

TOWNSHIP OF SALISBURY
LEHIGH COUNTY, PENNSYLVANIA

ORDINANCE NO. 07-2021-640

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF SALISBURY, LEHIGH COUNTY, PENNSYLVANIA, AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION NOTE, SERIES OF 2021 (THE "NOTE") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$6,546,000, PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT OF THE COMMONWEALTH OF PENNSYLVANIA, 53 PA. C.S. CHS. 80-82 (THE ACT); PROVIDING THE PROCEEDS OF THE NOTE SHALL BE USED TO FUND (I) CERTAIN TOWNSHIP IMPROVEMENTS, AND (II) THE CURRENT REFUNDING OF THE TOWNSHIP'S REMAINING GENERAL OBLIGATION BONDS, SERIES OF 2016 (2016 BONDS), PURSUANT TO A PROGRAM (THE "REFUNDING PROGRAM"), DETERMINING THAT THE SALE OF THE NOTE SHALL BE A PRIVATE SALE BY INVITATION UNDER THE ACT, AND DETERMINING THAT THE NOTE SHALL BE NONELECTORAL DEBT OF THE TOWNSHIP; FIXING THE INTEREST PAYMENT DATES, DENOMINATIONS AND REGISTRATION, TRANSFER AND EXCHANGE PRIVILEGES OF THE NOTE; SETTING FORTH THE MATURITY DATES, PRINCIPAL MATURITIES AND CURRENT INTEREST RATES OF THE NOTE AND ESTABLISHING A REQUIRED SCHEDULE OF PAYMENTS WITH RESPECT TO THE SINKING FUNDS, AS HEREINAFTER ESTABLISHED, IN ORDER TO AMORTIZE THE NOTE; ESTABLISHING THE REDEMPTION PROVISIONS OF THE NOTE, ACCEPTING A PURCHASE AGREEMENT FOR PURCHASE OF THE NOTE; DESIGNATING A PAYING AGENT AND REGISTRAR; MAKING CERTAIN COVENANTS WITH RESPECT TO THE TAX FREE STATUS THEREOF; ESTABLISHING THE SUBSTANTIAL FORM OF THE NOTE; AUTHORIZING EXECUTION AND AUTHENTICATION OF THE NOTE; DESIGNATING A SINKING FUND DEPOSITORY; COVENANTING TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP TO SUCH PURPOSE; ESTABLISHING A SINKING FUND FOR THE NOTE AND AUTHORIZING AND DIRECTING PAYMENT THEREFROM; SETTING FORTH CERTAIN PROVISIONS WITH RESPECT TO THE INVESTMENT OF MONIES THEREIN; DESIGNATING A SINKING FUND DEPOSITORY; SETTING FORTH CERTAIN RIGHTS OF THE PAYING AGENT AND NOTEHOLDERS IN THE EVENT OF DEFAULT AND OTHER RIGHTS OF THE

PARTIES WITH RESPECT TO THE NOTE; PROVIDING FOR THE CIRCUMSTANCES UNDER WHICH THE ORDINANCE MAY BE AMENDED OR MODIFIED; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE TOWNSHIP TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY THE ACT UPON INCURRING OF SUCH DEBT BY THE TOWNSHIP; AUTHORIZING AND DIRECTING PROPER OFFICERS OF THE TOWNSHIP TO DELIVER THE NOTE UPON EXECUTION AND AUTHENTICATION THEREOF, UPON RECEIPT OF PROPER PAYMENT OF THE BALANCE DUE THEREFOR, AND ONLY AFTER SPECIFIED APPROVAL, AS REQUIRED, OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH CERTAIN COVENANTS RELATING TO THE FEDERAL TAX STATUS OF THE NOTE; COVENANTING TO PAY OVER AT SETTLEMENT SUFFICIENT MONIES TO PROVIDE FOR THE PAYMENT OF THE 2016 BONDS, TO BE REFUNDED IN ACCORDANCE WITH THE REFUNDING PROGRAM; PROVIDING FOR THE USE OF AND MAKING A COVENANT AS TO THE ADEQUACY OF THE PROCEEDS TO BE PAID OVER TO THE PAYING AGENT/ESCROW AGENT FOR THE 2016 BONDS FOR PURPOSES OF THE REFUNDING; DIRECTING THE USE OF PROCEEDS; PROVIDING FOR THE ISSUANCE OF IRREVOCABLE INSTRUCTIONS TO THE PAYING AGENT FOR THE REDEMPTION OF 2016 BONDS AND ESTABLISHING THE FORM OF SUCH IRREVOCABLE INSTRUCTIONS AND THE NOTICE OF REDEMPTION; PROVIDING FOR COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; PROVIDING FOR SEVERABILITY OF PROVISIONS OF THE ORDINANCE; PROVIDING FOR REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES SO FAR AS THE SAME SHALL BE INCONSISTENT; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS; the Township of Salisbury (the "Township") is a First Class Township of the Commonwealth of Pennsylvania (the "Commonwealth") and is governed by its Board of Commissioners (the "Board"); and

