

01 - 2021

BOROUGH OF TOPTON
BERKS COUNTY, PENNSYLVANIA

AN ORDINANCE OF THE COUNCIL OF THE BOROUGH OF TOPTON, BERKS COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE A GENERAL OBLIGATION NOTE OF THE BOROUGH IN THE PRINCIPAL AMOUNT OF TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS (\$2,615,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, 53 PA.C.S. CHAPTERS 80-82, AS AMENDED, REENACTED AND SUPPLEMENTED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTEREST OF THE BOROUGH; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THE BOROUGH; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE A PROJECT OF THE BOROUGH WHICH CONSISTS OF THE FOLLOWING: (1) THE CURRENT REFUNDING OF THE BOROUGH'S GENERAL OBLIGATION NOTE, SERIES OF 2017; (2) THE CURRENT REFUNDING OF THE BOROUGH'S GENERAL OBLIGATION NOTE, SERIES OF 2019; AND (3) PAYING THE COSTS AND EXPENSES OF ISSUANCE OF THE NOTE; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIVES OF THE PROJECTS TO BE REFINANCED BY THE NOTE; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE BOROUGH; FIXING THE DENOMINATION, DATED DATE, INTEREST PAYMENT DATES, INTEREST RATES, REDEMPTION PROVISIONS AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; AUTHORIZING SPECIFIED OFFICERS OF THE BOROUGH TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE NOTE; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH NOTE TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE BOROUGH IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH NOTE WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH NOTE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE BOROUGH TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTE, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTE, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE BOROUGH, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE

BOROUGH TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THE BOROUGH FROM TAKING ACTIONS WHICH WOULD CAUSE THE NOTE TO BECOME AN "ARBITRAGE BOND" OR A "PRIVATE ACTIVITY BOND" AS THOSE TERMS ARE USED IN THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" UNDER SECTION 265(b) OF THE CODE; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND DELIVERY OF ALL OTHER REQUIRED DOCUMENTS AND THE TAKING OF ALL OTHER REQUIRED ACTION; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, the Borough of Tipton, Berks County, Pennsylvania (the "Borough"), is a Borough organized under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, the Borough, in contemplation of the issuance and sale of its General Obligation Note in an aggregate principal amount of Two Million Six Hundred Fifteen Thousand Dollars (\$2,615,000), to provide funds for and towards certain projects of the Borough, has determined that the 2021 Note (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of the Borough; and

WHEREAS, the Council of the Borough (the "Council") has determined that such 2021 Note will be issued and designated generally as "Borough of Tipton, Berks County, Pennsylvania, General Obligation Note, Series of 2021 (the "2021 Note"); and

WHEREAS, the 2021 Note shall be issued in the aggregate principal amount of Two Million Six Hundred Fifteen Thousand Dollars (\$2,615,000); and

WHEREAS, the Council has determined to accept the proposal of Jim Thorpe Neighborhood Bank (the "Purchaser"), for the purchase of the 2021 Note, such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the 2021 Note; and

WHEREAS, the Borough previously issued its General Obligation Note, Series of 2017 (the "2017 Note") in the original principal amount of \$2,425,000; and

WHEREAS, the Borough desires to authorize the current refunding of the 2017 Note for the purpose of reducing the total debt service over the life of the 2017 Note; and

WHEREAS, the 2021 Note which is being issued to currently refund the 2017 Note will not be outstanding through a maturity date that could not have been included in the 2017 Note; and

WHEREAS, the Borough previously issued its General Obligation Note, Series of 2019 (the "2019 Note") in the original principal amount of \$1,000,000; and

WHEREAS, the Borough desires to authorize the current refunding of the 2019 Note for the purpose of reducing the total debt service over the life of the 2019 Note; and

WHEREAS, the 2021 Note which is being issued to currently refund the 2019 Note will not be outstanding through a maturity date that could not have been included in the 2019 Note; and

WHEREAS, the Council has determined to and desires to accept the proposal of the Purchaser and to incur nonelectoral debt in the aggregate principal amount of Two Million Six Hundred Fifteen Thousand Dollars (\$2,615,000) to fund the Project (hereinafter described) of the Borough pursuant to the provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Council of the Borough of Topton, Berks County, Pennsylvania, in lawful session duly assembled, as follows:

SECTION 1. Incurrence of Indebtedness.

