

**BOROUGH OF CHAMBERSBURG**  
**Franklin County, Pennsylvania**

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**ORDINANCE NUMBER 2020-01**

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OF TOWN COUNCIL OF THE BOROUGH OF CHAMBERSBURG, FRANKLIN COUNTY, PENNSYLVANIA (THE "BOROUGH"), AUTHORIZING AND DIRECTING THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS, SERIES OF 2020, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$\_\_\_\_,\_\_\_\_ (THE "BONDS"), AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. C.S. § 8001 *ET SEQ.*, AS AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED FOR AND TOWARD (I) FINANCING A CERTAIN CAPITAL PROJECT; AND (II) PAYING THE COSTS OF ISSUANCE OF THE BONDS; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THE BOROUGH; DETERMINING THAT THE BONDS SHALL BE SOLD AT INVITED SALE; ACCEPTING A PROPOSAL FOR PURCHASE OF THE BONDS, AT INVITED SALE, AND AWARDING THE BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING FOR MATURITIES AND INTEREST RATES; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING FOR THE TERMS OF THE BONDS INCLUDING DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES AND RECORD DATES; PROVIDING FOR THE REGISTRATION AND TRANSFER OF THE BONDS; SETTING FORTH REDEMPTION FEATURES AND PROCEDURES; PROVIDING THAT THE BONDS, WHEN ISSUED, SHALL BE GENERAL OBLIGATION BONDS OF THE BOROUGH; AUTHORIZING THE EXECUTION AND AUTHENTICATION 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 BONDS AS REQUIRED BY SUCH ACT; APPROPRIATING PROCEEDS OF THE BONDS; DESCRIBING THE CAPITAL PROJECT AND SPECIFYING A REASONABLE ESTIMATE OF THE USEFUL LIFE OF SAID CAPITAL PROJECT; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF THE BONDS AND DESIGNATING THE BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS PURSUANT TO SECTION 265 (B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING AND DIRECTING THE OFFICERS AND OFFICIALS OF THE BOROUGH TO EXECUTE AND DELIVER DOCUMENTS AND TO TAKE ACTION AS MAY BE NECESSARY RELATING TO THE ISSUANCE OF THE BONDS; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT AND THE DISTRIBUTION THEREOF AND AUTHORIZING THE APPROVAL AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT AND THE USE THEREOF IN CONNECTION WITH THE SALE OF THE BONDS; CREATING A CLEARING ACCOUNT AND A PROJECT ACCOUNT; PROVIDING

GUIDELINES FOR PERMITTED INVESTMENTS AND AUTHORIZING THE PURCHASE OF INVESTMENTS; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING FOR THE AUTHORIZATION OF OFFICERS; ADOPTING THE FORM OF BOND; COVENANTING TO PROVIDE CONTINUING DISCLOSURE; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING INCONSISTENT ORDINANCES; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

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**WHEREAS**, Borough of Chambersburg, Franklin County, Pennsylvania (the “**Borough**”), 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**, the Borough, heretofore undertook the construction and acquisition of waterworks, water mains, water distribution and water supply facilities, including all related and necessary facilities and appurtenances for rendering water service in and for the Borough and adjacent areas and for providing water supply to adjacent municipalities (the “**Existing Water System**”); and

**WHEREAS**, the Borough desires to undertake the acquisition, construction and equipping, as applicable, of certain capital projects of the Borough, including, but not limited to, the acquisition of real property for governmental use, the addition to the Existing Water System of an additional Clearwell and various other capital improvement projects of the Borough, to the extent of available funds (collectively, the “**Capital Project**”); and

**WHEREAS**, the Borough desires to undertake a project consisting of (i) financing the Capital Project; and (ii) the payment of the portion of the costs of issuance of the Borough’s bonds for such project (collectively, the “**2020 Project**”); and

**WHEREAS**, the Borough has determined to issue and sell its General Obligation Bonds, Series of 2020 (the “**Bonds**”), in the aggregate principal amount of \$\_\_\_\_\_, and to apply the proceeds from the sale of the Bonds for and toward costs and expenses of the 2020 Project; and

**WHEREAS**, the Town Council of the Borough has received proposals for the purchase of the Bonds from firms invited to submit such proposals; and

