

**TOWNSHIP OF WASHINGTON  
FRANKLIN COUNTY, PENNSYLVANIA**

**ORDINANCE NO. 289**

**INCURRING NONELECTORAL DEBT TO BE EVIDENCED BY ONE OR MORE GENERAL OBLIGATION BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$7,500,000, TO: (1) FINANCE VARIOUS CAPITAL PROJECTS OF THE TOWNSHIP, (2) REFUND ALL OR PORTIONS OF THIS TOWNSHIP'S OUTSTANDING GENERAL OBLIGATION NOTE, SERIES OF 2016, AND (3) PAY THE COSTS OF ISSUING THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF BONDS; SETTING FORTH THE PARAMETERS, SUBSTANTIAL FORM OF AND CONDITIONS FOR ISSUING THE BONDS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP TO SECURE THE BONDS; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY; AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS.**

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**WHEREAS**, the Township of Washington, Franklin County, Pennsylvania (the "Township"), is a municipality existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), a "local government unit" as defined by the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), and is governed by its Board of Supervisors (the "Board"); and

**WHEREAS**, The Board has determined to undertake a capital project including, but not limited to, the planning, design, purchase, acquisition, construction and furnishing of buildings, facilities and grounds for governmental use by the Township, to the extent of available funds (the "Capital Project"), and the Board has obtained realistic cost estimates for such Capital Project, through bids, professional estimates or otherwise; and

**WHEREAS**, The Board, pursuant to Township Ordinance No. 256 enacted on June 1, 2016 (the "2016 Note Enabling Ordinance"), authorized the issuance of its General Obligation Note, Series of 2016, in the original principal amount of \$2,400,000, (the "2016 Note"), which was issued on July 5, 2016, to Farmers and Merchants Trust Company of Chambersburg; and

**WHEREAS**, The 2016 Note was issued for the purpose of (1) refunding the Township's outstanding General Obligation Bond, Series of 2011 (the "2011 Bond"), (2) financing the design, acquisition, construction and installation of various capital improvements to the Township's streets, roadways, facilities and systems, and (3) paying the costs of issuance of the 2016 Note; and

**WHEREAS**, The 2016 Note is subject to optional prepayment, in whole or in part, on any date without premium or penalty; and

**WHEREAS**, The Board has determined to refund all or a portion of the outstanding principal amount of the 2016 Note (the "Refunded Note"), substantially as set forth in a refunding report (the "Refunding Report") prepared for this Township by PFM Financial Advisors LLC (the "Financial Advisor"), as the Township's independent municipal advisor; and

**WHEREAS**, The Board contemplates issuing one or more general obligation bond or bonds, in the maximum aggregate principal amount of \$7,500,000 (collectively the "Bonds" and individually a "Bond"), to: (1) finance the Capital Project, (2) prepay the Refunded Note (the "Refunding Project"), and (3) to pay the costs of issuing the Bonds; and

**WHEREAS**, The purpose of the Refunding Project is to substitute notes for bonds as authorized in Section 8241(b)(5) of the Debt Act; and

**WHEREAS**, the Board desires to combine the Capital Project and the Refunding Project for purposes of financing and incurrence of debt under the Debt Act; and

**WHEREAS**, the Capital Project and the Refunding Project, collectively herein are referred to as the "Project", having an estimated total cost of at least \$7,500,000; and

**WHEREAS**, The Board has determined that the Bonds shall be offered in a private sale by negotiation at a net purchase price of not less than 95% nor more than 120% of the aggregate principal amount of the Bonds issued (including underwriting discount and original issue discount or premium), plus any accrued interest (the "Purchase Price"); and

**WHEREAS**, A proposal for the purchase of bonds, dated May 2, 2022 (the "Proposal"), has been received from the Financial Advisor, containing financial parameters for, and conditions to, the sale, purchase and issuance of the Bonds, which are consistent with the maximum yields to maturity and maximum principal payment amounts by fiscal year set forth in **Exhibit A** attached hereto and made a part hereof (the "Bond Parameters"), which Proposal will be supplemented by an Addendum to the Proposal (the "Addendum") with an identified purchaser containing the final terms and conditions for the Bonds, and within the Bond Parameters; and

**WHEREAS**, The Board desires to accept the Proposal, award the sale of the Bonds, as nonelectoral debt, and take appropriate action in accordance with the Debt Act; and

**WHEREAS**, The Board has determined to appoint Farmers and Merchants Trust Company of Chambersburg ("Paying Agent"), having an office in Greencastle, Pennsylvania, for a public offering of Bonds, or another bank or bank and trust company authorized to do business in the Commonwealth serving as lender for one or more Bonds, as paying agent and sinking fund depository for the Bonds.

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**NOW, THEREFORE, BE IT ENACTED AND ORDAINED**, by the Board, as follows:

**SECTION 1.** The Board hereby authorizes and secures the issuance of the Bonds, pursuant to this Ordinance and in accordance with the Debt Act, to undertake the Capital Project and the Refunding Project.

