

**TOWNSHIP OF HELLAM
YORK COUNTY, PENNSYLVANIA**

ORDINANCE NO. – 2022-01

AN ORDINANCE

OF THE TOWNSHIP OF HELLAM, YORK COUNTY, PENNSYLVANIA, AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2022, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$1,025,000 (THE “NOTE”), PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT FOR (I) FINANCING THE PURCHASE OF A NEW FIRE TRUCK AND RELATED EQUIPMENT, AND (II) PAYING THE COSTS OF FINANCING THE PROJECT; ACCEPTING A PROPOSAL FOR PURCHASE OF THE NOTE; FIXING THE SUBSTANTIAL FORM OF THE NOTE; SETTING FORTH THE TERMS AND CONTAINING THE FORM OF THE NOTE; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY FOR THE NOTE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP TO SECURE THE NOTE; AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS.

WHEREAS, Township of Hellam, York County, Pennsylvania (the “**Township**”), is a township of the second class existing under 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, of the Commonwealth (the “**Debt Act**”); and

WHEREAS, the Board of Supervisors of the Township desires to undertake a capital project (the “**Project**”) consisting of financing (i) the purchase of a new fire truck and related equipment, and (ii) the payment of the costs of issuance of the Township’s debt incurred to fund such capital project; and

WHEREAS, the Board of Supervisors of the Township has determined to incur nonelectoral debt in the principal amount not to exceed \$1,025,000 by issuance and sale of its Note (hereinafter defined) in accordance with provisions of the Debt Act, for the purpose of providing funds to be used, together with other moneys available for the purpose, for and toward funding a portion of the costs of the Project; and

WHEREAS, Peoples Security Bank and Trust Company, Lebanon, Pennsylvania (the “**Purchaser**”) has presented to the Board of Supervisors of the Township a proposal (the “**Proposal**”), for the purchase of the Note; and

WHEREAS, the Board of Supervisors of the Township desires to accept the Proposal of the Purchaser, to award the Note to the Purchaser and to incur nonelectoral debt, in the amount set forth herein, pursuant to provisions of the Debt Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Supervisors of the Township, as follows:

Section 1. The Project. The Board of Supervisors of the Township hereby undertakes as a project, the Project. The description of the Project contained in the recitals to this Ordinance hereby is incorporated into this Section by reference as if set out here at length. The Township hereby estimates that the Project will be completed by December 1, 2023.

Section 2. Incurrence of Indebtedness. For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the Project, the incurring of nonelectoral debt by the Township in the principal amount not to exceed \$1,025,000 hereby is authorized. Such debt shall be evidenced by the issuance of a general obligation note of the Township, designated generally as its “General Obligation Note, Series of 2022”, in the principal amount not to exceed \$1,025,000 (the “**Note**”).

Section 3. Approval of Invited Sale. The Board of Supervisors of the Township hereby determines that the Note shall be sold at an invited sale and hereby determines that an invited sale of the Note is in the best financial interest of the Township.

Section 4. Acceptance of Proposal. The Board of Supervisors of the Township accepts the Proposal of the Purchaser to purchase the Note; and the Note is awarded and sold to the Purchaser at a private sale at a price of \$1,025,000 (100% of the principal amount). The proper officers of the Township are authorized and directed to execute and deliver an acceptance of the Proposal to the Purchaser. One counterpart of the Proposal shall be filed with the records of the Township.

Section 5. Interest Rates and Payment Installments. The Note shall bear interest at the tax-exempt fixed rate of 2.29% *per annum* (the “**Fixed Rate**”) from the date of delivery thereof until final maturity. Interest shall be computed on the basis of a three hundred sixty (360) day year consisting of a twelve (12), thirty (30) day months. The Note matures on December 1, 2037 (the “**Maturity Date**”).

So long as no Determination of Taxability (as defined in the form of the Note set forth in Exhibit B attached hereto) has occurred, interest on the principal of the Note shall be paid at the tax-exempt rate set forth above. However, upon the occurrence of a Determination of Taxability while the Note is outstanding, the interest rate payable on the unpaid principal balance under the Note shall be increased from the date of the Event of Taxability (as defined in the form of the Note set forth Exhibit B attached hereto), to equal a taxable fixed rate of 2.88%.