**WHEREAS**, [Purchaser], [City, State] (the “**Purchaser**”) has submitted to the Town Council of the Borough a proposal for the purchase of the Bonds (the “**Purchase Proposal**”); and

**WHEREAS**, the Town Council of the Borough desires to accept the Purchase Proposal of the Purchaser, to award said bonds to the Purchaser and to incur nonelectoral debt, in the principal amount of \$\_\_\_\_\_, pursuant to the provisions of the Debt Act.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED**, by the Town Council of the Borough of Chambersburg that:

**Section 1. The Project; Recitals.**

The Borough hereby approves and undertakes as a project the 2020 Project. The description of the 2020 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. The Borough estimates that the Capital Project will be completed by [Approximate Completion Date].

**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 2020 Project, the incurring of nonelectoral debt by the Borough in the amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_ hereby is authorized. Such debt shall be evidenced by an issue of general obligation bonds of the Borough to be designated as “Borough of Chambersburg, Franklin County, Pennsylvania, General Obligation Bonds, Series of 2020”, in the aggregate principal amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_.

**Section 3. Approval of Invited Sale.**

The Town Council of the Borough hereby determines that the Bonds shall be sold at invited sale and hereby determines that invited sale of the Bonds is in the best financial interest of the Borough.

**Section 4. Acceptance of Purchase Proposal.**

The Purchase Proposal presented to this meeting by the Purchaser hereby is accepted. The Bonds hereby are awarded and sold to the Purchaser, in accordance with the terms and conditions of its Purchase Proposal, at the price stated on Schedule A, which is attached hereto and incorporated herein by reference as if set out here at length. The proper officers of the Borough are authorized and directed to execute and deliver an acceptance of the Purchase Proposal to the Purchaser. One counterpart of the Purchase Proposal shall be filed with the records of the Borough.

The Purchaser’s bid security accompanying the Purchase Proposal shall be held and shall be applied as provided by the Debt Act; provided, however, that no allowance for interest shall be made by the Borough with respect to such bid security, except as provided by the Debt Act.

**Section 5. Maturity and Interest Rates.**

The Bonds shall bear interest and mature as set forth on Schedule A attached hereto and incorporated herein by reference as if set out here at length.

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

U.S. 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 Series of 2020 Bonds Sinking Fund created hereby. The appropriate officers of the Borough hereby are authorized and directed to contract with U.S. Bank National Association, having a corporate trust office in Pittsburgh, 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 Borough may, 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. Form 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 Borough 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 the date of delivery thereof and shall be issued in denominations of \$5,000 or any whole multiple thereof.

The Bonds shall bear interest payable initially on October 1, 2020, and on each April 1 and October 1 thereafter (each an “**Interest Payment Date**”), from the immediately preceding Interest Payment Date to which interest has been paid, 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 Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date; or (c) such Bond is registered and authenticated prior to the Regular Record Date (hereinafter defined) preceding October 1, 2020, in which event such Bond shall bear interest from the date of delivery of the Bonds; 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 such Bond shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the designated corporate trust 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 banking institutions are authorized 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.

The term “**Regular Record Date**” with respect to any Interest Payment Date shall mean the fifteenth (15th) day (whether or not a business day) next preceding the applicable Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Regular 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 Regular Record Date and prior to such Interest Payment Date, except if and to the extent that the Borough 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 (the “**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 Special Record Date. Such notice shall be mailed to the registered owner shown on the bond register maintained by the Paying Agent at the close of business on the fifth (5th) business day preceding the date of mailing.

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

The Borough shall cause to be kept at the designated corporate trust office of the Paying Agent a register (the “**Bond Register**”) in which, subject to such reasonable regulations as it may prescribe, the Borough 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 Borough 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 Borough shall execute and the Paying Agent shall authenticate and deliver in exchange therefore 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 Borough, 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 Borough 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 Borough 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 Borough and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on any Regular Record Date for interest payments and ending at the close of business on such Interest Payment Date; (b) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be given; (c) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of the Bonds to receive notice of any Special Record Date and the close of business on the Special Record Date; or (d) register the transfer or exchange of any Bond after it has been selected or called for redemption, in whole or in part.