WHEREAS, the Township is a Local Government Unit, as defined in the Local Government Unit Debt Act, of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996, P.L. 1158, No. 177 (the "Act"); and

WHEREAS, the Board has determined to undertake capital projects (the "Capital Projects") consisting of waterline and storm sewer improvement projects and various other capital projects; and

WHEREAS, the Township has obtained actual bids and/or realistic estimates from its qualified professionals of the costs of the Capital Projects, as such costs are defined in Section 8006 of the Act, and has determined to finance a portion of such costs by the issuance of bonded indebtedness under the Act; and

WHEREAS, the Township did previously authorize, issue and sell a series of obligations, dated as of March 15, 2016, designated as its General Obligation Bonds, Series of 2016, in the original aggregate principal amount of \$6,440,000 (the "2016 Bonds"), all of said 2016 Bonds maturing on and after December 15, 2021 remain outstanding; and

WHEREAS, the 2016 Bonds maturing on or after December 15, 2021 are subject to redemption prior to maturity, at the option of the Township on June 15, 2021, upon payment of the principal amount, together with accrued interest to the date fixed for redemption; and

WHEREAS, the 2016 Bonds were issued to currently refund the Township's General Obligation Bonds, Series of 2010 (the "2010 Bonds") and to fund a project ("2016 Project"). The 2010 Bonds having been issued to currently refund the Township's General Obligation Bonds, Series of 2002 (the "2002 Bonds") and to fund a project ("2010 Project"). The 2002 Bonds having been issued to currently refund the Township's General Obligation Note, Series of 1999 (the "1999 Note"), to currently refund the Township's General Obligation Note, Series of 1998 (the "1998 Note") and to currently refund the Township's General Obligation Note, Series of 1997 (the "1997 Note") The 1999 Note having been issued to fund a project (the "1999 Project"). The 1998 Note having been issued to fund a project (the "1998 Project"). The 1997 Note having been issued to fund a project (the "1997 Project").

WHEREAS, the Board, in order to effect a savings resulting from currently available interest rates, has determined to refund the outstanding 2016 Bonds, in accordance with the

provisions of Section 8241(b)(1) of the Act, pursuant to a refunding program (the “Refunding Program”); and

WHEREAS, the Township has determined to retire the 2016 Bonds in accordance with a refunding report prepared by Concord Public Financial Advisors Inc. as the financial advisors to the Township (the “Financial Advisors”); and

WHEREAS, additionally and as part of the Refunding Program, as submitted to the Township by the financial advisory firm of Concord Public Financial Advisors, Inc., as financial advisors to the Township, the necessary funds will be deposited with the Paying Agent for the 2016 Bonds are designed to be adequate as to the amount and appropriate as to availability to pay the interest on and principal at redemption of the 2016 Bonds; and

WHEREAS, the Board has determined to implement the foregoing decision by the authorization, issuance and sale of a new series of obligations, the Township’s General Obligation Note, Series of 2021 (the “Note”); and

WHEREAS, all of the proceeds of the Note, after payment of costs of issuance, together with any other monies available or to be available for the purpose, will provide the necessary funds for the funding of the Refunding Program and the Capital Project; and

WHEREAS, the Township Commissioners, in contemplation of the authorization, issuance and sale of the Note, has determined that the Bonds shall be offered for sale, which sale shall be private sale by invitation, in accordance with Section 8107 of the Act, which it believes is in the best interests of the Township; and

