

TOWNSHIP OF PENN
York County, Pennsylvania
\$2,000,000 General Obligation Note, Series of 2017

ORDINANCE NO. 800

AN ORDINANCE OF THE TOWNSHIP OF PENN AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2017, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 FOR THE PURPOSE OF (1) PAYING THE COSTS OF A CAPITAL PROJECT; AND (2) PAYING ALL COSTS AND EXPENSES OF ISSUANCE OF THE NOTE; FIXING THE FORM, NUMBER, DATE, PRINCIPAL AMOUNT AND MATURITIES THEREOF; PROVIDING FOR THE SALE THEREOF AT A PRIVATE SALE BY NEGOTIATION; PROVIDING FOR THE PAYMENT OF DEBT SERVICE THEREON; MAKING DETERMINATION OF THE USEFUL LIFE OF THE CAPITAL PROJECT; DESIGNATING A PAYING AGENT FOR THE NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED AGREEMENTS; DESIGNATING NOTE COUNSEL; AND AUTHORIZING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTE.

WHEREAS, the Township of Penn, York County, Pennsylvania (the "Local Government Unit") is a township of the first class of the Commonwealth of Pennsylvania (the "Commonwealth"), governed by its Board of Commissioners (the "Governing Body") and is granted the power by the Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the "Act") to incur indebtedness by the issuance of general obligation bonds and notes; and

WHEREAS, the Local Government Unit has determined to undertake, as a project (the "Project"), the acquisition of real estate rights and interest for fire and emergency service

purposes and various buildings, infrastructure and facilities, together with related attorneys' and consultants' fees; and

WHEREAS, the Governing Body of this Local Government Unit does authorize and direct the issuance of a general obligation note of this Local Government Unit, pursuant to this Ordinance in the maximum aggregate principal amount of Two Million Dollars (\$2,000,000), in accordance with the Act, to provide funds for and towards the Project; and

WHEREAS, this Local Government Unit has received a proposal for the purchase of the \$2,000,000 General Obligation Note, Series of 2017 (the "Note") from PNC Bank, National Association (the "Bank") and desires to authorize the issuance of the Note and to accept the proposal for the purchase of the Note; and

WHEREAS, notice of the following Ordinance has been duly advertised in accordance with Section 8003 of the Act;

NOW, THEREFORE, BE AND IT HEREBY IS, Resolved that:

1. The Governing Body of this Local Government Unit does authorize and shall incur indebtedness pursuant to the Act, in the aggregate principal amount of \$2,000,000 by the issuance of its General Obligation Note, Series of 2017 for the purposes above recited, which recital of purposes is fully incorporated herein. The indebtedness authorized by this Ordinance is nonelectoral debt and the Note when issued will be a general obligation note of this Local Government Unit.

2. The Governing Body of this Local Government Unit expresses its finding that it is in the best financial interests of this Local Government Unit to sell the Note at private sale by negotiation and determines that the debt, of which the Note shall be evidenced, to be incurred

pursuant to this Ordinance and the Note shall be non-electoral debt of this Local Government Unit.

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

Said Officers of this Local Government Unit are authorized and directed to prepare an appropriate Borrowing Base Certificate to be appended to the Debt Statement authorized herein.

4. This Local Government Unit hereby covenants with the holder from time to time of the Note outstanding pursuant to this Ordinance that this Local Government Unit (i) shall include the amount of the debt service for each fiscal year in which such sums are payable in its budget for that 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 its

sinking fund the principal of and interest on the Note at the dates and places and in the manner stated in the Note, and for such budgeting, appropriation and payment in respect of the Note, the Local Government Unit hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

5. This Local Government Unit accepts the proposal for the purchase of the Note from the Bank at par with a maximum purchase price of \$2,000,000 for the Note, in accordance with the purchase commitment of the Bank, for the purchase of the Note, as presented at this meeting and attached hereto as Exhibit "A", together with such written amendments or modifications thereof which are made from time to time (together such instruments are herein referred to as the "Commitment") at negotiated sale, at a dollar price of \$2,000,000 (100% of principal amount) the Bank having submitted such bid or proposal in accordance with the provisions of the Act.