The Note shall be payable in semiannual installments of interest and annual installments of principal in the maximum amounts set forth in Exhibit A attached hereto and incorporated herein from the date of issuance of the Note to and including the Maturity Date, unless prepaid as provided herein.

Section 6. Appointment of Paying Agent, Registrar and Sinking Fund Depository. The Township hereby appoints Peoples Security Bank and Trust Company, having an office in Lebanon, Pennsylvania, as paying agent (“**Paying Agent**”) and registrar (“**Registrar**”) for the Note and sinking fund depository (“**Sinking Fund Depository**”) with respect to the Sinking Fund created pursuant to Section 11. The appropriate officers of the Township are authorized and directed to contract with Peoples Security Bank and Trust Company, for its services as Sinking Fund Depository, Paying Agent and Registrar at such charges, if any, 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. Payment Dates. The Note shall be fully registerable as to principal and interest and shall be dated as of the date of issuance and delivery thereof. The interest on the Note shall be payable as provided in the form of Note attached hereto as Exhibit B, on June 1 and December 1 of each year, commencing on December 1, 2022, through and including the Maturity Date. The principal of the Note shall be payable as provided in the form of Note attached hereto as Exhibit B, on December 1 of each year, commencing on December 1, 2023, through and including the Maturity Date.

The principal of and interest on the Note shall be payable in lawful moneys of the United States of America to the registered owner at the office of Peoples Security Bank and Trust Company in Lebanon, Pennsylvania, or such other office from time to time designated by written notice to the then registered owner.

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

Section 8. Execution of Note. The Note shall be executed in the name of and on behalf of the Township by the manual signatures of the Chairperson or Vice Chairperson of Board of Supervisors of the Township and the official seal of the Township shall be affixed thereunto and the manual or facsimile signature of the Secretary of the Township shall be affixed thereunto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Note.

Section 9. General Obligation Covenant. The Note hereby is declared to be a general obligation of the Township. The Township covenants to and with the registered owners, from time to time, of the Note, pursuant to this Ordinance, that the Township, as appropriate, shall include the amount of the debt service for each fiscal year of the Township in which such 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 the Note and the applicable interest thereon on the dates and at the place and in the manner stated in the Note, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant of the Township shall be enforceable specifically.

The maximum amounts of the debt service for each fiscal year of the Township in which such sums are payable are set forth in Exhibit A, attached hereto and incorporated herein.

Section 10. Prepayments. The principal amount of and interest due on the Note shall be subject to prepayment prior to maturity, at the option of the Township, as a whole or, from time to time, in part, on any date, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the Township may designate in writing to the Purchaser at the time of prepayment; otherwise, a partial prepayment shall be applied against the principal installments last, by date, due and payable.

Section 11. Creation of Sinking Fund.

(a) **Deposit.** There hereby is established, pursuant to Section 8221 of the Debt Act, a sinking fund for the Note, to be known as “Township of Hellam – 2022 General Obligation Note Sinking Fund” (the “**Sinking Fund**”), into which the Township covenants to deposit, and into which the proper officers of the Township hereby are authorized and directed to deposit (i) on or before December 1 2022, and on or before each June 1 and December 1 thereafter to and including December 1, 2037, amounts sufficient to pay the interest on the Note when due on such dates, and (ii) on or before December 1, 2023, and on or before each December 1 thereafter to and including December 1, 2037, amounts sufficient to pay the principal of the Note when due on such dates. 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, whether by reason of funds already on deposit in the Sinking Fund or by reason of optional deposits as described in subsection (b) below, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Application of Funds. All sums in the Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted in Section 9 hereof to be paid 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 19 hereof. The Sinking Fund shall be kept as a separate account at 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 principal of and interest on the Note as and when due to the registered owner thereof.