(a) Pursuant to the provisions of this Ordinance, the Council hereby authorizes and directs the issuance of the 2021 Note in the aggregate principal amount of Two Million Six Hundred Fifteen Thousand Dollars (\$2,615,000) to be designated generally as "Borough of Topton, Berks County, Pennsylvania, General Obligation Note, Series of 2021" or such other name or such other designations, including the appropriate designation of the year and series such 2021 Note is issued, as shall be selected by the President or Vice President of Council upon delivery of the 2021 Note in accordance with the requirements of Section 8 hereof. The 2021 Note shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation.

(b) The Council determines that the debt to be incurred pursuant to this Ordinance, and which will be evidenced by the 2021 Note, shall be nonelectoral debt of the Borough.

SECTION 2. The Project.

A brief description of the project (the "Project") to be funded with, among other things, the proceeds of the 2021 Note is as follows: (1) the current refunding of the 2017 Note and the 2019 Note (collectively, the "Refunded Notes"); and (2) the payment of the costs and expenses of issuance of the 2021 Note.

It is hereby determined and declared that the remaining realistic estimated useful lives of the capital projects to be refinanced by the 2021 Note and financed by the 2017 Note is

at least 22 years. It is hereby determined and declared that the remaining realistic estimated useful lives of the capital projects to be refinanced by the 2021 Note and financed by the 2019 Note is at least 28 years. It is hereby certified that an aggregate principal amount of the 2021 Note at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

Stated installments or maturities of principal of the 2021 Note will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issuance of the 2021 Note.

The Borough hereby finds and certifies that realistic cost estimates have been obtained for the capital costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

SECTION 3. Refunding of Refunded Notes. In connection with the issuance and sale of the 2021 Note, the Council of the Borough, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the current refunding of the Refunded Notes is to reduce total debt service over the life of each series of such Refunded Notes; and (b) that the refunding of the Refunded Notes is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The Council further finds and determines that the final maturity date of the 2021 Note issued to effect the refunding of the Refunded Notes does not extend to a date that could not have been included in such Refunded Notes.

The Council of the Borough hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the Refunded Notes, including, but not limited to providing notice to the paying agent for each series of the Refunded Notes, and to call the Refunded Notes for optional redemption in full on the first date that the Refunded Notes are eligible to be called for optional redemption. In accordance with Section 8246 of the Act, it is the intent of the Council that the Refunded Notes shall no longer be outstanding from and after the date of the issuance of the 2021 Note.

SECTION 4. Private Sale by Negotiation.

The private sale by negotiation of the 2021 Note to finance the Project and the costs and expenses of the financing is hereby determined to be in the best financial interest of the Borough.

SECTION 5. Acceptance of Proposal.

Subject to the approval of the Department, as required by the provisions of the Act, the Council shall and does hereby accept the proposal of the Purchaser, for the purchase of the 2021 Note in accordance with the terms and conditions of this Ordinance and the Purchaser's proposal, dated February 26, 2021 (the "Proposal"). The sale of the 2021 Note shall be for an aggregate purchase price equal to 100% of the par amount of the 2021 Note issued by the Borough, plus accrued interest, if any, from the date of the 2021 Note to the date of delivery thereof. The President or Vice President of the Council is hereby authorized and directed to accept and to execute the Proposal in the name and on behalf of the Borough, and the Secretary

or Assistant Secretary of the Borough is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to the Council and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting.

SECTION 6. The 2021 Note.

(a) The 2021 Note, when issued, will be a general obligation of the Borough.

(b) The 2021 Note shall be fully registered, without coupons, in denominations of \$1,000 or any integral multiple thereof, in substantially the form hereinafter set forth in Section 8. The 2021 Note shall be dated as set forth in the definitive 2021 Note as delivered to the Purchaser in accordance with the provisions hereof, and shall bear interest from that date at the applicable rates per annum as set forth herein, payable in accordance with the provisions of the 2021 Note and this Ordinance, semiannually on June 1 and December 1 (each an "Interest Payment Date") in each year, commencing June 1, 2021, until maturity or prior redemption.