**Section 9. Execution and Authentication; Book-Entry-Only Registration.**

(a) **Execution and Authentication.** The Bonds shall be executed on behalf of the Borough by the President or Vice President of Town Council and the Mayor of the Borough, and shall have a manual or facsimile of the corporate seal of the Borough affixed thereto, duly attested by the Secretary or Assistant Secretary of the Borough 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 the officer of the Paying Agent) is manual, all other signatures may be by facsimile. The President or Vice President of Town Council, Secretary or Assistant Secretary of the Borough or Treasurer or any of such officers hereby are authorized and directed to deliver the Bonds to the Purchaser and receive payment therefore on behalf of the Borough after sale of the same in the manner required by law and this Ordinance.

(b) **Book-Entry-Only Registration.**

(i) **Letter of Representations.** The Borough authorizes and approves the purchase of the Bonds by the Purchaser as book-entry-only obligations with The Depository Trust Company, New York, New York (“DTC”). Proper officers of the Borough are authorized and directed to execute DTC’s Letter of Representations, if applicable, in substantially the form submitted to the Borough concurrent with its consideration of this Ordinance, and such other documents as shall be necessary to complete the sale of the Bonds as book-entry obligations.

(ii) **Book-Entry-Only System.**

(A) The Bonds shall be issued in the form of one fully registered bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in paragraph (G)

below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds, registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Borough or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portions of the Bonds on the registration records maintained by the Paying Agent pursuant to Section 8 hereof, in connection with discontinuing the book entry system as provided in paragraph (G) below or otherwise.

(B) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in immediately available funds on the dates provided for such payments in this Ordinance and in the Bonds. Each such payment to DTC or its nominee shall be valid and effective to discharge fully all liability of the Borough or the Paying Agent with respect to the principal or redemption price of or interest on such Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(C) The Borough and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners under the Ordinance and the Bonds, registering the transfer of Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever; and neither the Borough nor the Paying Agent shall be affected by any notice to the contrary. Neither the Borough nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the registration records maintained by the Paying Agent as being a registered owner, with respect to either: (1) the Bonds; or (2) the accuracy of any records maintained by DTC or any such participant; or (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; or (4) any notice which is permitted or required to be given to registered owners under this Ordinance or the Bonds; or (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as registered owner.

(D) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the registered owners of Bonds under this Ordinance or the Bonds shall be given to DTC as provided in the representation letter to be delivered to DTC, in form and content satisfactory to DTC and the Borough.

(E) In connection with any notice or other communication to be provided to registered owners pursuant to this Ordinance or the Bonds by the Borough or the Paying Agent with respect to any consent or other action to be taken by registered owners, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the Borough or the Paying Agent may establish a special record date for such consent or other action. The Borough or the Paying Agent shall give DTC notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.

(F) Any successor Paying Agent shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the representation letter.

(G) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either: (1) after notice to the Borough and the Paying Agent, DTC determines to resign as securities depository for the Bonds; or (2) after notice to DTC and the Paying Agent, the Borough determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Borough. In either of such events (unless in the case described in clause (2) above, the Borough appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Borough or the Paying Agent for the accuracy of such designation. Whenever DTC requests the Borough and the Paying Agent to do so, the Borough and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

**Section 10. General Obligation Covenant.**

The Bonds hereby are declared to be general obligations of the Borough. The Borough 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 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 Borough does hereby pledge its full faith, credit and taxing power. The amount of the debt service which the Borough hereby covenants to pay on the Bonds in each fiscal year is shown on Schedule B 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 11. Redemption.**

(a) Optional Redemption. The Bonds are subject to redemption prior to maturity at the option of the Borough as shown on Schedule C, attached hereto and incorporated by reference herein.

(b) Mandatory Redemption. The Bonds are subject to mandatory redemption on the dates (each, a "Mandatory Redemption Date") and in the amounts shown on Schedule C, attached hereto and incorporated herein. The Borough covenants to cause the Bonds to be redeemed on the Mandatory Redemption Dates and in the amounts shown on Schedule C, subject to its right which is reserved in Section 12 hereof, to satisfy that obligation by delivering to the Paying Agent and Sinking Fund Depository no later

than forty-five (45) days before any Mandatory Redemption Date, for cancellation, Bonds of the maturity which are subject to mandatory redemption on that Mandatory Redemption Date.