6. The Note, when issued, will be a general obligation note of the Local Government Unit.

7. The Note shall be in fully registered form without coupons, shall be numbered 1 and be in the maximum principal amount stated in Section 1 above, shall be dated as of the date of issuance, and shall bear interest from that date, which interest is payable at the rate, provided herein, until maturity or redemption, all as set forth in the Commitment.

The Note shall bear interest at the fixed rate of 2.62% per annum for ten (10) years. Interest on the Note shall be payable semi-annually during the term of the Note. The Note shall mature ten (10) years from the date of closing, as set forth in the Commitment. The Note Amortization Schedule is attached hereto as Exhibit "B".

The Note shall be subject to redemption in the manner and upon the terms and conditions set forth therein. The form of the Note shall be substantially as set forth in the Note attached hereto as Exhibit "C" and made a part hereof.

The stated principal maturity of the Note has been fixed in compliance with Section 8142(c) of the Act.

8. The Project has a useful life of at least twenty (20) years, with the aggregate principal amount of the Note being stated to mature prior to the end of such useful life. The first maturity of principal of the Note has not been deferred beyond two years from date of issue of the Note.

The realistic cost estimate of the Project has been derived by a professional estimate and has been provided to the Governing Body of this Local Government Unit as part of the authorization provided hereunder.

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

10. This Local Government Unit hereby covenants to establish a Sinking Fund for the payment of the Note hereby authorized, in accordance with the Act. The Sinking Fund shall be known as the "Sinking Fund, the Township of Penn, General Obligation Note, Series of 2017."

11. PNC Bank, National Association, Hanover, Pennsylvania, is hereby designated as the paying agent, Register and sinking fund depository (the "Paying Agent") for the Note and the proper officers of this Local Government Unit are hereby authorized and directed to contract with said bank for such services.

12. The Note has been sold, as set forth in this Ordinance, at negotiated sale, as permitted by the Act.

13. This Local Government Unit covenants to make payments out of the Sinking Fund created pursuant to paragraph 10 or out of any other of its revenues or funds, at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of the Note when due.

14. The Note shall be executed by signature of the President of the Board of Commissioners of the Local Government Unit and the corporate seal of this Local Government Unit shall be imprinted thereon, attested by the signature of the Secretary of the Local Government Unit. The Note shall be authenticated by the Paying Agent. The President, Vice-President or Secretary of the Local Government Unit is hereby authorized and directed to deliver said Note to the Purchaser and to receive payment therefor on behalf of this Local Government Unit after sale of said Note in the manner required by law and this Ordinance and to take all further necessary or desirable action to effect the sale and delivery of the Note.

15. The Local Government Unit hereby covenants with the Holder from time to time of the Note that it will make no use of the proceeds of the Note which, if such use had been reasonably expected on the date of such Note, would have caused such Note to be a "arbitrage bond" within the meaning of Sections 103 and 148 of the Code and the regulations thereunder. It will also comply with the requirements of said Sections and said regulations throughout the term of the Note, including, but not limited to, the prohibition against intentionally using any portion of the proceeds in a manner which would cause such Note to be an "arbitrage bond."

16. The Local Government Unit designates the Note as a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The Local Government Unit reasonably anticipates that it and all of its subordinate entities will not issue in excess of \$10,000,000 of tax-exempt obligations as calculated by and within the meaning of Section 265(b)(3) of the Code during the calendar year 2017.

17. The Secretary of this Local Government Unit is authorized and directed to deliver the Note, after execution and attestation thereof as provided for herein, to the Bank, at the times described and as provided in the Commitment, but only upon receipt of proper payment of the balance due therefor, if any, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

18. Stock and Leader, LLP, York, Pennsylvania, is hereby appointed Note Counsel with respect to the Note.

19. The proper officers of this Local Government Unit are hereby authorized and directed to take all other action and enter into any additional agreements required by the Act or this Ordinance in connection with the issuance of the Note and to pay, on behalf of this Local Government Unit, the costs of issuance of the Note.

20. The original Commitment and the terms and provisions thereof, together with all written amendments and modifications thereof, executed and delivered by the Local Government Unit and the Bank, from time to time, shall constitute contractual terms and provisions of and governing the Note during the term thereof and shall survive execution and delivery of the Note.

21. 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 Local Government Unit that such remainder shall be and shall remain in full force and effect.