(c) The 2021 Note will be issued in the principal amount of \$2,336,000, dated and bearing interest from the date of issue, at a fixed annual rate of interest equal to one and nineteen hundredths percent (1.19%), payable on the unpaid balance of the 2021 Note during the term of the 2021 Note. Interest is payable on the unpaid balance of the 2021 Note during its term until paid. The 2021 Note shall mature in maximum installments of principal and at the annual rates of interest as shown on the attached schedule hereinafter referred to as Exhibit "A."

(d) The Borough reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payment dates thereof, in accordance with the limitations as specified in the Note and the Proposal, if any.

(e) The principal and interest of the 2021 Note shall be payable at the office of the sinking fund depository selected for the 2021 Note as hereinafter provided.

(f) If the date for payment of the principal of or the interest on the 2021 Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then the payment of such principal or interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

SECTION 7. Appointment of Paying Agent, Registrar and Sinking Fund Depository.

The proper officers of the Borough are hereby authorized, empowered and directed to contract with Jim Thorpe Neighborhood Bank or such other bank or bank and trust company authorized to do business in the Commonwealth of Pennsylvania and who has an office in the Commonwealth of Pennsylvania (the "Paying Agent"), for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this

Ordinance and the Act. Payment of the principal of and interest on the 2021 Note shall be made, when due, in accordance with the provisions of the 2021 Note, at the designated office of the Paying Agent in lawful money of the United States of America. The Borough may, by ordinance, from time to time, appoint a successor paying agent, registrar or sinking fund depository to fill a vacancy or for any other reason.

SECTION 8. Form of 2021 Note.

(a) The 2021 Note shall be in substantially the form set forth in Exhibit "B" with appropriate insertions, omissions and variations. The form of the 2021 Note as submitted to the Borough is hereby approved in substantially such form, with such changes, insertions and variations as are necessary or appropriate to reflect the final terms, including, but not limited to, the name or designation and the final redemption provisions, of the 2021 Note as specified to the Borough in the delivery instructions of the Purchaser and such other changes as the President or Vice President of the Council may approve upon advice of counsel to the Borough, such approval to be evidenced by such officer's execution and delivery of the 2021 Note.

(b) The 2021 Note shall be executed in the name and on behalf of the Borough by the true or facsimile signature of the President or Vice President of the Council and the true or facsimile official seal of the Borough shall be affixed thereunto, duly attested by the true or facsimile signature of the Secretary or Assistant Secretary of the Borough. Said officers are authorized and directed to execute and attest the 2021 Note. The execution and delivery of the 2021 Note shall constitute conclusive proof of the approval of the final terms and provisions of the 2021 Note by the Borough.

SECTION 9. General Obligation Covenant.

The Borough covenants to and with the registered owners from time to time of the 2021 Note that the Borough (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the Borough in which such sums are payable; (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the 2021 Note for such year, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal amount of the 2021 Note and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Borough shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the Borough shall be enforceable specifically.

SECTION 10. Sinking Fund.

(a) The Borough hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for the 2021 Note, to be known as "Sinking Fund – Borough of Tipton, Berks County, Pennsylvania, General Obligation Note, Series of 2021" (the "Sinking Fund") or such other name, series or designation as selected by the proper officers of the Borough from time to time which shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

(b) The Paying Agent shall be the “sinking fund depositary” with respect to the Sinking Fund created pursuant to Section 10(a). The Borough covenants and agrees to deposit in the Sinking Fund, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the 2021 Note. After such deposit, the Paying Agent shall, without further authorization or direction from the Borough or any of its officials, upon proper and timely presentation, execution and surrender of the 2021 Note, with respect to the payment of principal of the 2021 Note, or at the Interest Payment Date, with respect to the payment of interest on the 2021 Note, withdraw moneys from the Sinking Fund and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

SECTION 11. Debt Statement and Borrowing Base Certificate.

The President or Vice President of the Council and the Secretary or Assistant Secretary of the Borough, and, if applicable, their duly qualified respective successors, are hereby authorized and directed, in the name and on behalf of the Borough: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the 2021 Note, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the 2021 Note or otherwise, all costs and expenses incurred by the Borough in connection with the issuance of the 2021 Note; (e) to advertise the enactment of this Ordinance, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the 2021 Note, to the extent not inconsistent with this Ordinance or applicable law.