WHEREAS, the Board of Commissioners upon the recommendation of Concord Public Financial Advisors Inc. accepts the Proposal (“Note Purchase Proposal”) from The Neffs National Bank, a Pennsylvania banking institution (“Bank”) in the form submitted; to authorize issuance of non-electoral debt in the aggregate principal amount of the Note in connection with

the Financing Study; and to take appropriate action and to authorize such action in connection with the Refunding Program and Capital Project, all in accordance with and pursuant to provisions of the Act; and

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

Section 1. The Board of Commissioners does authorize and direct the issuance of the Note, pursuant to this Ordinance, in the aggregate principal amount of \$6,546,000, for the purpose of funding the Refunding Program pursuant to Section 8241(b)(1) of the Act and Capital Project. The Note will be a general obligation of the Township payable from the general revenues of the Township.

Section 2. The Township determined that the estimated useful lives of the capital improvements composing the Capital Project will not be less than 20 years, and the amortization of the Bonds has been structured to fully amortize on a level or earlier basis of each component of the Capital Project before the expiration of their respectful useful lives.

With reference to the Capital Project, actual bids and realistic estimates have been obtained from qualified professionals of the costs of the Project, as such costs are defined in Section 8006 of the Act, and it has been determined to complete the financing of such costs by the issuance of indebtedness under the Act.

A brief description of the Refunding Program, for which the debt to be incurred, of which the Bonds shall be evidence, is contained in the preamble hereof.

The realistic estimated useful life of the project financed by the 2016 Bonds, 2010 Bonds, 1999 Note, 1998 Note and 1997 Note, which were "Projects", as defined in Section 8002 of the Act, were previously determined to be from 5 to 30 years from the date of approval respectively, and the amortization of the 2016 Bonds, 2010 Bonds, 2002 Bonds, 1999 Note, 1998 Notes and

1997 Note were structured to fully amortize on a level or earlier basis each component of such Projects before the expiration of their useful lives. The remaining useful lives of the Projects financed by the 2016 Bonds expires in 25 years, in 2046. The remaining useful lives of the Projects financed by the 2010 Bonds expires in 19 years, in 2040. The projects financed by the 1999 Note have been amortized and fully paid off before the expiration of the 1999 Project. The Projects financed by the 1998 Note have been amortized and fully paid off before the expiration of the 1998 Project. The Projects financed by the 1997 Note have been amortized and fully paid off before the expiration of the 1997 Project. The useful life of such Projects is not less than previously determined, and the Bonds as structured will fully amortize on a level or earlier basis each component of the Projects before the expiration of their useful lives.

Section 3. The Note shall be sold at private sale by invitation, which the Commissioners have determined to be in the best interests of the Township. The Commissioners have determined that the debt, of which the Note shall be evidence, shall be non-electoral debt of the Township.

Section 4(a). The Commissioners shall issue, execute and deliver the Note to the Bank under the terms and conditions set forth in the Note at a closing (the "Closing") in the aggregate principal amount of \$6,546,000 for the Note, in fully registered form. The Note is issued on a draw down basis and shall bear interest at the fixed rate of 1.750% per annum, interest payable on June 15 and December 15 commencing on December 15, 2021 until December 15, 2036. The Board of Commissioners accepts the debt service schedule set forth on Schedule "A" as it relates to the Note.

(b). The Note shall be subject to prepayment in whole or part at any time without penalty as provided in the form of the Note. The substantial form of the Note is set forth in Section 8 herein.

Section 5. The Commissioners shall and do accept the proposal of the Bank for purchase of the Note, which Note shall be and is awarded to the Bank, in accordance with terms and conditions of the Note Purchase Proposal, at private sale by invitation, at a dollar price of 100% of the principal amount thereof at Closing, together with accrued interest from the date thereof to the date of delivery thereof, if any, the Bank having submitted its proposal in accordance with provisions of the Act. Appropriate officers of the Township are authorized and directed to execute the Note Purchase Proposal.

Section 6. The Commissioners do hereby designate, the Bank, a banking institution having trust offices in Neffs, Pennsylvania, or its successor or nominee-affiliate, as the "Paying Agent" for purposes of the Note.