**SECTION 2.** The Board finds that it is in the best financial interest of this Township to sell the Bonds in a private sale by negotiation and determines that the debt to be incurred pursuant to this Ordinance shall be nonelectoral debt. The Capital Project and the Refunding Project are being combined for purposes of the financing.

**SECTION 3.** The Refunding Project is authorized under Section 8241(b)(5) of the Debt Act (for the purpose of substituting notes for bonds). The reasonably expected remaining useful lives of the facilities originally financed or refinanced by the Refunded Note, is not less than 20 years. The annual principal maturities of the Bonds shall reflect the remaining useful lives of the project originally financed by the Refunded Note. The first stated maturity date of the Bonds shall be not more than two years from the issue date thereof, as required by Section 8142 of the Debt Act.

**SECTION 4.** The Board accepts the Proposal of the Financial Advisor, and the Chairman or Vice Chairman of the Board is authorized to sign the Proposal on behalf of this Township. The Township Manager is hereby authorized to direct the Financial Advisor when to market the Bonds and to approve each Addendum containing the final terms and conditions of the Bonds within the Bond Parameters. Each Addendum to be presented by the Financial Advisor, so approved, shall be executed and delivered by the Chairman or Vice Chairman of the Board and included as a part of the Proposal accepted by this Ordinance.

**SECTION 5.** The Bonds, when issued, will be one or more series of a general obligation bond or general obligation bonds and constitute nonelectoral debt of this Township.

**SECTION 6.** This Township and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of, premium, if any, and interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but registration of a transfer of ownership may be made as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, to the extent of the sum or sums so paid, and neither this Township nor the Paying Agent shall be affected by any notice to the contrary.

**SECTION 7.** Registration of the transfer of ownership of Bonds shall be made upon surrender of any of the Bonds to the Paying Agent, accompanied by a written instrument or

instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative.

**SECTION 8.** If Bonds shall be subject to optional redemption or mandatory redemption or optional prepayment prior to stated maturity, the Township and the Paying Agent shall not be required to register the transfer of or exchange any of the Bonds then considered for redemption during the period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any of the Bonds selected for redemption in whole or in part until after the redemption date.

**SECTION 9.** This Township shall cause to be kept, and the Paying Agent shall keep, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to Bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

**SECTION 10.** The Bonds shall bear interest, each with initial offering prices resulting in yield(s) to maturity, and principal maturing or payable upon mandatory sinking fund redemptions in the maximum amounts in each Township fiscal year as set forth in **Exhibit A** attached hereto. The final yields to maturity on the Bonds and the annual stated maturities or mandatory sinking fund redemptions of principal of the Bonds shall be as set forth in the Addendum accepted in accordance with Section 4 of this Ordinance, provided that the principal maturing or subject to mandatory redemption in any year shall not exceed the annual principal amount for each fiscal year set forth in **Exhibit A**.

**SECTION 11.** The Bonds may be subject to optional redemption by this Township prior to maturity, on such date or dates and under such terms as may be determined in the manner described in Section 4 hereof.

If the Addendum accepted in accordance with Section 4 of this Ordinance provides that any of the Bonds shall be term Bonds, such Bonds (the "Term Bonds") shall be subject to mandatory sinking fund redemptions by the Township in such annual principal amounts and on such dates as are stated in the Addendum (but not in fiscal year amounts greater than those set forth in **Exhibit A**), at a redemption price equal to 100% of the principal amount redeemed together with accrued interest thereon to the date fixed for redemption. Any such redemption shall be upon application of money available for the purpose in each Mandatory Sinking Fund to be established within the Sinking Fund created in accordance with this Ordinance. In lieu of any such mandatory redemption, the Paying Agent, on behalf of the Township, may purchase from money in such Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the Township may tender to the Paying Agent, all or any part of the Term Bonds subject to being drawn for redemption on any such date.

In the case of any optional redemption in part of Term Bonds of any particular maturity, this Township shall be entitled to designate whether the amount to be redeemed shall be credited against the principal amount of such Term Bonds due at maturity or credited against the principal amount of such Term Bonds scheduled to be called for mandatory sinking fund redemption on any particular date or dates, in each case in an integral multiple of \$5,000 principal amount.

If any of the Bonds that are subject to redemption prior to stated maturity is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in an integral multiple of \$5,000 principal amount. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion thereof being subject to redemption. In the case of partial redemption of any of the Bonds, payment of the redemption price will be made only upon surrender of such Bond in exchange for Bonds of authorized denominations of the same series, maturity and interest rate and in aggregate principal amount equal to the unredeemed portion of the principal amount of such Bond redeemed in part.