The President or Vice President of the Council and the Secretary or Assistant Secretary of the Borough, and, if applicable, their duly qualified respective successors, are each authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department appropriate statements required by Section 8026 of the Act which are necessary to qualify the nonelectoral or lease rental debt of the Borough, which is subject to exclusion of self-liquidating or subsidized debt, for exclusion from the appropriate debt limits of the Borough as self-liquidating or subsidized debt.

SECTION 12. Compliance with Debt Act.

It is hereby declared that the debt to be evidenced by the 2021 Note, together with all other indebtedness of the Borough, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the Borough.

SECTION 13. Delivery of the 2021 Note.

The proper officers of the Borough are hereby authorized and directed to deliver the 2021 Note to the Purchaser, upon due registration thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

SECTION 14. Internal Revenue Code Covenants.

(a) The Borough covenants to and with the registered owners of the 2021 Note that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such 2021 Note, would cause such 2021 Note to be an "arbitrage bond" or a "private activity bond" as those terms are defined in Section 148 and Section 141 of the Code and the applicable regulations thereunder. The Borough further covenants that it will comply with the requirements of such Section 148 and Section 141 and with the regulations thereunder throughout the term of this issue. In addition, the President or Vice President of the Council, being the official(s) responsible for issuing the 2021 Note, attested by the Secretary or Assistant Secretary of the Borough, are hereby authorized and directed to execute and deliver, in the name and on behalf of the Borough, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the 2021 Note is not an "arbitrage bond" or a "private activity bond" within the meanings of Section 148 and Section 141 of the Code and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance and delivery of the 2021 Note, which certificate shall set forth the reasonable expectations of the Borough as to the amount and use of the proceeds of the 2021 Note.

(b) In accordance with the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), the Borough hereby finds, determines and designates the 2021 Note as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code, for the purposes of such Section 265(b) of the Code. The Borough determines that it and all entities with which it is aggregated under Section 265(b)(3)(E) of the Code have not issued, and do not reasonably expect to issue, tax-exempt obligations which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) as calculated for purposes of such Section during the calendar year 2021. The Borough also determines that it will not engage in any action or inaction which will or may cause the 2021 Note to fail or cease to constitute a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

SECTION 15. Refunding of Refunded Notes. The Borough hereby authorizes and directs the proper officers, agents and employees to execute any and all documents and to take any and all action necessary in connection with the Project to cause the Refunded Notes to "no longer be deemed to be outstanding" as of the date of delivery of the 2021 Note, within the meaning and for the purposes of Section 8250 of the Act and to cause the redemption of the Refunded Notes on the first call date for each series of the Refunded Notes.

SECTION 16. Appointment of Bond Counsel.

The Borough hereby appoints and engages Stevens & Lee, P.C., to act as Bond Counsel to the Borough in connection with the issuance of the 2021 Note and to facilitate the intent of this Ordinance and the President or Vice President of Council are each hereby authorized and directed to execute an engagement letter with such counsel.

SECTION 17. 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 15 days after final enactment. The Secretary of the Borough is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

SECTION 18. Mandatory Provisions of Act.

This Ordinance is enacted pursuant to the Act and the laws and the Constitution of the Commonwealth of Pennsylvania, and the Borough hereby determines and declares that each and every matter and thing provided for herein is necessary and desirable to carry out and effect the public purposes of the Borough in accordance with such laws. All of the mandatory provisions of the Act shall apply hereunder whether or not explicitly stated herein and are specifically incorporated herein by reference.

SECTION 19. Contractual Obligation.

In consideration of the purchase and acceptance of the 2021 Note authorized to be issued hereunder by those who shall purchase the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Borough and the Holders from time to time of the 2021 Note; and the covenants and agreements herein set forth to be performed on behalf of the Borough shall be for the benefit, protection and security of the Holders from time to time of the 2021 Note. If the Borough shall default in the performance of any of its obligations hereunder, under the 2021 Note or under the Act, the holders or registered owners of the 2021 Note shall be entitled to all of the rights and remedies provided by the Act in the event of such default.

SECTION 20. General Authorization.

The officers and officials of the Borough are hereby 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 2021 Note, all in accordance with this Ordinance.

SECTION 21. Invalidity.

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 the remainder of this Ordinance shall remain in full force and effect.

SECTION 22. Repeal of Inconsistent Ordinances.

