

**BOROUGH OF LEWISTOWN,  
Mifflin County, Pennsylvania**

---

**ORDINANCE NO. 9**

---

**OF THE BOROUGH OF LEWISTOWN AUTHORIZING AND SECURING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$2,000,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO CONSTRUCT IMPROVEMENTS TO ITS PUBLIC SANITARY SEWER SYSTEM, AND PAY RELATED EXPENSES; ACCEPTING A BANK LOAN PROPOSAL TO PURCHASE THE NOTE; SETTING FORTH THE TERMS AND SUBSTANTIAL 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 BOROUGH TO SECURE THE NOTE; AND CONTAINING RELATED PROVISIONS.**

---

**WHEREAS**, the Council of the Borough of Lewistown, in Mifflin County, Pennsylvania (the "Borough"), has determined to incur nonelectoral debt to be evidenced by a general obligation note, in the maximum principal amount of Two Million Dollars (\$2,000,000), as interim financing for a capital project; and

**WHEREAS**, the Council of this Borough has obtained cost estimates, as such costs are defined in the Act of the General Assembly of the Commonwealth of Pennsylvania (the "Commonwealth") known as the Local Government Unit Debt Act (the "Debt Act"), of the Sewer Project (hereinafter defined) to be financed, and has determined that such costs will be at least \$2,000,000; and

**WHEREAS**, a loan proposal for the purchase of such general obligation note has been requested from and has been received from Kish Bank (the "Bank"), having an office in Lewistown, Pennsylvania; and

**WHEREAS**, the Council of this Borough desires to accept the loan proposal of the Bank, to award the Note (hereinafter defined) to the Bank, in a private sale by negotiation, and to incur nonelectoral debt in the amount of \$2,000,000, in connection with the Sewer Project (hereinafter defined), pursuant to the Debt Act.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED**, by the Council of this Borough, as follows:

**SECTION 1.** The Council of this Borough hereby authorizes the issuance of a general obligation note of this Borough (the "Note"), to the Bank, pursuant to and secured by this Ordinance. The Note shall be in the maximum principal amount of \$2,000,000, in accordance with the Debt Act. The proceeds of the Note shall be used to fund the planning, designing, engineering, acquiring, constructing, reconstructing, rehabilitating, furnishing and equipping, as applicable, of renovations and improvements to the Borough's sanitary sewer system (the "Sewer Project"), and pay related costs and expenses. The Note shall be in the form of a draw-down loan which shall be repaid from long-term loan, and principal forgiveness loan, reimbursements receivable from the Pennsylvania Infrastructure Investment Authority ("PennVest") in connection with the Sewer Project.

**SECTION 2.** The Council of this Borough expresses its finding that it is in the best financial interests of this Borough to sell the Note in a private sale by negotiation and determines that the debt, of which the Note shall be evidence, incurred pursuant to this Ordinance shall be nonelectoral debt of this Borough.

**SECTION 3.** The reasonably estimated useful life of the facilities to be constructed as part of the Sewer Project is at least forty (40) years. The maturity date of the Note is not beyond one year after the estimated date of completion of construction of the Sewer Project.

**SECTION 4.** The Council of this Borough shall and does accept the proposal of the Bank to purchase the Note and selects the fixed rate option. The Note shall be and is awarded to the Bank, in accordance with the loan proposal, the original of which is on file with the Secretary of this Borough at a total purchase price of \$2,000,000 (100% of the principal amount advanced), the Bank having submitted such proposal in accordance with provisions of the Debt Act.

**SECTION 5.** The Note, when issued, will be a general obligation note of this Borough.

**SECTION 6.** The Note shall be stated to mature on the date not more than two (2) years from the issuance date thereof. The Note shall bear interest as described in the substantial form of the Note attached hereto as Exhibit "A," together with appropriate insertions, omissions and variations.

A schedule illustrating the maximum interest rate and principal and interest payments on the Note, until the maturity date thereof, is attached hereto as Exhibit "B" and made a part hereof. Principal of the Note shall be advanced to this Borough by the Bank, from time to time, through and including November 5, 2026, and may be prepaid by this Borough, from time to time, from the proceeds of PennVest loan, and principal forgiveness loan, funds of this Borough in connection with the Sewer Project or other funds of this Borough dedicated for such purpose, until the maturity date of the Note.

**SECTION 7.** The Note shall be subject to prepayment prior to maturity, at the option of this Borough, as a whole, on any date, by paying the outstanding principal balance thereof, together with accrued interest to the date fixed for such prepayment. This Borough, at its option,

from time to time, on any date, may prepay any part of the principal of the Note. Any such prepayment shall be without penalty.