If Bonds shall be redeemable prior to stated maturity and are to be so redeemed, notice of redemption shall be deposited in first class mail not less than thirty (30) days prior to the date fixed for redemption and shall be addressed to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent as of the day such Bonds are selected for redemption. Such notice shall specify: (1) the series, maturity (and if Bonds having the same maturity date bear interest at different rate, the interest rate) and numbers of the Bonds or portions thereof so called for redemption; (2) the date fixed for redemption; (3) the redemption price or prices applicable to the Bonds or portions thereof to be redeemed; and (4) that on the date fixed for redemption the principal amount to be redeemed will be payable at a designated office of the Paying Agent and that after such date interest thereon shall cease to accrue. Failure to mail any such notice or any defect therein or in the mailing thereof 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.

If at the time of mailing of a notice of redemption this Township shall not have deposited with the Paying Agent, as sinking fund depository, money sufficient to redeem all Bonds called for redemption, the notice of redemption shall state that it is conditional, i.e., that it is subject to the deposit of sufficient redemption money with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such money is so deposited. If the Bonds to be called for redemption shall have been refunded, money sufficient to redeem such Bonds shall be deemed to be on deposit with the Paying Agent for the purposes of this Section, and the notice of redemption need not state that it is conditional, if the redemption money has been deposited irrevocably with another bank or bank and trust company which shall have been given irrevocable instructions to transfer the same to the Paying Agent not later than the redemption date.

On the date designated for redemption, notice having been provided and money for payment of the principal, redemption premium, if any, 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 or portions thereof so called for redemption shall have no rights with respect thereto, 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.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such redemption shall be the next succeeding day that is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

**SECTION 12.** This Township appoints the Paying Agent as the paying agent with respect to the Bonds and directs that the principal of, premium, if any, and interest on the Bonds shall be payable at a designated corporate trust office of the Paying Agent, in lawful money of the United States of America.

Any corporation or association into which the Paying Agent, or any appointed successor to it, may be merged or converted or with which it, or any appointed successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or association to which the Paying Agent, or any appointed successor to it, sells or otherwise transfers all or substantially all of its corporate trust business, including its functions under this Ordinance, shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the Township, and thereafter references herein to the "Paying Agent" shall refer to such resulting corporation or association, or to such transferee, as the case may be.

If the Paying Agent at any time shall resign or shall be removed by the Township, the Board shall appoint a successor paying agent that is duly qualified in accordance with the Act to serve as paying agent for the Bonds and sinking fund depository with respect to the Sinking Fund created herein, and the principal of, redemption premium, if any, and interest on the Bonds shall be payable, when due, at a designated office of the successor paying agent located in the Commonwealth and at such additional payment offices as the successor paying agent shall designate. Upon acceptance of such appointment and the transfer by the Paying Agent to the successor paying agent of the appropriate documents, records, and funds, references herein to the "Paying Agent" shall thereafter refer to such successor paying agent.

**SECTION 13.** The form of each Bond, including the form of Assignment and the form of the Paying Agent's Certificate, shall be substantially as set forth in **Exhibit B**, which is attached hereto and made part hereof, with appropriate insertions, omissions and variations.

**SECTION 14.** The Bonds shall be executed in the name of and on behalf of this Township by the Chairman or Vice Chairman of the Board, and the official seal or a facsimile of

the official seal of this Township shall be affixed thereto and the manual or facsimile signature of the Township Secretary shall be affixed thereto in attestation thereof.

**SECTION 15.** This Township covenants to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to this Ordinance, that this Township shall: (i) include the amount of the debt service on the Bonds, for each fiscal year of this Township in which the sums are payable, in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of the debt service, and (iii) duly and punctually pay or cause to be paid from the Sinking Fund (hereinafter identified) or any other of its revenues or funds the principal of and interest on each of the Bonds at the dates and places and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Township shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant of this Township shall be specifically enforceable.

**SECTION 16.** There is created, pursuant to the requirements of the Debt Act, one or more sinking funds for the Bonds (collectively, the "Sinking Fund") including, if applicable, for multiple series or subseries, or mandatory sinking funds. Each Sinking Fund shall be administered in accordance with the Debt Act.

If any of the Bonds shall be Term Bonds, as specified in the Addendum accepted in accordance with Section 4, a separate fund or account shall be created within and as a part of a Sinking Fund and designated as a "Mandatory Sinking Fund." The Paying Agent, as the sinking fund depository, shall make deposits into the Mandatory Sinking Fund, from funds deposited by the Township into the Sinking Fund, in such amounts and on such dates as money shall be required for the payment upon stated maturity of the Term Bonds that shall be outstanding, if any, on their stated maturity date, and to mandatory redemption prior to stated maturity of such Term Bonds on such dates and in such amounts as are specified in the Addendum.

The Paying Agent, so long as any Term Bonds shall remain outstanding, or as soon after such date as shall suit the convenience of the Paying Agent and shall allow sufficient time for mailing of the requisite notice of redemption, shall select or draw, by lot, in a fair and equitable manner, a principal amount of Term Bonds of the appropriate maturity equal to the amount then required to be redeemed. The Paying Agent shall, upon selection of Term Bonds of the appropriate maturity so to be called for redemption prior to maturity, mail the requisite notice of redemption on behalf of the Township. The Township covenants to assume and to pay all costs and expenses related to the mandatory redemption of such Term Bonds.