(c) Method. If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purpose of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

(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. The Borough, 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) Notice. Notice of any redemption of any Bonds shall be given by depositing a copy of the redemption notice by first class mail not more than forty-five (45) days and not less than twenty (20) days prior to the date fixed for redemption, addressed to each of the registered owners of the Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books kept by the Paying Agent as of the date such Bonds are selected for redemption. A redemption notice for any optional redemption may state that it is conditioned upon the deposit with the Paying Agent and Sinking Fund Depository no later than the redemption date of a sum of money in an amount equal to the amount necessary to effect the redemption. Failure to give such notice of redemption or any defect therein or in the mailing thereof to any registered owner shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

(f) Payment. On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any.

### **Section 12. Sinking Fund.**

(a) Deposit. There hereby is established a sinking fund to be known as Borough of Chambersburg, Series of 2020 Bonds Sinking Fund (the “**Series of 2020 Bonds Sinking Fund**”) into which the Borough covenants to deposit, and into which the proper officers of the Borough are hereby authorized and directed to deposit (i) on or before October 1, 2020, and on or before each April 1 and October 1 thereafter to and including October 1, 2040, amounts sufficient to pay the interest due on such dates on the Bonds then outstanding, and (ii) on or before October 1, 2020 and on or before each October 1 thereafter to and including October 1, 2040, amounts sufficient to pay the principal of the Bonds due on each such date at maturity or pursuant to the mandatory redemption requirements hereof. Should the amounts covenanted to be paid into the Series of 2020 Bonds 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 Series of 2020 Bonds Sinking Fund or by reason of the purchase of 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 Borough may satisfy any part of its obligations with respect to clause (a) by delivering to the Paying Agent and Sinking Fund Depository, for cancellation,



Bonds maturing on the date on which such deposit is required. The Borough 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 for which credit is requested, in the case of a deposit required for the payment of the Bonds at maturity, or (ii) in the case of a deposit required to be made on a Mandatory Redemption Date, 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 Series of 2020 Bonds Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid by Section 10 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 Series of 2020 Bonds 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 22 hereof. The Series of 2020 Bonds Sinking Fund shall be kept as a separate account at the designated 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 Series of 2020 Bonds 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 11 hereof, the proper officers of the Borough hereby are authorized and directed to deposit from time to time before the appropriate optional redemption date funds which shall be sufficient in amount when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Bonds so called for redemption and the premium, if any and the interest thereon to the date fixed for redemption.

**Section 13. Disposition of Proceeds.**

All moneys derived from the sale of the Bonds shall be deposited in the Clearing Account created pursuant to Section 20 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2020 Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the Bonds, and the payment of accrued interest on the Bonds from the dated date to the date of delivery, if any, 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 Series of 2020 Bonds Sinking Fund and used for the payment of interest on the Bonds. Promptly on deposit of the proceeds of the Bonds, the Borough shall cause to be made the payments and transfers authorized by Section 20 of this Ordinance.

**Section 14. Cost and Realistic Useful Life.**

Reasonable cost estimates have been obtained for the 2020 Project with the assistance of financial advisors and other persons qualified by experience.

The Town Council of the Borough hereby determines that the useful life of the Capital Project is at least thirty (30) years. Therefore, the maturities of the Bonds are in accordance with Section 8142(a)(2) of the Debt Act.

In addition, in accordance with Section 8142(b)(1) of the Debt Act, the maturities of the Bonds have been fixed so that the debt service on the Bonds will be amortized on at least an approximately level annual debt service plan.

**Section 15. Internal Revenue Code Covenants.**

(a) **General.** The Borough 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 (the “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 that section and the Regulations throughout the term of the Bonds.

(b) **Rebate.** The Borough covenants that if it is not eligible for any rebate exception under the Code, 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) **Qualified Tax-Exempt Obligation Designation.** The Borough hereby designates the Bonds as Qualified Tax-Exempt Obligations pursuant to Section 265(b)(3) of the Code and represents and expects that the total amount of its obligations so designated and to be designated during the 2020 calendar year does not and will not exceed \$10,000,000.

