Township hereby terminates any right to receive subsidy payments from the United States Treasury with respect to interest to accrue on the Refunded Bonds on or after the date of original issuance of the Bonds, effective at 11:59 p.m. on the day prior to the date of the original issuance of the Bonds. The President, or Vice President, and Secretary of the Board of Commissioners are hereby authorized and directed to take any action or prepare any materials and make any filings, applications and requests, upon the advice of Bond Counsel and the Financial Advisor, that are necessary to terminate the subsidy payments from the United States Treasury for the Refunded Bonds for all periods from and after the date of original issuance of the Bonds. The Township covenants that, other than receipt of the final subsidy payment for the Refunded Bonds for interest accrued thereon not later than the day prior to the date of original issuance of the Bonds, upon delivery of the Bonds, the Township will not request nor accept direct pay subsidy payments from the United States Treasury in support of the debt service payments on the Refunded Bonds.

**SECTION 31. Severability.**

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 Ordinance that such remainder shall be and shall remain in full force and effect.

**SECTION 32. Repealer.**

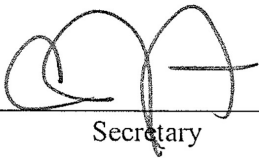
Any resolutions or ordinances, or parts thereof, not in accordance with this Ordinance hereby are repealed insofar as they conflict with this Ordinance.

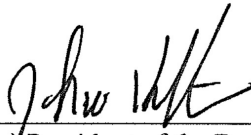
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**ENACTED** by the Board of Commissioners of the Township of East Pennsboro, in lawful session assembled, this 1<sup>st</sup> day of May, 2019.

ATTEST:

TOWNSHIP OF EAST PENNSBORO  
Cumberland County, Pennsylvania

  
\_\_\_\_\_  
Secretary

By:   
\_\_\_\_\_  
(Vice) President of the Board of Commissioners

(SEAL)

\_\_\_\_\_

SCHEDULE A

\$ \_\_\_\_\_  
 TOWNSHIP OF EAST PENNSBORO  
 CUMBERLAND COUNTY, PENNSYLVANIA  
 GENERAL OBLIGATION BONDS, SERIES OF 2019

MAXIMUM DEBT SERVICE SCHEDULE


<u>Date</u>	<u>Max Principal</u>	<u>Max Coupon</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>
9/1/2019	845,000	5.500	272,250.00	1,117,250.00	1,117,250.00
3/1/2020			719,262.50	719,262.50	
9/1/2020	1,070,000	5.500	719,262.50	1,789,262.50	2,508,525.00
3/1/2021			689,837.50	689,837.50	
9/1/2021	1,090,000	5.500	689,837.50	1,779,837.50	2,469,675.00
3/1/2022			659,862.50	659,862.50	
9/1/2022	1,105,000	5.500	659,862.50	1,764,862.50	2,424,725.00
3/1/2023			629,475.00	629,475.00	
9/1/2023	1,130,000	5.500	629,475.00	1,759,475.00	2,388,950.00
3/1/2024			598,400.00	598,400.00	
9/1/2024	1,155,000	5.500	598,400.00	1,753,400.00	2,351,800.00
3/1/2025			566,637.50	566,637.50	
9/1/2025	1,170,000	5.500	566,637.50	1,736,637.50	2,303,275.00
3/1/2026			534,462.50	534,462.50	
9/1/2026	1,195,000	5.500	534,462.50	1,729,462.50	2,263,925.00
3/1/2027			501,600.00	501,600.00	
9/1/2027	1,210,000	5.500	501,600.00	1,711,600.00	2,213,200.00
3/1/2028			468,325.00	468,325.00	
9/1/2028	1,240,000	5.500	468,325.00	1,708,325.00	2,176,650.00
3/1/2029			434,225.00	434,225.00	
9/1/2029	1,275,000	5.500	434,225.00	1,709,225.00	2,143,450.00
3/1/2030			399,162.50	399,162.50	
9/1/2030	1,290,000	5.500	399,162.50	1,689,162.50	2,088,325.00
3/1/2031			363,687.50	363,687.50	
9/1/2031	1,320,000	5.500	363,687.50	1,683,687.50	2,047,375.00
3/1/2032			327,387.50	327,387.50	
9/1/2032	1,355,000	5.500	327,387.50	1,682,387.50	2,009,775.00
3/1/2033			290,125.00	290,125.00	
9/1/2033	1,390,000	5.500	290,125.00	1,680,125.00	1,970,250.00
3/1/2034			251,900.00	251,900.00	
9/1/2034	1,420,000	5.500	251,900.00	1,671,900.00	1,923,800.00
3/1/2035			212,850.00	212,850.00	
9/1/2035	1,450,000	5.500	212,850.00	1,662,850.00	1,875,700.00
3/1/2036			172,975.00	172,975.00	
9/1/2036	1,500,000	5.500	172,975.00	1,672,975.00	1,845,950.00
3/1/2037			131,725.00	131,725.00	
9/1/2037	1,535,000	5.500	131,725.00	1,666,725.00	1,798,450.00
3/1/2038			89,512.50	89,512.50	
9/1/2038	1,595,000	5.500	89,512.50	1,684,512.50	1,774,025.00
3/1/2039			45,650.00	45,650.00	
9/1/2039	1,660,000	5.500	45,650.00	1,705,650.00	1,751,300.00
3/1/2040					
TOTALS	27,000,000		16,446,375.00	43,446,375.00	43,446,375.00

**CERTIFICATE**

I, the undersigned, Secretary of the Township of East Pennsboro, Cumberland County, Pennsylvania (the "**Township**"), certify that: the foregoing Ordinance was enacted by the affirmative vote of a majority of the entire Board of Commissioners of the Township at a meeting convened and held according to law on May 1, 2019; said Ordinance was enacted by an aye and nay vote; said Ordinance and the vote thereon has been recorded in the minutes of said meeting; and said Ordinance remains in effect, unaltered and unamended, as of the date of this Certificate.

I further certify that the meeting at which the Board of Commissioners of the Township enacted said Ordinance was a public meeting duly held after giving public notice of the date, time and place of such meeting by posting, publishing and mailing such notice at the time and in the manner required by the Sunshine Act, 65 Pa. C.S. § 701 *et seq.*, as amended.

**IN WITNESS WHEREOF**, I affix my hand and the official seal of the Township, this 1<sup>st</sup> day of May, 2019.

  
\_\_\_\_\_  
Secretary

(SEAL)