The amount required to be deposited in the Mandatory Sinking Fund on any given date shall be reduced by the principal amount of any Term Bonds of the appropriate maturity that shall have been purchased or tendered in lieu of mandatory redemption in the immediately preceding period, as provided in Section 12 hereof, and the amount of any Term Bonds of the appropriate maturity that have been called for earlier optional redemption which the Township has



elected to credit against the amount of Term Bonds to be redeemed on such date, as provided in Section 12 hereof.

The principal amount of Term Bonds to be retired from money available in the Mandatory Sinking Fund shall be paid by the Paying Agent, as the sinking fund depository, in the usual and customary manner, from such money available in the Mandatory Sinking Fund.

**SECTION 17.** This Township appoints the Paying Agent as the sinking fund depository with respect to the Sinking Fund.

**SECTION 18.** This Township 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 Bonds when due.

**SECTION 19.** If necessary and applicable, the Board hereby authorizes the preparation of a Preliminary Official Statement for use in the marketing of the Bonds and authorizes the Township Manager to approve the form of such Preliminary Official Statement and the form of a final Official Statement with respect to the Bonds of the Township, with such insertions and amendments as shall be necessary or appropriate to reflect the final terms and provisions of the Bonds, the accepted Proposal and this Ordinance. The Board authorizes the Chairman of the Board to affix his signature to the final Official Statement approved as described above, and such execution of the final Official Statement shall constitute conclusive evidence of the approval thereof by the Board.

**SECTION 20.** The Chairman or Vice Chairman of the Board and the Township Secretary, respectively, are authorized and directed, as required, necessary and/or appropriate: (a) to prepare, to certify and to file with the Department the debt statement required by the Debt Act; (b) to prepare and to file with the Department any statements required by the Debt Act that are necessary to qualify all or any portion of the debt of this Township that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit of this Township as self-liquidating or subsidized debt; (c) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings for the required approval relating to the debt, of which debt the Bonds, upon issue, will be evidence, as required by the Debt Act; (d) to pay or to cause to be paid to the Department all proper filing fees required in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

The Board authorizes and directs that an appropriate borrowing base certificate be prepared for filing with the Department as required by the Debt Act. The Chairman or Vice Chairman of the Board and the Township Secretary are hereby authorized to prepare and to execute, or to authorize the preparation and execution of such borrowing base certificate.

**SECTION 21.** If applicable, as determined from the Addendum, the Board authorizes and directs the purchase of municipal bond guaranty insurance with respect to the Bonds. The officers and agents of the Township are authorized and directed to take all required, necessary



and/or appropriate action with respect to such insurance, as contemplated in the Addendum, including the payment of the premium of such insurance.

**SECTION 22.** Officers and agents of the Township are authorized and directed to contract with the Paying Agent for its services as paying agent for the Bonds and as sinking fund depository in connection with each Sinking Fund established for the Bonds.

**SECTION 23.** It is declared that the debt to be incurred hereby, together with any other indebtedness of this Township, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by this Township.

**SECTION 24.** The officers and agents of this Township are authorized to deliver the Bonds and to authorize payment of all costs and expenses associated with issuance of the Bonds as provided for in the Proposal, but only after the Department has certified its approval pursuant to the provisions of the Debt Act or at such time when the filing authorized to be submitted to the Department pursuant to the Debt Act shall be deemed to have been approved pursuant to applicable provisions of the Debt Act.

**SECTION 25.** This Township covenants to and with purchasers of the Bonds (or any portion thereof intended to be exempt from federal taxation) that it will make no use of the proceeds of such Bonds, or of any other obligations deemed to be part of the same "issue" as any portion of such Bonds under applicable federal tax regulations, that will cause such Bonds to be or become "arbitrage bonds" 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 any other regulations implementing said Sections, and this Township 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 such Bonds.

This Township further covenants to and with purchasers of the Bonds that it will make no use of the proceeds of the Bonds, of the proceeds of any other obligations deemed to be part of the same "issue" as the Bonds under applicable federal tax regulations, or of any property or facilities financed with the proceeds of the Bonds or of any such other obligations deemed to be part of the same "issue" as the Bonds, that will cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the regulations implementing said Sections that duly have been published in the Federal Register, and this Township 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 Bonds.

If applicable, the Chairman or Vice Chairman of the Board is authorized to represent in a certificate delivered when the Bonds are issued, if appropriate, that this Township does not then reasonably expect to issue tax-exempt obligations that, together with all tax-exempt obligations reasonably expected to be issued by all entities that issue bonds or Bonds on behalf of this Township and all "subordinate entities" (within the meaning of Section 265(b)(3)(E) of the Code) of this Township, in the aggregate, will exceed Ten Million Dollars (\$10,000,000)

(excluding obligations issued to refund (other than to advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation) in the calendar year of issuance and, accordingly, thereby designate the Bonds (to the extent they are not “deemed designated” under Section 265(b)(3)(D)(ii) of the Code), on behalf of this Township, as “qualified tax-exempt obligations,” as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

**SECTION 26.** This Township elects to prepay the Refunded Note, by optional prepayment prior to stated maturity, on one or more dates to be illustrated in the schedules accompanying the Addendum (the “Prepayment Date”) in accordance with the rights reserved to this Township in the 2016 Note.