22. All ordinances or parts of ordinances insofar as they conflict with this Ordinance are hereby repealed.

[INTENTIONALLY LEFT BLANK]

ADOPTED this 18th day of September 2017.

Attest:

TOWNSHIP OF PENN

BY Angela M. Hallock
Secretary

BY Phillip W. Heubran
President

(SEAL)



August 14, 2017

Penn Township, York County, PA
C/O Ms Kristina Rodgers, Township Manager
20 Wayne Avenue,
Hanover, PA 17331

RE: Financing Proposal

Dear Board Members:

Responsive to your request for a proposal, PNC Bank hereby proposes to lend to Penn Township, York County, PA ("Township") a sum not to exceed \$2,000,000 for the purpose of refinancing the mortgage outstanding on 204 Clover Lane, Hanover, PA real estate and improvements owned and operated by Penn Township Volunteer Emergency Services as well as incidental costs and expenses related to the closing of the transaction. This Proposal Letter includes only a brief description of the principal terms, and conditions of the Credit Facility and is not a commitment to lend. The definitive terms of the Credit Facility will be documented in other agreements, instruments, certificates and documents to be executed, or which PNC may otherwise require (the "Loan Documents").

<u>Type:</u>	Unlimited Tax General Obligation Loan ("Credit Facility")
<u>Tax Treatment:</u>	Interest on the Credit Facility shall be offered on a bank qualified tax exempt basis, subject to any applicable federal, state, and/or local laws, rules, regulations and/or authorizations.
<u>Purpose:</u>	Proceeds of the loan will be used to pay off the current indebtedness of Penn Township Volunteer Emergency Services secured by mortgage liens and otherwise against their real estate and improvements located at 204 Clover Lane, Hanover, PA, as well as all fees, costs and expenses related to this proposed transaction.
<u>Principal Amount:</u>	Not to exceed \$2,000,000.00
<u>Amortization:</u>	Not to exceed 120 Months
<u>Term:</u>	Not to exceed 120 Months
<u>Interest Rate:</u>	A fixed rate of interest at 2.62% for the life of the loan.

Member of The PNC Financial Services Group
33 Carlisle Street Hanover Pennsylvania 17331
www.pnc.com

EXHIBIT "A"

Customary yield protection and prepayment cost recovery provisions will be included in the definitive loan documents.

Security:

The Credit Facility will be secured by a general obligation consisting of all legally available taxes, income, revenues cash receipts and other monies of the Township.

Loan Fee:

None.

Bank Counsel Fee:

All notifications, reports, disclosures, and opinions shall be prepared by Township's Bond Counsel at the Authority's expense and subject to review and acceptance by PNC Bank. Bond Counsel shall prepare all loan documents necessary for properly documenting and closing the Credit Facility subject to satisfactory review by the Bank, Bank's Counsel or Bank's outside counsel. Bank's counsel fee shall not exceed 2,000.00.

Depository:

For so long as there is a loan balance outstanding the Township shall maintain their primary depository accounts with the Bank.

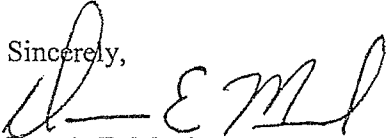
Continuing Compliance:

The Credit Facility shall be established by the Township pursuant to a Resolution duly approved by the Township, in its form to be prepared by their Bond Counsel and also shall contain covenants requiring continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended, and the qualification of the credit facility as a "Qualified Tax-Exempt Obligations" of the Authority under Section 265(b)(3)(B) of the Code; and such matters as may be determined to be necessary or appropriate by the Township's Bond Counsel.

Thank you for this opportunity to be of continued service to the Township. Should you have any questions or concerns, please do not hesitate to contact me.

This proposal will expire on September 30, 2017 unless previously accepted by signing below. If this proposal is accepted, definitive documentation must be executed and funds disbursed by November 30, 2017, in the absence of which this proposal will expire with no further obligation on behalf of the bank.

Sincerely,


Dennis E. Moul
Senior Vice President

The undersigned agrees to and accepts the terms and conditions set forth above.