(c) Optional Deposits. Notwithstanding the foregoing, in the case of optional prepayment of the Note as permitted by Section 10 hereof, the Treasurer hereby is authorized and directed to deposit from time to time before the optional prepayment date funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Note so prepaid and the interest thereon to the date of prepayment.

Section 12. Cost and Realistic Useful Life. Reasonable cost estimates have been obtained for the Project with the assistance of professional engineers and other persons qualified by experience. The estimated cost of the Project is at least \$1,025,000.

The estimated useful life of the Project is at least twenty (20) years. Therefore, the principal installments of the Note are in accordance with § 8142(a)(2) of the Debt Act.

In accordance with Section 8142(b)(1) of the Debt Act, the principal installments of the Note have been fixed so as to amortize the Note on at least an approximately level annual debt service plan during the term of the Note.

Section 13. Advertising. The action of the officers of the Township in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The proper officers 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 15 days after final enactment. The 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 14. Filing with Department of Community and Economic Development. The Chairperson or Vice Chairperson of the Board of Supervisors of the Township and the 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 Note, 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 Note 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 15. Approval. The appropriate officers of the Township are authorized and directed to deliver the Note, upon execution and attestation thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval of the required filing pursuant to Section 8204 of the Debt Act or such approval of the required filing shall be deemed to have occurred, as provided in Section 8206 of the Debt Act.

Section 16. Internal Revenue Code Covenants.

(a) **General.** The Township hereby covenants with the registered owners, from time to time, of the Note that no part of the proceeds of the Note 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 Note, would have caused the Note to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Note, and that it will comply with the requirements of that section and the Regulations throughout the term of the Note.

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

(c) **Qualified Tax-Exempt Obligation Designation.** The Township hereby determines for purposes of the Code that the Note shall be and hereby is designated as a “qualified tax exempt obligation” to the extent the Note is acquired by any “financial institution”, as defined in Section 265(b)(3) of the Code, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

The Township hereby reasonably anticipates that the total amount of qualified tax exempt obligations (other than non 501(c)(3) private activity bonds) which will be issued by it and all subordinate entities during the calendar year 2022 will not exceed \$10,000,000, within the meaning of Section 265(b)(3) of the Code, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

(d) **Filing.** The Township will file with the 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 Note to be excluded from gross income for federal income tax purposes.

Section 17. Clearing Account and Project Account.

(a) **Clearing Account.** The Township hereby creates with the Paying Agent a special fund to be known as the Township of Hellam 2022 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 Note to the Paying Agent for deposit to the Clearing Account. Upon written directions from the Township signed by the Chairperson or Vice Chairperson of the Board of Supervisors of the Township, the Paying Agent shall (1) pay out of the Clearing Account the costs and expenses of the issuance of the Note, and (2) deposit the remaining proceeds of the Note to the Project Account as described in subsection (b) below. The written directions from the Township shall state 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 the 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) Project Account. The Township hereby creates a special account to be known as the Township of Hellam 2022 Project Account (the “**Project Account**”) to be established in the name of the Township with one or more banks designated by the Board of Supervisors of the Township as depositories (the “**Project Account Depository**”). The Township will draw down proceeds of the Note, from time to time, to pay costs of the Project, pursuant to a Disbursement Agreement (hereinafter defined), to be dated the closing date, between the Township and the Purchaser, the preparation of which is hereby authorized and approved, and shall contain such terms and conditions consistent with this Ordinance and as set forth in the Proposal.

Section 18. Disbursement Agreement. The Chairperson or Vice Chairperson of the of the Board of Supervisors and the Secretary of the Township are authorized and directed to execute, attest and deliver, on behalf of the Township, a Disbursement Agreement, between the Township and the Purchaser (the “**Disbursement Agreement**”), in the form hereinafter approved, providing for, *inter alia*, the disbursement of the proceeds of the Note by the Purchaser to the Township at the times and in the amounts as periodically requested by the Township to be applied for and toward the costs and expenses of the Project. Such Disbursement Agreement shall contain such provisions as shall be in substance and form satisfactory to note counsel, to the solicitor of the Township and the officers of the Township executing the same.