Officers and agents of the Board are hereby authorized and directed to give irrevocable instructions to the lender holding the 2016 Note to prepay 2016 Note in accordance with this election of the Board, *following the acceptance of the final terms and conditions of the Bonds and Addendum as described in Section 4 hereof.*

**SECTION 27.** If necessary and applicable, this Township shall enter into, and hereby authorizes and directs the Chairman or Vice Chairman of the Board to execute, a Continuing Disclosure Certificate (the “Certificate”) on behalf of this Township on or before the date of issuance and delivery of the Bonds. Such Certificate shall be executed and delivered to satisfy the terms and conditions of the accepted Proposal for sale of the Bonds and Securities and Exchange Commission Rule 15c2-12, and shall be substantially in the form presented to this meeting, which is hereby approved, together with any changes therein made and approved by the executing officer of the Board, whose execution and delivery thereof shall constitute conclusive evidence of such approval. A copy of the Certificate shall be filed with the Township Secretary and shall be and hereby is made part of this Ordinance.

This Township hereby covenants and agrees that it will comply with and carry out all of the provisions of the Certificate. Notwithstanding any other provision of this Ordinance, failure of this Township to comply with the Certificate shall not be considered an event of default with respect to the Bonds; however, any registered owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause this Township to comply with its obligations under this Section and such Certificate.

**SECTION 28.** The Bonds, if issued as a public offering, shall be made available for purchase under a book-entry only system available through The Depository Trust Company, a New York corporation (“DTC”). If applicable, at or prior to settlement for the Bonds, this Township and the Paying Agent shall execute or signify their approval of a Representation Letter in substantially the form on file with DTC (the “Representation Letter”). The appropriate officers of this Township and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Ordinance, shall agree

to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

**SECTION 29.** Notwithstanding the foregoing provisions of this Ordinance, if issued as a public offering, the Bonds shall initially be issued in the form of one fully-registered Bond for the aggregate principal amount of the Bonds of each maturity, and the following provisions shall apply with respect to the registration, transfer and payment of publicly offered Bonds:

(a) Except as provided in subparagraph (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 of the same series, interest rate and maturity registered in the name of such nominee or nominees of DTC.

(b) No person other than DTC or its nominee shall be entitled to receive from this Township or the Paying Agent either a Bond certificate 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 portion of the Bonds on the registration books (the "Register") maintained by the Paying Agent in connection with discontinuing the book-entry system as provided in subparagraph (g) below or otherwise.

(c) So long as any Bonds 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 accordance with the Representation Letter on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this Township or the Paying Agent with respect to the principal or redemption price of or interest on the 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.

(d) This Township 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 holders of Bonds under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by holders of Bonds and for all other purposes whatsoever; and neither this Township nor the Paying Agent shall be affected by any notice to the contrary. Neither this Township 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 Register as being a registered owner of Bonds, with respect to (1) the Bonds, (2) the accuracy of any records maintained by DTC or any such participant, (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, (4) any notice which is permitted or required to be given to holders of the Bonds under this Ordinance, (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, and (6) any consent given or other action taken by DTC as holder of the Bonds.

(e) 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 holders of such Bonds under this Ordinance shall be given to DTC as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Ordinance by this Township or the Paying Agent with respect to any consent or other action to be taken by holders of Bonds, 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 this Township or the Paying Agent may establish a special record date for such consent or other action. This Township or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book-entry only system for registration of the ownership of the Bonds may be discontinued at any time if either (1) after notice to this Township and the Paying Agent, DTC determines to resign as securities depository for the Bonds, or (2) after notice to DTC and the Paying Agent, this Township determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of this Township. In either of such events (unless in the case described in clause (2) above, this Township 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 this Township or the Paying Agent for the accuracy of such designation. Whenever DTC requests this Township and the Paying Agent to do so, this Township 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 30.** There is hereby authorized a Capital Project Fund for the Capital Project (the "Capital Project Fund"), into which the net proceeds of Bonds for the Capital Project shall be deposited. Any money in the Capital Project Fund not required for prompt expenditure may be deposited or invested in accordance with 53 Pa.S.C. §8224 or other applicable law.

**SECTION 31.** The Chairman or Vice Chairman of the Board, the Township Secretary and other officers and agents of this Township, are authorized and directed to perform such acts as may be necessary to facilitate the settlement for the Bonds.

**SECTION 32.** Any reference in this Ordinance to an officer or member of this Township shall be deemed to refer to his or her duly qualified successor in office, or other authorized representative, if applicable.