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

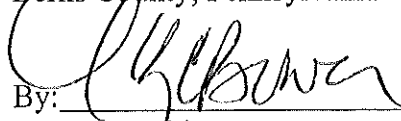
SECTION 23. Effectiveness of Ordinance.

This Ordinance shall be effective in accordance with Section 8003 of the Act.

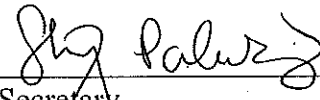
DULY ENACTED, THIS 8th DAY OF MARCH, 2021, BY THE COUNCIL OF THE BOROUGH OF TOPTON, BERKS COUNTY, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.

(SEAL)

BOROUGH OF TOPTON
Berks County, Pennsylvania


By: 

President

Attest: 

Secretary

APPROVED:



Mayor

EXHIBIT A

Debt Service Schedule

TOPTON BOROUGH		SETTLE	4/12/2021
SERIES OF 2021		DATED	4/12/2021
Refunds Series of 2017 and Series of 2019			

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>	<u>Existing Debt Service</u>	<u>Savings</u>
6/1/2021	176,000	1.190	4,235.57	180,235.57			
12/1/2021		1.190	14,512.05	14,512.05	194,747.62	282,334.76	87,587.14
6/1/2022	357,000	1.190	14,512.05	371,512.05			
12/1/2022		1.190	12,387.90	12,387.90	383,899.95	385,297.14	1,397.19
6/1/2023	362,000	1.190	12,387.90	374,387.90			
12/1/2023		1.190	10,234.00	10,234.00	384,621.90	385,739.64	1,117.74
6/1/2024	367,000	1.190	10,234.00	377,234.00			
12/1/2024		1.190	8,050.35	8,050.35	385,284.35	386,099.65	815.30
6/1/2025	371,000	1.190	8,050.35	379,050.35			
12/1/2025		1.190	5,842.90	5,842.90	384,893.25	386,377.15	1,483.90
6/1/2026	375,000	1.190	5,842.90	380,842.90			
12/1/2026		1.190	3,611.65	3,611.65	384,454.55	385,572.16	1,117.61
6/1/2027	380,000	1.190	3,611.65	383,611.65			
12/1/2027		1.190	1,350.65	1,350.65	384,962.30	385,712.16	749.86
6/1/2028	113,000	1.190	1,350.65	114,350.65			
12/1/2028		1.190	678.30	678.30	115,028.95	115,077.50	48.55
6/1/2029	114,000	1.190	678.30	114,678.30			
12/1/2029		1.190	0.00	0.00	114,678.30	115,080.00	401.70
TOTALS	2,615,000		117,571.17	2,732,571.17	2,732,571.17	2,827,290.16	94,718.99

Savings as a % of Refunded Par	10.39%
--------------------------------	--------

EXHIBIT B

Form of 2021 Note

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BERKS
BOROUGH OF TOPTON

GENERAL OBLIGATION NOTE
SERIES OF 2021

\$2,615,000
Dated: _____, 2021

The BOROUGH OF TOPTON, BERKS COUNTY, COMMONWEALTH OF PENNSYLVANIA (the "Borough"), a local government unit existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to JIM THORPE NEIGHBORHOOD BANK (the "Purchaser"), or registered assigns, the sum of Two Million Six Hundred Fifteen Thousand Dollars (\$2,615,000) or such lesser principal sum as shall have been advanced hereunder and remain unpaid, with interest thereon from the date of such advance, on the terms and conditions set forth below.

Interest shall be due and payable on the outstanding principal balance of this Note at a fixed rate of one and nineteen hundredths percent (1.19%) per annum. Interest shall be payable semi-annually during the term of the Note on June 1 and December 1 of each year, commencing June 1, 2021. All interest hereunder shall be computed based on a 360 day year comprised of twelve 30-day months.

Principal of this Note shall be due and payable annually on June 1 of each year, commencing June 1, 2021, in the amounts set forth on Exhibit "A" attached hereto and made a part hereof. On June 1, 2029 all principal, accrued, unpaid interest and other amounts evidenced by this Note shall be due and payable in full, without notice or demand.

If the due date for payment of interest on or principal of this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to remain closed, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to remain closed with the same force and effect as if made on the due date for payment of principal or interest and no interest shall accrue thereon for any period after such due date.