Section 19. Payment of Expenses. All expenses incurred in connection with issuance of the Note, shall be paid out of the proceeds derived from the issuance of the Note and the proper officers and officials are authorized to sign and deliver requests for payment of such expenses.

Section 20. Investment. Any moneys in the Project Account may be invested or deposited as permitted by applicable law for funds of the Township or as permitted under the Debt Act. As to the Project Account, proper officers of the Township shall designate such investments in such combination as to provide safety of principal, liquidity to any construction draws and maximum investment income.

Any moneys in the Sinking Fund 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 Note.

Section 21. General Authorization. The officers and officials of the Township including the Chairperson or Vice Chairperson of Board of Supervisors of the Township and the Secretary 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 Note, all in accordance with this Ordinance.

Section 22. Authorization of Officers. Any authorization granted to, power conferred on, or direction given to the Chairperson of the Board of Supervisors of the Township and the Secretary of the Township, shall be deemed to run to the Vice Chairperson of the Board of Supervisors or 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.

Section 23. Form of Note. The form of Note shall be substantially in the form attached hereto as Exhibit B, which form hereby is incorporated herein and, together with such changes as shall be deemed appropriate by the officers of the Township executing the same, hereby is approved.

Section 24. 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 the Township that such remainder shall be and shall remain in full force and effect.

Section 25. Repealer. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

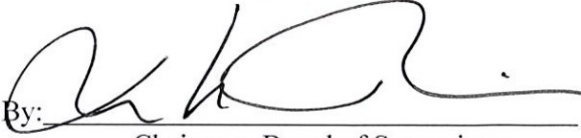
Section 26. Effective Date. This Ordinance shall become effective in accordance with Section 8003 of the Debt Act.

DULY ENACTED AND ORDAINED this 3rd day of February, 2022, by the Board of Supervisors of the Township of Hellam, York County, Pennsylvania, in lawful session duly assembled.

ATTEST:

TOWNSHIP OF HELLAM
York County, Pennsylvania


Secretary

By: 
Chairman, Board of Supervisors

(SEAL)

EXHIBIT A

Maximum Debt Service Schedule



Hellam Township					
General Obligation Note					
Series of 2022					
Not to Exceed Debt Service Schedule					
1	2	3	4	Dated 5	3/3/2022 6
Date	Principal Installment	Rate* 2.290	Interest	Debt Service	Annual Debt Service
6/1/2022					
12/1/2022		2.290	17,473.97	17,473.97	17,473.97
6/1/2023		2.290	11,736.25	11,736.25	
12/1/2023	58,000	2.290	11,736.25	69,736.25	81,472.50
6/1/2024		2.290	11,072.15	11,072.15	
12/1/2024	59,000	2.290	11,072.15	70,072.15	81,144.30
6/1/2025		2.290	10,396.60	10,396.60	
12/1/2025	61,000	2.290	10,396.60	71,396.60	81,793.20
6/1/2026		2.290	9,698.15	9,698.15	
12/1/2026	62,000	2.290	9,698.15	71,698.15	81,396.30
6/1/2027		2.290	8,988.25	8,988.25	
12/1/2027	64,000	2.290	8,988.25	72,988.25	81,976.50
6/1/2028		2.290	8,255.45	8,255.45	
12/1/2028	65,000	2.290	8,255.45	73,255.45	81,510.90
6/1/2029		2.290	7,511.20	7,511.20	
12/1/2029	66,000	2.290	7,511.20	73,511.20	81,022.40
6/1/2030		2.290	6,755.50	6,755.50	
12/1/2030	68,000	2.290	6,755.50	74,755.50	81,511.00
6/1/2031		2.290	5,976.90	5,976.90	
12/1/2031	70,000	2.290	5,976.90	75,976.90	81,953.80
6/1/2032		2.290	5,175.40	5,175.40	
12/1/2032	71,000	2.290	5,175.40	76,175.40	81,350.80
6/1/2033		2.290	4,362.45	4,362.45	
12/1/2033	73,000	2.290	4,362.45	77,362.45	81,724.90
6/1/2034		2.290	3,526.60	3,526.60	
12/1/2034	74,000	2.290	3,526.60	77,526.60	81,053.20
6/1/2035		2.290	2,679.30	2,679.30	
12/1/2035	76,000	2.290	2,679.30	78,679.30	81,358.60
6/1/2036		2.290	1,809.10	1,809.10	
12/1/2036	78,000	2.290	1,809.10	79,809.10	81,618.20
6/1/2037		2.290	916.00	916.00	
12/1/2037	80,000	2.290	916.00	80,916.00	81,832.00
Totals	1,025,000		215,192.57	1,240,192.57	1,240,192.57