**SECTION 33.** 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 Township that such remainder shall be and shall remain in full force and effect.

**SECTION 34.** All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

**SECTION 35.** This Ordinance shall be effective in accordance with the Debt Act.

**DULY ENACTED AND ORDAINED**, by the Board of Supervisors of the Township, in lawful session duly assembled, this 2<sup>nd</sup> day of May, 2022.

**TOWNSHIP OF WASHINGTON,  
Franklin County, Pennsylvania**

By: Stewart Moele  
Chairman of the Board of Supervisors

ATTEST:

James D. Hoyer  
Secretary of the Township

(SEAL)

**EXHIBIT A**

**TOWNSHIP OF WASHINGTON,  
FRANKLIN COUNTY, PENNSYLVANIA  
\$7,500,000 Maximum Aggregate Principal Amount  
General Obligation Bonds**

SEE ATTACHED PAGE



|                            |        |           |
|----------------------------|--------|-----------|
| <b>WASHINGTON TOWNSHIP</b> | Settle | 6/20/2022 |
| Series of 2022             | Dated  | 6/20/2022 |

**MAX PARAMETERS SCHEDULE**

| 1             | 2                | 3           | 4                   | 5                               | 6                               |
|---------------|------------------|-------------|---------------------|---------------------------------|---------------------------------|
| <u>Date</u>   | <u>Principal</u> | <u>Rate</u> | <u>Interest</u>     | <u>Semi-Annual Debt Service</u> | <u>Fiscal Year Debt Service</u> |
| 12/1/2022     | 5,000            | 7.00        | 234,791.67          | 239,791.67                      | 239,791.67                      |
| 6/1/2023      |                  | 7.00        | 262,325.00          | 262,325.00                      |                                 |
| 12/1/2023     | 229,000          | 7.00        | 262,325.00          | 491,325.00                      | 753,650.00                      |
| 6/1/2024      |                  | 7.00        | 254,310.00          | 254,310.00                      |                                 |
| 12/1/2024     | 237,000          | 7.00        | 254,310.00          | 491,310.00                      | 745,620.00                      |
| 6/1/2025      |                  | 7.00        | 246,015.00          | 246,015.00                      |                                 |
| 12/1/2025     | 243,000          | 7.00        | 246,015.00          | 489,015.00                      | 735,030.00                      |
| 6/1/2026      |                  | 7.00        | 237,510.00          | 237,510.00                      |                                 |
| 12/1/2026     | 250,000          | 7.00        | 237,510.00          | 487,510.00                      | 725,020.00                      |
| 6/1/2027      |                  | 7.00        | 228,760.00          | 228,760.00                      |                                 |
| 12/1/2027     | 258,000          | 7.00        | 228,760.00          | 486,760.00                      | 715,520.00                      |
| 6/1/2028      |                  | 7.00        | 219,730.00          | 219,730.00                      |                                 |
| 12/1/2028     | 265,000          | 7.00        | 219,730.00          | 484,730.00                      | 704,460.00                      |
| 6/1/2029      |                  | 7.00        | 210,455.00          | 210,455.00                      |                                 |
| 12/1/2029     | 275,000          | 7.00        | 210,455.00          | 485,455.00                      | 695,910.00                      |
| 6/1/2030      |                  | 7.00        | 200,830.00          | 200,830.00                      |                                 |
| 12/1/2030     | 245,000          | 7.00        | 200,830.00          | 445,830.00                      | 646,660.00                      |
| 6/1/2031      |                  | 7.00        | 192,255.00          | 192,255.00                      |                                 |
| 12/1/2031     | 253,000          | 7.00        | 192,255.00          | 445,255.00                      | 637,510.00                      |
| 6/1/2032      |                  | 7.00        | 183,400.00          | 183,400.00                      |                                 |
| 12/1/2032     | 265,000          | 7.00        | 183,400.00          | 448,400.00                      | 631,800.00                      |
| 6/1/2033      |                  | 7.00        | 174,125.00          | 174,125.00                      |                                 |
| 12/1/2033     | 167,000          | 7.00        | 174,125.00          | 341,125.00                      | 515,250.00                      |
| 6/1/2034      |                  | 7.00        | 168,280.00          | 168,280.00                      |                                 |
| 12/1/2034     | 174,000          | 7.00        | 168,280.00          | 342,280.00                      | 510,560.00                      |
| 6/1/2035      |                  | 7.00        | 162,190.00          | 162,190.00                      |                                 |
| 12/1/2035     | 180,000          | 7.00        | 162,190.00          | 342,190.00                      | 504,380.00                      |
| 6/1/2036      |                  | 7.00        | 155,890.00          | 155,890.00                      |                                 |
| 12/1/2036     | 188,000          | 7.00        | 155,890.00          | 343,890.00                      | 499,780.00                      |
| 6/1/2037      |                  | 7.00        | 149,310.00          | 149,310.00                      |                                 |
| 12/1/2037     | 195,000          | 7.00        | 149,310.00          | 344,310.00                      | 493,620.00                      |
| 6/1/2038      |                  | 7.00        | 142,485.00          | 142,485.00                      |                                 |
| 12/1/2038     | 204,000          | 7.00        | 142,485.00          | 346,485.00                      | 488,970.00                      |
| 6/1/2039      |                  | 7.00        | 135,345.00          | 135,345.00                      |                                 |
| 12/1/2039     | 210,000          | 7.00        | 135,345.00          | 345,345.00                      | 480,690.00                      |
| 6/1/2040      |                  | 7.00        | 127,995.00          | 127,995.00                      |                                 |
| 12/1/2040     | 220,000          | 7.00        | 127,995.00          | 347,995.00                      | 475,990.00                      |
| 6/1/2041      |                  | 7.00        | 120,295.00          | 120,295.00                      |                                 |
| 12/1/2041     | 229,000          | 7.00        | 120,295.00          | 349,295.00                      | 469,580.00                      |
| 6/1/2042      |                  | 7.00        | 112,280.00          | 112,280.00                      |                                 |
| 12/1/2042     | 238,000          | 7.00        | 112,280.00          | 350,280.00                      | 462,560.00                      |
| 6/1/2043      |                  | 7.00        | 103,950.00          | 103,950.00                      |                                 |
| 12/1/2043     | 247,000          | 7.00        | 103,950.00          | 350,950.00                      | 454,900.00                      |
| 6/1/2044      |                  | 7.00        | 95,305.00           | 95,305.00                       |                                 |
| 12/1/2044     | 257,000          | 7.00        | 95,305.00           | 352,305.00                      | 447,610.00                      |
| 6/1/2045      |                  | 7.00        | 86,310.00           | 86,310.00                       |                                 |
| 12/1/2045     | 268,000          | 7.00        | 86,310.00           | 354,310.00                      | 440,620.00                      |
| 6/1/2046      |                  | 7.00        | 78,930.00           | 78,930.00                       |                                 |
| 12/1/2046     | 279,000          | 7.00        | 78,930.00           | 355,930.00                      | 432,860.00                      |
| 6/1/2047      |                  | 7.00        | 67,165.00           | 67,165.00                       |                                 |
| 12/1/2047     | 290,000          | 7.00        | 67,165.00           | 357,165.00                      | 424,330.00                      |
| 6/1/2048      |                  | 7.00        | 57,015.00           | 57,015.00                       |                                 |
| 12/1/2048     | 299,000          | 7.00        | 57,015.00           | 356,015.00                      | 413,030.00                      |
| 6/1/2049      |                  | 7.00        | 46,550.00           | 46,550.00                       |                                 |
| 12/1/2049     | 313,000          | 7.00        | 46,550.00           | 359,550.00                      | 406,100.00                      |
| 6/1/2050      |                  | 7.00        | 35,595.00           | 35,595.00                       |                                 |
| 12/1/2050     | 326,000          | 7.00        | 35,595.00           | 361,695.00                      | 397,190.00                      |
| 6/1/2051      |                  | 7.00        | 24,185.00           | 24,185.00                       |                                 |
| 12/1/2051     | 339,000          | 7.00        | 24,185.00           | 363,185.00                      | 387,370.00                      |
| 6/1/2052      |                  | 7.00        | 12,320.00           | 12,320.00                       |                                 |
| 12/1/2052     | 352,000          | 7.00        | 12,320.00           | 364,320.00                      | 376,640.00                      |
| <b>TOTALS</b> | <b>7,500,000</b> |             | <b>8,813,011.67</b> | <b>16,313,011.67</b>            | <b>16,313,011.67</b>            |