(d) **Filing.** The Borough 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 16. Advertising.**

The action of the officers of the Borough in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers of the Borough 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 Borough within fifteen (15) days after final enactment. The Secretary or Assistant Secretary of the Borough hereby is directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

**Section 17. Filing with Department of Community and Economic Development.**

The President or Vice President of Town Council and the Secretary or Assistant Secretary of the Borough hereby 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 the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by § 8110 of the Debt Act, and to take other necessary action, and to 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 or subsidized debt.

**Section 18. General Authorization.**

The officers and officials of the Borough 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 19. Official Statements.**

The Preliminary Official Statement prepared with respect to the Bonds hereby is approved. The President or Vice President of the Town Council 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 Borough's Solicitor. The distribution of the Preliminary Official Statement hereby is ratified and the Purchaser hereby is authorized to use the Preliminary and the final Official Statements in connection with the sale of the Bonds. The Town Council of the Borough 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 20. Clearing Account; Project Account and Escrow Fund.**

(a) The Borough hereby creates with the Paying Agent a special fund to be known as the Borough of Chambersburg 2020 Clearing Account (the "**Clearing Account**") which shall be held as a trust fund for the benefit of the Borough until disbursed in accordance with the provisions hereof. The Borough 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 directions from the Borough signed by the President or Vice President of the Town Council, the Paying Agent shall pay, out of the Clearing Account, the costs and expenses of the issuance of the Bonds, shall transfer the amount of accrued interest, if any, to the Series of 2020 Bonds Sinking Fund, and shall deposit the balance to the 2020 Project Account created in paragraph (b) below. The written direction from the Borough 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 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) The Borough hereby creates with the Paying Agent a special account to be known as the Borough of Chambersburg 2020 Project Account (the "**Project Account**") in the name of the Borough, subject to clearance or collection, moneys, checks, drafts, notes, bills of exchange, acceptances, or other orders for the payment of moneys which may at any time come into its possession, with or without endorsement thereof by the Borough, payment thereof to the depository being hereby guaranteed. The Paying Agent is authorized and directed to honor and pay, and to charge to the account of the Borough, all checks, drafts, bills of exchange, acceptances, notes or orders for the payment of money when drawn on or addressed to said depository and signed and countersigned on behalf of the Borough by the authorized officer or officers of the Borough, whether the same be payable to the order of, or in favor of the officer or person signing or countersigning them, or to any of said officers in their individual capacity, or otherwise; and whether the same be deposited to the individual credit of the officer or person signing or countersigning or to the individual credit of any other officer or person or otherwise. The signatures of any or all of the foregoing officers may be electronic in accordance with the Pennsylvania Electronic Transactions Act, 73 P.S. § 2260.101 *et seq.*

**Section 21. Payment of Expenses.**

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

**Section 22. Investment.**

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

Any moneys in the Series of 2020 Bonds Sinking Fund not required for prompt expenditure may, at the direction of the Borough, 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 23. Authorization of Officers.**

Any authorization granted to, power conferred on, or direction given to the President of the Town Council, Secretary of the Borough, Treasurer or Borough Manager shall be deemed to run to the Vice President, Assistant or Acting Secretary, Assistant Treasurer or Assistant or Acting Borough Manager, respectively, as applicable, 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 24. Bond Form.**

The form of the Bonds shall be substantially as follows:

[FORM OF BOND]

No.: GOB-\_\_\_\_\_

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

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Borough 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 (the "Registered Owner") hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA**

**BOROUGH OF CHAMBERSBURG  
FRANKLIN COUNTY, PENNSYLVANIA**

**GENERAL OBLIGATION BOND, SERIES OF 2020**

<b><u>Interest Rate</u></b>	<b><u>Maturity Date</u></b>	<b><u>Dated Date of Series</u></b>	<b><u>CUSIP</u></b>
____.____%	October 1, 20____	_____, 2020	
Registered Owner	CEDE & CO.		
Principal Sum	_____ 00/100 DOLLARS (\$____,____,____)		