Any prepayment, as hereinbefore authorized, in whole, shall be upon five (5) days written notice addressed to the registered owner thereof at the time of such prepayment, as such registered owner and address shall appear on the books of this Borough to be kept by the Bank, as paying agent, for such purpose. On the date designated for prepayment, notice having been given, and money for the payment of the principal and accrued interest being held by the Bank, as paying agent, interest on the Note so called for prepayment or on any part of the principal of the Note selected for prepayment shall cease to accrue. If the principal of the Note has been called for prepayment in full, the Note shall cease to be entitled to any benefit or security under this Ordinance, and the registered owner of the Note shall have no rights with respect to the Note, except to receive payment of the principal of and accrued interest on the Note to the prepayment date.

**SECTION 8.** The principal of and interest on the Note shall be payable at the principal office or at any branch office of the Bank, as paying agent, in lawful money of the United States of America.

**SECTION 9.** The Note shall be executed in the name of and on behalf of this Borough by the manual signature of the President or Vice President of the Council of this Borough and the official seal of this Borough shall be affixed thereto and the manual signature of the Secretary of this Borough shall be affixed thereto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Note.

**SECTION 10.** This Borough covenants to and with registered owners, from time to time, of the Note outstanding, from time to time, pursuant to this Ordinance, that this Borough: (i) shall include the amount of the debt service for the Note, for each fiscal year of this Borough in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund created herein or any other of its revenues or funds the principal of the Note and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Borough shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant of this Borough shall be enforceable specifically.

**SECTION 11.** There is created, pursuant to Section 8221 of the Debt Act, a sinking fund for the Note, to be known as "Sinking Fund - General Obligation Note, Series of 2025" (the "Sinking Fund"), which shall be administered in accordance with applicable provisions of the Debt Act.

This Borough appoints the Bank as the sinking fund depository with respect to the Sinking Fund. The President or Vice President of the Council and the Secretary, respectively, of this Borough are authorized and directed to contract with the Bank for its services as sinking fund depository in connection with the Sinking Fund and in connection with the Note. This Borough covenants to make payments out of the 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 the Note when due.

**SECTION 12.** The President or Vice President of the Council and the Secretary, respectively, of this Borough, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file with the Department of Community and Economic Development of the Commonwealth (the "Department") the debt statement required by the Debt Act; (b) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by the Debt Act; (c) to prepare and to file, if applicable, any statements required by the Debt Act that are necessary to qualify all or any portion of nonelectoral and/or lease rental debt of this Borough that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Debt Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

Said officers of this Borough are authorized and directed to prepare an appropriate borrowing base certificate to be appended to the debt statement authorized herein.

**SECTION 13.** It is declared that the debt to be incurred hereby, together with any other indebtedness of this Borough, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of debt by this Borough, which is evidenced by the Note.

**SECTION 14.** The Secretary of this Borough is authorized and directed to deliver the Note, after execution and attestation thereof as provided for herein, to the Bank, as provided in its loan proposal, but only upon receipt of proper payment of the balance due therefor, if any, and only after the Department has certified its approval pursuant to Section 8204 of the Debt Act.

**SECTION 15.** This Borough covenants to and with purchasers of the issue that constitutes the Note that it will make no use of the proceeds of such issue that will cause the Note to be or become an "arbitrage bond" within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations implementing said Sections that duly have been published in the Federal Register or with any other regulations implementing said Sections, and this Borough further covenants to comply with all other requirements of the Code if and to the extent applicable to maintain continuously the Federal income tax exemption of interest on the Note.

This Borough determines that it does not reasonably expect to issue tax-exempt obligations, together with all tax-exempt obligations reasonably expected to be issued by "all subordinate entities" (within the meaning of Section 265(b)(3)(E) of the Code) of this Borough, which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2025 calendar year (excluding certain credits permitted by the Code) and, accordingly, this Borough

hereby designates the Note as a “qualified tax-exempt obligation,” as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

**SECTION 16.** In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Borough that such remainder shall be and shall remain in full force and effect.

**SECTION 17.** All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

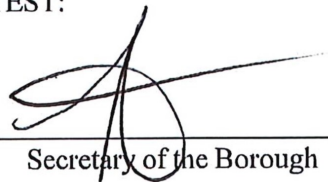
**SECTION 18.** This Ordinance shall be effective in accordance with Section 8003 of the Debt Act.

DULY ENACTED AND ORDAINED, by the Council of the Borough of Lewistown, in Mifflin County, Pennsylvania, in lawful session duly assembled, this 6<sup>th</sup> day of October, 2025.

BOROUGH OF LEWISTOWN,  
Mifflin County, Pennsylvania

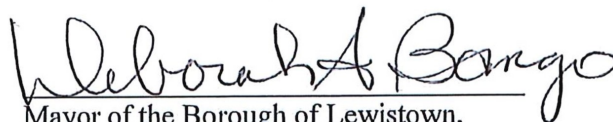
By:   
\_\_\_\_\_  
President of the Council

ATTEST:

  
\_\_\_\_\_  
Secretary of the Borough

(SEAL)

DULY EXAMINED AND APPROVED this 6 day of October, 2025.

  
\_\_\_\_\_  
Mayor of the Borough of Lewistown,  
Mifflin County, Pennsylvania