**EXHIBIT B**  
**(FORM OF BOND)**

\$ , . .

**TOWNSHIP OF WASHINGTON,  
Franklin County, Pennsylvania**

**GENERAL OBLIGATION BOND, SERIES OF 2022**

THE TOWNSHIP OF WASHINGTON, in Franklin County, Pennsylvania (the “Township”), a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”), promises to pay to the order of \_\_\_\_\_ (the “Bank”), or registered assigns, on [Maturity Date] (the “Maturity Date”), pursuant to this General Obligation Bond, Series of 2022 (the “Bond”), the principal sum of \$ \_\_\_\_\_. Interest on this Bond shall accrue at the fixed rate of \_\_\_\_\_% per annum (computed on a 30/360 day year basis) until \_\_\_\_\_ 1, 20\_\_\_\_, and thereafter at a variable rate of interest equal to 79% of the U.S. Prime Rate through the Maturity Date; provided, however, that the variable rate shall not be less than 2.50% nor more than 6.00%. In the event interest paid or payable on this Bond is hereafter determined by proper authority not to be exempt from taxation pursuant to the Internal Revenue Code of 1986, as amended, and regulations promulgated or adopted pursuant thereto (collectively, the “Code”), this Bond shall be reset at \_\_\_\_% fixed for the initial fixed rate period, then the rate will adjust to a rate equal to the U.S. Prime rate for the remaining term, with a floor of 3.16% and a ceiling of 7.59%. The Township shall make semiannual interest payments, on June 1 and December 1 of each year, commencing on December 1, 2022, on the outstanding principal balance hereof, from time to time.