PENN TOWNSHIP, YORK COUNTY, PENNSYLVANIA

By: Phillip W. Heckman
Phillip Heckman, President

by: Angela M. Hallett
Angela Hallett, Secretary

TOWNSHIP OF PENN
YORK COUNTY, PENNSYLVANIA

GENERAL OBLIGATION NOTE, SERIES OF 2017

\$2,000,000

For value received, TOWNSHIP OF PENN, York County, Pennsylvania (the “**Maker**”), intending to be legally bound, promises to pay to the order of PNC BANK, NATIONAL ASSOCIATION (the “**Holder**”), or registered assigns, on or before _____, 2027 unless this General Obligation Note, Series of 2017 (the “**Note**”) duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for, the maximum principal sum of TWO MILLION DOLLARS (\$2,000,000) or such lesser particular sum as shall represent the unpaid balance of such maximum principal sum, as a non-revolving, draw down note, with interest on the principal balance which, from time to time, shall be outstanding and shall remain unpaid, from the date of this Note at the interest rate specified below.

Interest shall accrue on the outstanding principal balance at the annual rate of two and sixty-two one hundredths (2.62%) percent.

For purposes hereof, the following terms shall have the following meanings:

“**Business Day**” shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in New York, New York.

The Maker shall pay interest on the prior amount outstanding hereunder on the first day of each month beginning on _____, 2017 to maturity on _____ or until any earlier date upon which the principal amount hereof is paid in full at the rate as set forth above.

If any payment under this Note shall become due on a Saturday, Sunday or public holiday under the laws of the Commonwealth of Pennsylvania where the Holder’s office indicated above is located, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. The Maker hereby authorizes the Holder to charge the Maker’s deposit account at the Holder for any payment when due hereunder.

This Note is authorized to be issued in the aggregate principal amount of \$2,000,000 pursuant to an Ordinance adopted by the governing body of the Maker (the “**Ordinance**”) dated _____, 2017 authorizing the issuance of the Note in the maximum principal amount of \$2,000,000.

The principal of and interest on this Note shall be payable at the principal office or at any branch office of the Holder, in lawful money of the United States of America.

The Maker hereby pledges as security for this Note its full faith, credit and taxing power.

Reference is hereby made to the Ordinance and Loan and Security Agreement dated September ____, 2017 by and between the Maker and Holder (the "Loan Agreement") for a complete statement of the rights and limitation of the registered holders of this Note, to all of which PNC Bank, National Association or registered assigns, consents.

The Note has been and is hereby designated by the Maker 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).

The Maker certifies that it is not expected that the proceeds of this Note will be used in a manner that would cause such obligation to be an arbitrage bond and further covenants that it will make no use of such proceeds which, if such use had been reasonably expected on the date of issue of such obligations, would have caused such obligation to be an arbitrage bond and that it will comply with Section 148 of the Code, any similar statutory provisions or any rule or regulation promulgated thereunder, throughout the term of this Note.

The Note is being purchased on the assumption that interest paid on the Note is excludable from the gross income of the registered owner for Federal income tax purposes. If interest on the Note shall be declared by the Internal Revenue Service or an agent thereof to be, or shall otherwise be determined or required to be includable in the income of the Holder for purposes of Federal income taxation, including pursuant to any amendment to the Internal Revenue Code of 1986, as amended, the indebtedness evidenced thereby shall thereafter bear interest at an annual rate (the "Taxable Rate") which shall be the Prime Rate of PNC Bank, National Association, such Taxable Rate to change as of the dates of changes in the Prime Rate without notice to the Maker; the Maker will pay to the Holder on demand the difference between the amount of interest which the Holder would have received in interest at the Taxable Rate if the indebtedness evidenced by the Note had borne interest at the Taxable Rate during the entire period that interest on the Note is so declared, determined or required to be taxable, together with such penalties and interest, if any, due and payable because of non-payment of Federal income taxation less interest paid, notwithstanding that the indebtedness evidenced by this Note may have been paid in full prior to such declaration or determination. In the event of any such declaration or determination, the Holder shall promptly give written notice of the same to the Maker who shall have the privilege of contesting such declaration or determination in the name of the Holder by any available administrative or judicial proceedings, provided that it does so at its own expense and pays all costs, interest and/or penalties resulting therefrom. In the event that any such declaration or determination is reversed pursuant to the entry of a final determination, order, ruling or decree, all amounts theretofore paid to the Holder in excess of the rate stated in this Note shall be promptly refunded to the Maker and the rate of interest shall revert to the original rate stated in the Note.