Section 7. The principal of and premium, if any, and interest on the Note shall be payable by account transfer, check or draft of the Paying Agent mailed or delivered to the registered owner at the address shown on the registration books as of the close of business on the fifth (5th) day prior to the payment dates, in lawful monies of the United States of America, without deduction of any tax or taxes now or hereafter levied or assessed thereon under any present or future law of the Commonwealth, which tax or taxes this Township assumes and agrees to pay; provided, however, that the foregoing shall not be applicable to gift, estate or inheritance taxes or to other taxes not levied or assessed directly on the Note or the interest paid thereon.

Section 8. The Note, subject to any technical corrections or modifications as presented by counsel to the Commissioners, shall be in the following form:

TOWNSHIP OF SALISBURY

Lehigh County, Pennsylvania

General Obligation Note, Series of 2021

TOWNSHIP OF SALISBURY (the "Township"), a local government unit under and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as hereinafter defined, for value received, hereby promises to pay to The Neffs National Bank, a

Pennsylvania banking institution registered to do business within the Commonwealth of Pennsylvania with a corporate office in Neffs, Pennsylvania (the "Bank"), or its successors or assigns, on or before the 15th day of December, 2036, upon surrender hereof, the principal sum of Six Million Five Hundred and Forty-Six Thousand Dollars (\$6,546,000), or such lesser sum as may have been advanced by the Bank to the Township pursuant to the terms of the Ordinance as enacted July 8, 2021. The Township may draw down funds ("Draws") under the terms and conditions of this Note for a period of three (3) years, which shall expire on August 17, 2024. In no event shall the cumulative Draws exceed the principal sum total of the Note. The Township further promises to pay the Bank interest on said principal sum payable initially on December 15, 2021, and semi-annually on the 15th day of June and the 15th day of December (each an "Interest Payment Date") until maturity hereof, or if this Note shall be prepaid, until the date of such prepayment, principal due in full on or before December 15, 2036. The interest rate shall be a fixed rate of 1.750%. Installments of principal on the Note shall be payable as set forth on the attached debt service schedule. Interest shall be calculated based on a year of three hundred and sixty (360) days, comprised of twelve (12) thirty (30) day months.

The principal of and interest on this Note shall be payable at the principal office of the Bank, or any successor or assignee, in any coin or currency of the United States of America which, at time of payment, is legal tender for payment of public and private debts, to the registered owner on the fifth (5th) day prior to each payment date.

The Note has been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth and by virtue of an Ordinance of the Township duly enacted July 8, 2021 (the "Ordinance"). The Act, as such shall have been in effect when the Note was authorized, and the Ordinance shall constitute a contract between the Township and registered owner, from time to time, of the Note.

The Note constitutes a general obligation of the Township payable from its general revenues. The Note is issued for the purpose of providing monies, in addition to those available, to fund the costs of the Refunding Program and Capital Project (as defined in the Ordinance).

The Township has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Note that shall be outstanding, that the Township: (i) shall include the amount of the debt service for the Note, 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 the Note and the interest thereon on the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township has pledged and does pledge, irrevocably, its full faith, credit and taxing power. The Note follows the guidelines of the Local Government Unit Debt Act so annual debt service will remain level or declining.

This Note may be prepaid at the option of the Township in whole or in part at any time without penalty upon payment of the principal thereof and accrued interest to the prepayment date. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the Township may designate in writing to the Bank at the time of prepayment; otherwise, a partial prepayment shall be applied against the principal installments

last, by date, due and payable.

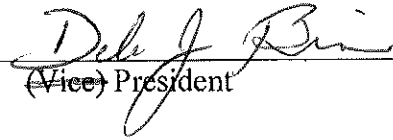
If the Bank shall merge or change its identity or assign this Note, the Bank shall give written notice of such action to the Township, which notice shall direct the Township to make payments hereunder henceforth to the appropriate successor or assignee. Such notice shall be effective if given not less than fifteen (15) days prior to any date for the payment of principal and interest thereunder, or for the prepayment of principal, if notice of prepayment shall have been given to the Bank.