Thereafter, the principal of this Bond shall be repaid in annual installments, in the amounts and on December 1 of the years set forth in the attached schedule. The principal balance and accrued interest shall be due in full on the Maturity Date. The principal of and interest on this Bond shall be payable at any office of the Bank, in lawful money of the United States of America.

This Bond is subject to prepayment prior to maturity, at the option of the Township, as a whole or in part, on any date, without premium or penalty. Any prepayment, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner hereof at the time of such prepayment, as such registered owner and address shall appear upon books of the Township to be kept by the Bank for such purpose, by deposit of such written notice in the United States mail at least three (3) days prior to the date designated for prepayment. On the date designated for prepayment, notice having been given as aforesaid, and money for payment of the principal and accrued interest being held by the Bank, interest hereon or on any part of the principal hereof so called for prepayment, as applicable, shall cease to accrue.

This Bond is issued in accordance with the Act of the General Assembly of the Commonwealth known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), and by virtue of an ordinance (the "Ordinance"), enacted by the Board of Supervisors of the Township on May 2, 2022. The Debt Act, as such shall have been in effect when this Bond was authorized, and the Ordinance shall constitute a contract between the Township and the registered owner or registered owners, from time to time, of this Bond.

It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in

due and regular form and manner, as required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the Township, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of the debt of the Township which is evidenced by this Bond.

The Township has covenanted, in the Ordinance, to and with registered owners of this Bond outstanding, from time to time, pursuant to the Ordinance, that the Township: (i) shall include the amount of the debt service for this Bond, for each fiscal year of the Township 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 established under the Ordinance or any other of its revenues or funds 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 hereof; and, for such budgeting, appropriation and payment, the Township has pledged 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 Bank, 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 the 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 in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Bond.

*This Bond has been designated by the Township as a "qualified tax-exempt obligation", as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).*

This Bond is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the Township to be kept for that purpose at the principal office or at any branch office of the Bank by a duly authorized representative of the Bank acting in behalf of the Township. The Township and the Bank may deem and treat the person, from time to time, in whose name this Bond shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of prepayment hereof prior to maturity and for all other purposes.

IN WITNESS WHEREOF, the TOWNSHIP OF WASHINGTON, Franklin County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Bond to be executed in its name and on its behalf by the manual signature of the Chairman or Vice Chairman of the Board of Supervisors of the Township and the official seal of the Township to be affixed hereto and the manual signature of the Secretary of the Township to be affixed hereto in attestation thereof, all as of the 2nd day of May, 2022.

TOWNSHIP OF WASHINGTON,  
Franklin County, Pennsylvania

By: *Stewart McCleary*  
(Vice) Chairman

ATTEST:

*James S. Hoyer*  
Secretary of the Township

(SEAL)

\_\_\_\_\_

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF THE \_\_\_\_\_, AS PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE TOWNSHIP OF WASHINGTON, FRANKLIN COUNTY, PENNSYLVANIA

| Date of Registry | Name of Registered Owner | Registrar<br>(Authorized Representative) |
|------------------|--------------------------|--|
|                  |                          |  |
|                  |                          |  |
|                  |                          |  |
|                  |                          |  |



PRINCIPAL REPAYMENT SCHEDULE

**CERTIFICATE**


I, the undersigned, Secretary of the TOWNSHIP OF WASHINGTON, in Franklin County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of Ordinance No. \_\_\_\_\_ that duly was enacted by affirmative vote of a majority of all members of the Board of Supervisors (the "Board") of the Township at a meeting duly held on May 2, 2022; said Ordinance has been recorded in the minute book of the Board of the Township; and said Ordinance has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that Board of the Township met the advance notice, public comment, and record keeping requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7 (the "Sunshine Act"), by advertising the time and place of said meeting in a newspaper published and circulating in the Township or a newspaper with a paid circulation in the Township greater than any newspaper published in the Township, by posting prominently a notice of said meeting and of the agenda for such meeting (including consideration of the Ordinance) at the principal office of the Township and at the public building in which said meeting was held, by providing copies of the agenda to, and a reasonable opportunity for comment by, the public prior to enactment of said Ordinance, and by keeping written minutes of said meeting including the vote of each member on the Ordinance, all as required by such Sunshine Act.

I further certify that: the total number of members of the Board of the Township is five (5); the vote of members of the Board of the Township upon said Ordinance was called and duly was recorded upon the minutes of said meeting; and members of the Board of the Township voted upon said Ordinance in the following manner:

- Charles Strausbaugh -
- C. Stewart McCleaf -
- Daniel DeDona -
- Barbara A. McCracken -
- Scott Stine -

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 2<sup>nd</sup> day of May, 2022.

  
Secretary of the Township

(SEAL)