**BOROUGH OF CHAMBERSBURG**, Franklin County, Pennsylvania (the “**Borough**”), a municipality existing under the laws of the Commonwealth of Pennsylvania and a local government unit, as defined in the Local Government Unit Debt Act, 53 Pa.C.S. § 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 2020, 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 April 1 and October 1 of each year (each, an “**Interest Payment Date**”), beginning October 1, 2020, 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 October 1, 2020, in which event this Bond shall bear interest from the above stated Dated Date, 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 U.S. Bank National Association (the “**Paying Agent**”), in Pittsburgh, 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 maintained by the Paying Agent, as bond registrar, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the “**Record Date**”), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. In the event the Borough shall default in the payment of interest due hereon at the time the same is due and payable, such defaulted interest will be payable 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 maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the “**Special Record Date**”) established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owner hereof not less than fifteen (15) days preceding the Special Record Date. Such notice shall be mailed to the registered owner shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth (5th) business day preceding the date of mailing.

If the date for payment of the principal of, premium, if any, or interest on such Bond shall be a Saturday, Sunday, legal holiday or on 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 on a day on which 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 a series of \$\_\_\_\_,\_\_\_\_ aggregate principal amount of general obligation bonds of the Borough, known as “General Obligation Bonds, Series of 2020” (the “**Bonds**”), all of like tenor, except as to denominations, dates of maturity and rates of interest, and all issued in accordance with provisions of the Debt Act under and by virtue of a duly enacted ordinance (the “**Ordinance**”) of the Town Council of the Borough. The Debt Act, as such shall have been in effect when this Bond was authorized,

and the Ordinance shall constitute a contract between the Borough and the registered owner, from time to time, of this Bond.

### **Optional Redemption**

The Bonds stated to mature on or after \_\_\_\_\_, 20\_\_, are subject to redemption prior to maturity, at the option of the Borough, in whole or in part, on \_\_\_\_\_, 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 Borough 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**

No Bond constituting one of the Bonds is subject to mandatory sinking fund redemption prior to its stated 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 and not less than twenty (20) days prior to the redemption date to the registered owners of 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 Borough 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 Borough, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to the registered owners of the Bonds. No representation is made by the Borough 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 Borough kept at aforesaid designated 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 Borough and the Registrar, duly executed by the registered owner hereof or his duly authorized agent or legal representative, and thereupon the Borough 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 Borough 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 hereof and interest due hereon and for all other purposes whatsoever.

The Borough and the Paying Agent shall not be required to: (a) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such Interest Payment Date; (b) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be mailed; (c) issue, or register the transfer or exchange of, any Bond during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of the Bonds to receive notice of any Special Record Date and the close of business on the Special Record Date; or (d) register the transfer or exchange of any Bond after it has been selected or called for redemption, in whole or in part.

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.

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 the Bond, together with any other indebtedness of the Borough, if any, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by the Borough. The Borough has covenanted, in the Ordinance, with the registered owners from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the Borough, as appropriate, shall include the amount of debt service, for each fiscal year of the Borough in which sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of this 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 Borough has and does pledge, irrevocably, its full faith, credit and taxing power. The Debt Act provides that the foregoing covenant of the Borough shall be enforceable specifically.

The Borough, 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 Borough has covenanted in the Ordinance to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this 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 Borough 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.

**IN WITNESS WHEREOF, BOROUGH OF CHAMBERSBURG**, Franklin County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Bond to be executed in its name and in its behalf by the manual or facsimile signature of its President of the Town Council and the Mayor, and the official seal of the Borough to be affixed hereunto, duly attested by the manual or facsimile signature of the Assistant Secretary of the Borough.

**ATTEST:**

**BOROUGH OF CHAMBERSBURG  
Franklin County, Pennsylvania**

\_\_\_\_\_  
Specimen  
Assistant Secretary of the Borough

By: \_\_\_\_\_  
Specimen  
President of Town Council

(SEAL)

By: \_\_\_\_\_  
Specimen  
Mayor

---

**CERTIFICATE OF AUTHENTICATION AND  
CERTIFICATE AS TO OPINION**

It is certified that: (i) this Bond is one of the Bonds of the Series designated therein, described in the within mentioned Ordinance; and (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.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

DATE OF AUTHENTICATION: \_\_\_\_\_, 2020  
\_\_\_\_\_

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  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with  
right of survivorship and not  
as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_(Custodian)  
\_\_\_\_\_ (Minor)  
under Uniform Gifts to Minors Act  
\_\_\_\_\_ (State)