Upon maturity, whether by acceleration, demand or otherwise, and at the Holder's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Note shall bear interest at the annual rate of five and sixty-two one hundredths (5.62%) percent (based on the actual number of days that principal is outstanding over a year of 360 days) (or in the case of an Event of Default, until such time that such Event of Default has been cured by the Maker or waived by the Holder) (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. The Default Rate is imposed as liquidated damages for the purpose of defraying the Holder's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Holder's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any receivable fees and expenses of any agents or attorneys which the Holder may employ. In addition, the Default Rate reflects the increased credit risk to the Holder of carrying a loan that is in default.

The occurrence of any of the following events shall be deemed an Event of Default:

(a) Default in the payment of principal or interest on the Note for a period in excess of fifteen (15) days or any other default under the terms of the Note; or

(b) Default in the performance of any covenant or agreement set forth in the Ordinance, the Loan Agreement or in this Note or the occurrence of a default under any other agreement between the Maker and the Holder; or

(c) Any representation or warranty made by the Maker is untrue or incomplete in any material respect or any schedule, statement, report, warranty, representation, notice or writing furnished by the Maker pursuant to the Loan Agreement is untrue or incomplete in any material respect on the date as of which the facts set forth are stated or certified; or

(d) The Maker shall fail or refuse to comply with any material provision of the First Class Township Code, or shall for any reason be rendered incapable of fulfilling its obligations under the Note or thereunder; or

(e) The Maker shall become insolvent or shall be unable to pay its debts as they mature, or the Maker shall cease operations, file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or other arrangement with creditors, or shall file an answer admitting the jurisdiction of the court and the material allegations of any involuntary petition pursuant to any Act of Congress relating to bankruptcy, or shall be the subject of any order for relief, or shall make an assignment for the benefit of creditors or make an assignment to an agent (authorized to liquidate any substantial amounts of the assets of the Maker), or shall apply for or consent to or suffer the appointment of a receiver or trustee for the Maker or a substantial part of its property; or

(f) An order for relief shall be entered pursuant to an Act of Congress or any law of the Commonwealth of Pennsylvania relating to bankruptcy with respect to an involuntary petition

seeking reorganization of, or an order shall be entered appointing any receiver or trustee for, the Maker or a substantial part of its property, or a writ or warrant of attachment or any similar process shall be issued against a substantial part of the property of the Maker, or an order shall be entered at either the state court level enjoining or preventing the Maker from conducting all or any part of its business as it is usually conducted, or garnishment proceedings shall be instituted by attachment, levy or otherwise, against any deposit balance maintained, or any property deposited, with the Holder by the Maker.

Upon the occurrence of an Event of Default specified in clause (e) or (f) above, the outstanding principal balance and accrued interest under the Note, together with any additional amounts payable thereunder shall be immediately due and payable without demand and without notice of any kind, at the Holder's option. Further, at the Holder's option, the Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default, and the Holder may exercise from time to time any of the rights and remedies available under the Ordinance or under applicable law.

The Maker shall have the right to prepay any amount hereunder at any time and from time to time, in whole or in part without penalty.

On written demand, together with written evidence of the justification therefor, the Maker agrees to pay the Holder all direct costs incurred, any losses suffered or payments made by the Holder as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Holder, its holding company or any of their respective assets relative to the Facility. "Change in Law" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Holder for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued. In addition, the Maker agrees to indemnify the Holder against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any amounts hereunder (or any part thereof) bearing interest based on LIBOR) which the Holder sustains or incurs as a consequence of either (i) the Maker's failure to make a payment on the due date thereof, (ii) the Maker's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Holder to request, convert, renew or prepay any amounts bearing interest based on LIBOR, or (iii) the Maker's payment or prepayment (whether voluntary, after acceleration of the

maturity of this Note or otherwise) or conversion of any amounts bearing interest based on LIBOR on a day other than the regularly scheduled due date therefor. A notice as to any amounts payable pursuant to this paragraph given to the Maker by the Holder shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Maker's indemnification obligations hereunder shall survive the payment in full of all amounts payable hereunder.