*Fixed Rate entire term

EXHIBIT B

FORM OF NOTE

\$1,025,000
(OR SO MUCH THEREOF
AS IS ADVANCED)

\$1,025,000
(OR SO MUCH THEREOF
AS IS ADVANCED)

**UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF YORK
TOWNSHIP OF HELLAM
General Obligation Note, Series of 2022**

The **TOWNSHIP OF HELLAM**, York County, Pennsylvania (the "**Township**"), a township of the second class existing under laws of the Commonwealth of Pennsylvania (the "**Commonwealth**"), for value received, acknowledges itself to be indebted to and promises to pay to Peoples Security Bank and Trust Company (the "**Bank**"), or registered assigns, the principal sum of **ONE MILLION TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$1,025,000.00)**, or so much thereof as is advanced under the Disbursement Agreement, dated concurrently herewith, between the Township and the Bank, payable in the stated minimum principal installments set forth in the Payment Record attached hereto and incorporated herein on December 1 of each year, beginning December 1, 2022, unless this Note shall have been prepaid, in whole, as herein permitted, and to pay interest on the unpaid principal balance (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable initially on December 1, 2023, and on each June 1 and December 1 (each, an "**Interest Payment Date**") thereafter, from the immediately preceding Interest Payment Date to which interest has been paid, unless: (a) this Note is registered as of an Interest Payment Date, in which event this Note shall bear interest from such Interest Payment Date; or (b) this Note is registered prior to December 1, 2022, in which event this Note shall bear interest from the dated date; or (c) as shown by the records of the Paying Agent, interest on this Note shall be in default, in which event this Note shall bear interest from the date on which interest was last paid, until the principal sum thereof is paid.

This Note will be issued on a draw down basis and serves as a non-revolving loan, with advances to be made to the Township, from time to time, upon the Township's request, through December 1, 2023, for the purpose of paying project costs, subject to and upon the terms of the Disbursement Agreement of even date herewith. Interest shall accrue on the amount of each advance from the date of such advance as set forth below.

This Note shall bear interest from the date of delivery of this Note at the tax-exempt fixed rate of 2.29% per annum (the "**Tax-Exempt Fixed Rate**") until final maturity on December 1, 2037. So long as no Determination of Taxability (defined below) has occurred, interest on the principal hereof shall be paid at the Tax-Exempt Rate. However, upon the occurrence of a Determination of Taxability while this Note is outstanding, the interest rate payable on the unpaid principal balance hereunder shall be increased from the date of the Event of Taxability (defined below), to equal a taxable fixed rate of 2.88%.

"**Determination of Taxability**" means (i) the issuance by the Internal Revenue Service to the Bank or registered owner of this Note of a statutory notice of deficiency or similar notice with respect to the

occurrence of an Event of Taxability; or (ii) the date when the Bank or registered owner of this Note notifies the Township that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of tax-exempt municipal finance to the effect that an Event of Taxability has occurred; provided that the Township shall have the opportunity, at its sole cost and expense, for a period of 180 days following notice received by the Bank or registered owner of this Note to contest such Determination of Taxability and during such period no Determination of Taxability shall be deemed to have occurred so long as the Township promptly reimburses the Bank or registered owner of this Note for any (x) any payments such Bank or registered owner of this Note is required to make or (y) loss associated with the inclusion of interest paid or payable on this Note, in whole or in part, in the gross income of the Bank or registered owner of this Note for federal income tax purposes, during such period.