Additional abbreviations may also be used though not in 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 25. Ratification.**

The Borough hereby ratifies and confirms authorization to the Solicitor to the Borough, G. Bryan Salzmann, Esquire, and Bond Counsel to the Borough, Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, the financial advisor, PFM Financial Advisors LLC and the Purchaser 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 26. Disclosure Covenants.**

In accordance with Rule 15c2-12 (the “Rule”) promulgated under the Securities Exchange Act of 1934, as amended, the Borough 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”) Electronic Municipal Market Access system (“EMMA”), in such electronic format as prescribed by the MSRB, on an annual basis, a report (the “Disclosure Report”) that includes its annual general purpose financial statements presented in conformity with generally accepted accounting principles (the “Financial Statements”), together with certain other information more specifically described in a continuing disclosure certificate to be executed and delivered by the Borough upon issuance of the Bonds, commencing with the Financial Statements and said other information for the fiscal year ending December 31, 2019. The Disclosure Report shall be provided no later than two hundred ten (210) days after the end of each fiscal

year. If the Financial Statements are not independently audited, the Borough shall also provide independently audited Financial Statements when and if available. The Borough 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 no later than ten (10) business days after the occurrence of (A) a failure to provide the complete Disclosure Report in a timely manner, and (B) any of the following events with respect to the Bonds, if such event is material within the meaning of the Rule: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves, if any, reflecting financial difficulties; (iv) unscheduled draws on credit enhancements, i.e., municipal bond insurance or letters of credit, reflecting financial difficulties; (v) substitution of credit or liquidity providers, i.e., municipal bond insurance companies or letter of credit banks, 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 the rights of 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 Borough; (xiii) the consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, 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; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect security holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Borough, any of which reflect financial difficulties.

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

The proper officer or officers of the Borough hereby are authorized in the name and on behalf of the Borough 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 Borough to provide more information than is required by this Section prior to the amendment, without diminishing in any way the obligations of the Borough 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 Borough shall give prompt notice of any such amendment or termination to the MSRB through EMMA. In addition, the Borough shall describe such amendment in the next submission of the Disclosure Report 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 Borough. If the amendment relates to the accounting principles to be followed in preparing the Financial Statements, (A) the Borough shall give prompt notice of such change to the MSRB through EMMA, and (B) the Financial Statements 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 Financial Statements as prepared on the basis of the new accounting principles and the Financial Statements prepared on the basis of the former accounting principles.

The sole remedy for a breach by the Borough 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 27. 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 Borough that such remainder shall be and shall remain in full force and effect.

**Section 28. Repealer.**

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

**Section 29. Effective Date.**

This Ordinance shall become effective in accordance with Section 8003 of the Debt Act being the fifth day after the second advertisement, as provided in Section 16 hereof.

*[The remainder of this page left blank intentionally]*

**DULY ENACTED AND ORDAINED** this 13th day of January, 2020, by the Town Council of the Borough of Chambersburg, Franklin County, Pennsylvania, in lawful session duly assembled.

**ATTEST:**

**BOROUGH OF CHAMBERSBURG**

\_\_\_\_\_  
(Assistant) Secretary

By: \_\_\_\_\_  
(Vice) President of Town Council

[SEAL]

**EXAMINED AND APPROVED** this 13th day of January, 2020.

\_\_\_\_\_  
Mayor

SCHEDULE A

Borough of Chambersburg  
 Franklin County, Pennsylvania  
 General Obligation Bonds, Series of 2020  
 \$ \_\_, \_\_, \_\_

**Interest Accrues From:** February \_\_, 2020

**Due:** October 1, as shown below

<u>Amount</u>	<u>Year of Maturity</u>	<u>Coupon Rate</u>	<u>Yield</u>
\$ __, __	2020	__%	__%
__, __	2021	__%	__%
__, __	2022	__%	__%
__, __	2023	__%	__%
__, __	2024	__%	__%
__, __	2025	__%	__%
__, __	2026	__%	__%
__, __	2027	__%	__%
__, __	2028	__%	__%
__, __	2029	__%	__%
__, __	2030	__%	__%
__, __	2031	__%	__%
__, __	2032	__%	__%
__, __	2033	__%	__%
__, __	2034	__%	__%
__, __	2035	__%	__%
__, __	2036	__%	__%
__, __	2037	__%	__%
__, __	2038	__%	__%
__, __	2039	__%	__%
__, __	2040	__%	__%

\* Yield to Call.