The Borough shall have the option to prepay all or a portion of this Note at any time and from time to time without notice and without penalty.

Both principal and interest are payable in such coin or currency as on the respective date of payment thereof and shall be legal tender for the payment of public and private debts, at the office of Jim Thorpe Neighborhood Bank, the paying agent, located in Jim Thorpe, Pennsylvania.

This General Obligation Note, Series of 2021 (the "Note") is issued under and pursuant to provisions of the Ordinance enacted by the Council of the Borough on February 4, 2021 (the "Ordinance"). This Note is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act"), without the assent of electors, and pursuant to the Ordinance. This Note shall be issued in the principal amount of \$2,615,000 and is subject to provisions and is entitled to the benefit of provisions of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The Borough has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it (i) shall include the amount of the debt service for this Note, for each fiscal year of the Borough in which such amounts are payable, in its budget for that fiscal year, (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and (iii) that it 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 amount of this Note and the interest due thereon 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 the Borough has pledged, irrevocably, its full-faith, credit and taxing power.

In the Ordinance, the Borough has covenanted to and with registered owners of this Note that it will make no use of the proceeds of this Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause this Note to be an "arbitrage bond" or a "private activity bond" as such terms are defined in Section 148 and 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The Borough has further covenanted that it will comply with the requirements of such Section 148 and 141 and with the regulations thereunder throughout the term of this Note.

DELIVERY OF FINANCIAL STATEMENTS AND BUDGET: The Borough covenants and agrees with the Purchaser that while any amounts are due and payable under this Note, the Borough shall deliver to the Purchaser within two hundred seventy (270) days following the end of the Borough's fiscal year, (a) its annual audited financial statements and (b) its annual budget.

MISCELLANEOUS PROVISIONS.

The Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

The Purchaser shall have the right to exercise the remedies set forth in the Act. Any failure by the Purchaser to exercise any right or privilege hereunder shall not be construed as a waiver of the right or privilege to exercise such right or privilege, or to exercise any other right or privilege, at any other time, and from time to time, thereafter.

This Note has been designated in the Ordinance by the Borough as a "qualified tax-exempt obligation," within the meaning of Section 265(b)(3)(B) of the Code.

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

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the Borough to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Borough are within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the Borough has established with the Paying Agent, as sinking fund depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Note, the full faith, credit and taxing power of the Borough are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Borough of Topton, Berks County, Pennsylvania, has caused this Note to be properly executed by its President of the Council of the Borough and its corporate seal to be hereto affixed, attested to by the Secretary of the Borough as of the ____ day of _____, 2021.

BOROUGH OF TOPTON
Berks County, Pennsylvania

By: _____
President

Attest: _____
Secretary

(SEAL)

B-3

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below, and upon notation of the same upon the books of Jim Thorpe Neighborhood Bank of Jim Thorpe, Pennsylvania, as Paying Agent and Registrar for this Note, maintained for such purpose. The Borough and the Registrar shall treat the registered owner of this Note, as noted on this Note and on said books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner: Jim Thorpe Neighborhood Bank, Jim Thorpe, Pennsylvania

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>	<u>Registrar</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named subsequent purchaser, warranting that this transfer is effective and rightful; that, this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note, and further irrevocably authorizes and directs Jim Thorpe Neighborhood Bank, Jim Thorpe, Pennsylvania, as Registrar, to make this transfer on its books maintained for such purposes.

Jim Thorpe Neighborhood Bank, Jim Thorpe, Pennsylvania, as Registrar, by its due execution above, on the above-stated date, acknowledges the transfer of this Note to the subsequent purchaser, who shall now be recognized as registered owner, and has noted such transfer on its books.

ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby
sells, assigns and transfers unto

Name (the "Transferee")

Address

Social Security or Federal
Employer Identification No.

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Note on the books kept for registration
thereof, with full power of substitution in the premises.

Date: _____

NOTICE: No transfer will be issued in the name of the Transferee unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust, and the name of the trustee should be supplied.

Exhibit "A"
Principal Repayment Schedule

<u>Payment Date</u> <u>(June 1)</u>	<u>Principal Amount</u>
2021	\$176,000
2022	357,000
2023	362,000
2024	367,000
2025	371,000
2026	375,000
2027	380,000
2028	113,000
2029	114,000