If the principal of this Note has been prepaid or redeemed in full, this Note shall cease to be entitled to any benefit or security under the Loan Agreement, and the registered owner of this Note shall have no rights with respect to this Note, except to receive payment of the principal of and accrued interest on this Note to the prepayment or redemption date.

This Note is fully registered as to principal and interest and may not be transferred except in accordance with the terms of this paragraph. By authority granted in the Ordinance, the Maker has appointed PNC Bank, National Association Registrar in respect of this Note. The Registrar shall maintain permanent books for the registration and transfer of this Note at its offices, and shall record therein the initial registration of this Note and all subsequent registrations and transfers. This Note may be transferred only by the surrender thereof to the Registrar and the issuance by the Maker of a new obligation to the new holder. Upon surrender of this Note for transfer, accompanied by a written instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Registrar and the Maker and duly executed by the registered holder or its duly authorized attorney, Maker shall execute and deliver in the name of the transferee or transferees a new fully registered obligation for the aggregate principal amount which the new registered owner is entitled to receive. New obligations delivered upon any transfer shall be valid obligations of the Maker, evidencing the same debt as the surrendered Note, and shall be entitled to the same security and benefits as the Note surrendered.

This Note is issued in accordance with provisions of and by virtue of a duly adopted Ordinance of the Governing Body of the Maker. The Ordinance, Loan Agreement and the Note Proposal, as defined and described therein, shall constitute a contract between the Maker and the registered owner or registered owners, from time to time, of this Note.

All acts, conditions and other requirements to be done or performed precedent to and in the issuance of this obligation or in the creation of the debt of which this obligation is evidenced have been done and performed as required by law. The obligation, together with all other indebtedness of the Maker, is not in excess of any constitutional or statutory limitation.

Terms, provisions and covenants set forth in this Note shall have priority over inconsistent terms, provisions and covenants set forth in the Ordinance, Loan Agreement and the Note Proposal, and terms, provisions and covenants set forth in the Loan Agreement and Note Proposal shall have priority over inconsistent terms, provisions and covenants set forth in the Ordinance.

This Note is transferable by the Holder, 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 Holder, but only upon notation of such registration hereon and on the records of the Maker to be

kept for that purpose at the principal office or at any branch office of the Holder by a duly authorized representative of the Holder acting in behalf of the Maker. The Maker and the Holder may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

The Maker irrevocably, knowingly, and voluntarily agrees that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by the Holder or any successor or assign of the Holder on or with respect to this Note or any other document which in any way relates, directly or indirectly, to this Note or any event, transaction, or occurrence arising out of or in any way connected with this Note or the dealings of Maker and the Holder with respect hereto, shall be tried only by a court and not by a jury. THE MAKER HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING. THE MAKER ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT THE HOLDER WOULD NOT EXTEND THE LOAN TO THE MAKER REPRESENTED BY THIS NOTE FOR THE BENEFIT OF THE MAKER IF THIS WAIVER OF JURY TRIAL SECTION WERE NOT A PART OF THIS NOTE.

[Intentionally Left Blank]

IN WITNESS WHEREOF, Township of Penn has caused this Note to be signed in its name and on its behalf by the President of its Board of Commissioners and attested to by the Secretary this ____ day of _____ 2017.

ATTEST:

TOWNSHIP OF PENN
York County, Pennsylvania

Angela Hallett, Secretary
Township of Penn

Phillip Heilman, President
Township of Penn

(SEAL)

DELIVERY ENDORSEMENT

I, the undersigned, certify that the within Note was delivered to PNC Bank, National Association this ____ day of _____ 2017.

Secretary of Penn Township
York County, Pennsylvania

REGISTRATION RECORD

Date of Registration	Name of Registered Owner	Registrar (Authorized Representative)
_____, 2017	PNC Bank, National Association	

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____ the within Note issued by TOWNSHIP OF PENN and all rights thereunder and hereby irrevocably constitutes and appoints ____ Attorney to transfer said Note on the books kept for the registration thereof with the full power of substitution in the premises.

Dated _____

Social Security or Federal Employer Identification Number of Transferee

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution who is a member of or a participant in a Securities Transfer Association recognized signature guarantee program.

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