[Schedule A continues on the Next Page.]

Purchase Price is \$\_\_\_\_,\_\_\_\_.\_\_\_\_ (\_\_\_\_.\_\_\_\_%), plus accrued interest, if any, to the date of delivery and payment for the Bonds. The Purchase Price represents an underwriter's discount of \$\_\_\_\_,\_\_\_\_.\_\_\_\_, plus [net] original issue premium ("**OIP**") of \$\_\_\_\_,\_\_\_\_.\_\_\_\_, as follows:

<u>Amount</u>	<u>Year</u>	<u>Price</u>	<u>(OID)/OIP</u>
\$ ____ , ____	2020	____.____%	____, ____ . ____
____ , ____	2021	____.____%	____, ____ . ____
____ , ____	2022	____.____%	____, ____ . ____
____ , ____	2023	____.____%	____, ____ . ____
____ , ____	2024	____.____%	____, ____ . ____
____ , ____	2025	____.____%	____, ____ . ____
____ , ____	2026	____.____%	____, ____ . ____
____ , ____	2027	____.____%	____, ____ . ____
____ , ____	2028	____.____%	____, ____ . ____
____ , ____	2029	____.____%	____, ____ . ____
____ , ____	2030	____.____%	____, ____ . ____
____ , ____	2031	____.____%	____, ____ . ____
____ , ____	2032	____.____%	____, ____ . ____
____ , ____	2033	____.____%	____, ____ . ____
____ , ____	2034	____.____%	____, ____ . ____
____ , ____	2035	____.____%	____, ____ . ____
____ , ____	2036	____.____%	____, ____ . ____
____ , ____	2037	____.____%	____, ____ . ____
____ , ____	2038	____.____%	____, ____ . ____
____ , ____	2039	____.____%	____, ____ . ____
____ , ____	2040	____.____%	____, ____ . ____
 Net OID/OIP			<u>\$ ____ , ____ . ____</u>

SCHEDULE B

Borough of Chambersburg  
Franklin County, Pennsylvania  
General Obligation Bonds, Series of 2020  
\$\_\_\_\_,\_\_\_\_,\_\_\_\_

**DEBT SERVICE SCHEDULE**

[*TO BE INSERTED*]

SCHEDULE C

Borough of Chambersburg  
Franklin County, Pennsylvania  
General Obligation Bonds, Series of 2020  
\$ \_\_, \_\_\_\_, \_\_

**REDEMPTION PROVISIONS**

1. Optional Redemption. The Bonds stated to mature on or after October 1, 2025, are subject to redemption prior to maturity, at the option of the Borough, in whole or in part, on April 1, 2025, 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 Borough 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.

2. [Mandatory Redemption]. No Bond constituting one of the Bonds is subject to mandatory sinking fund redemption prior to its stated maturity.]



**CERTIFICATE**

I, the undersigned, Assistant Secretary of the Borough of Chambersburg, Franklin County, Pennsylvania (the “**Borough**”), certify that the foregoing is a true and correct copy of an Ordinance of the Borough which was duly enacted by affirmative vote of a majority of the members of the Town Council of the Borough at a meeting duly held on January 13, 2020; that said Ordinance was examined and approved by the Mayor of the Borough on January 13, 2020; that said Ordinance has been duly recorded in the Ordinance Book of the Borough; that said Ordinance was published as required by law; and that said Ordinance remains in effect, unaltered and unamended, as of the date of this Certificate.

I further certify that the Borough met the public notice requirement of the Sunshine Act, 65 Pa. C.S. § 701 *et seq.*, by advertising the place, date and time of said meeting in a newspaper of general circulation, and by posting a notice of the place, date and time of said meeting at the meeting place of the Town Council of the Borough, and by giving notice to parties upon request as required under Section 709 of said Act.

**IN WITNESS WHEREOF**, I affix my hand and the official seal of the Borough, this 13th day of January, 2020.

By: \_\_\_\_\_  
(Assistant) Secretary

[SEAL]