“Event of Taxability” means the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Township, or the failure to take any action by the Township, or the making by the Township of any misrepresentation in any agreement or certificate required to be given in connection with the issuance, sale or delivery of this Note) which has the effect of causing interest paid or payable on this Note to become includable, in whole or in part, in the gross income of the Bank or registered owner of this Note for federal income tax purposes.

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

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

The principal hereof is subject to prepayment, at the option of the Township, as a whole, or, from time to time, in part, on any date, in any amount, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for prepayment. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the Township may designate in writing to the registered owner hereof at the time of prepayment, otherwise a partial prepayment shall be applied against the principal installments 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 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.

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 Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the 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 this Note that the Township, as appropriate, shall include the maximum amount of debt service as set forth in Exhibit A to the Ordinance, 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 Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the 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 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 issuable only in the form of a fully registered Note, without coupons.

The Township has designated, under and for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, this Note as a “qualified tax-exempt obligation”, as such phrase is defined in Section 265(b)(3)(B) of such Code.

IN WITNESS WHEREOF, the **TOWNSHIP OF HELLAM**, York County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Note to be executed in its name and in its behalf by its Chairperson or Vice Chairperson of the Board of Supervisors and the official seal of the Township to be affixed hereunto and the signature of its Secretary to be affixed hereunto in attestation thereof and to be delivered as of this __ day of March, 2022.

ATTEST:

TOWNSHIP OF HELLAM,

York County, Pennsylvania

/s/ *Cosina R. Mann*
Secretary

(SEAL)

By: *[Signature]*
(Vice) Chair, Board of Supervisors

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED
REPRESENTATIVE OF PEOPLES SECURITY BANK AND TRUST COMPANY,
LEBANON, PENNSYLVANIA (THE "PAYING AGENT")

DATE OF REGISTRY	NAME OF REGISTERED OWNER	REGISTERED BY AUTHORIZED REPRESENTATIVE OF THE PAYING AGENT
March __, 2022	Peoples Security Bank and Trust Company Lebanon, Pennsylvania	

PAYMENT RECORD

Installments of Principal and Interest			Principal Prepayments			
Due Date of Payment	Minimum Installment of Principal	Amount of Interest	Date of Prepayment	Amount of Principal Prepaid	Amount of Principal Remaining Unpaid	Signature of Authorized Officer of the Paying Agent; Date
12/01/2022		\$		\$	\$	
06/01/2023		\$		\$	\$	
12/01/2023	\$58,000	\$		\$	\$	
06/01/2024		\$		\$	\$	
12/01/2024	\$59,000	\$		\$	\$	
06/01/2025		\$		\$	\$	
12/01/2025	\$61,000	\$		\$	\$	
06/01/2026		\$		\$	\$	
12/01/2026	\$62,000	\$		\$	\$	
06/01/2027		\$		\$	\$	
12/01/2027	\$64,000	\$		\$	\$	
06/01/2028		\$		\$	\$	
12/01/2028	\$65,000	\$		\$	\$	
06/01/2029		\$		\$	\$	
12/01/2029	\$66,000	\$		\$	\$	
06/01/2030		\$		\$	\$	
12/01/2030	\$68,000	\$		\$	\$	
06/01/2031		\$		\$	\$	
12/01/2031	\$70,000	\$		\$	\$	
06/01/2032		\$		\$	\$	
12/01/2032	\$71,000	\$		\$	\$	
06/01/2033		\$		\$	\$	
12/01/2033	\$73,000	\$		\$	\$	
06/01/2034		\$		\$	\$	
12/01/2034	\$74,000	\$		\$	\$	
06/01/2035		\$		\$	\$	
12/01/2035	\$76,000	\$		\$	\$	
06/01/2036		\$		\$	\$	
12/01/2036	\$78,000	\$		\$	\$	
06/01/2037		\$		\$	\$	
12/01/2037	\$80,000	\$		\$	\$	