Reference is hereby made to the Ordinance and to the Note Purchase Proposal between the Township and the Bank for a statement of the nature, extent and manner of enforcement of the security, the terms and conditions under which the Ordinance may be amended or modified, the rights of the holder of the Note in respect to such security, and the terms and conditions under which the Note is issued. The Township has established with the Bank a sinking fund for the Note and has made provision for the deposit therein from its general revenues, of amounts sufficient to pay, and from which the Bank, as paying agent and sinking fund depository, is required to pay, the principal of and interest on the Note as the same shall become due and payable.

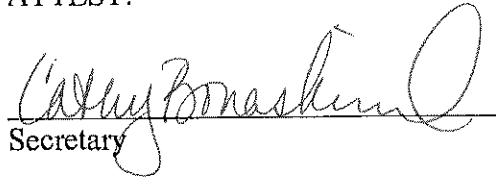
It is hereby certified that: (i) All acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the Township, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Township.

IN WITNESS WHEREOF, the Township has caused this Note to be executed in its name by the signature of the President or Vice President of the Board of Commissioners of the Township, and its seal to be affixed hereto, attested by the Secretary, all as of _____, 2021.

TOWNSHIP OF SALISBURY

BY: 
(Vice) President

ATTEST:


Secretary

(SEAL)

CERTIFICATE OF REGISTRATION NOTICE,
NO WRITING HEREON EXCEPT
BY PAYING AGENT ON BEHALF OF THE MAKER

It is hereby certified that the foregoing Note is registered as to principal and interest as follows:

<u>Name of Registered Owner</u>	<u>Address of Registered Owner</u>	<u>Date of Registration</u>	<u>Paying Agent's Authorized signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books of the within named Maker, with full power of substitution in the premises.

Tax Identification No.

Dated: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the fact of the within note in every particular, without alteration or any change whatsoever.

Section 9. The Note shall be executed in the name of and in behalf of this Township by the signature or facsimile signature of the President or Vice President of the Board of Commissioners of the Township, and the official seal of this Township or a facsimile thereof shall be affixed thereunto, attested by the signature or facsimile signature of the Secretary. Attached hereto as Schedule A is the debt service schedule for the Note.

Section 10. This Township covenants to and with the holder or registered owner of the Note, from time to time, pursuant to this Ordinance, that this Township shall include the amount of the debt service thereon for each fiscal year of this Township in which such sums are payable, in its budget for each such fiscal year, shall appropriate such amounts to the payment of such debt service, and duly and punctually shall pay or shall cause to be paid the principal of the Note and the interest thereon on the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Township shall and does pledge, irrevocably, its full faith, credit and available taxing power. As provided in the Act, the foregoing covenant of this Township shall be enforceable specifically.

Furthermore:

(a) There are created pursuant to Section 8221 of the Act, sinking funds for the Note, to be known as the "Sinking Fund, General Obligation Note, Series of 2021", or the "2021 Note Sinking Fund", which sinking fund shall be administered in accordance with applicable provisions of the Act.

(b) From the funds deposited in the appropriate sinking fund, the Paying Agent, without further action of the Township, is hereby authorized and directed to pay the principal of and interest on the respective Note, and the Township hereby covenants that such monies, to the extent required, will be applied to such purpose, as follows: the Paying Agent shall pay all interest and principal on each Note, as and when the same shall become due and payable.

Section 11. The Township appoints the Bank as the Sinking Fund Depository with respect to the Sinking Fund created pursuant to Section 10(a) of this Ordinance.

Section 12. The President or Vice President of Board of Commissioners is authorized and directed to contract with the Bank for its services as Sinking Fund Depository and as Paying Agent in connection with the Note and is authorized and directed to execute on behalf of the Township at the appropriate time, a Paying Agent Agreement with the Bank in its capacity as Paying Agent for the Note. The President or Vice President or Township Manager or Finance Director are authorized to approve payment at closing on the sale of the Note of all costs and expenses incidental to such issuance and sale and consummation of the Refunding Program and Capital Project.

Section 13. The following additional terms and conditions shall apply, as appropriate, to the Note:

(a) Should the Township fail to provide the Paying Agent with sufficient funds, payable to the Sinking Funds, at appropriate intervals, so as to enable the Paying Agent to pay the principal and interest on the Note as and when due, or should the Township, through the Paying Agent, fail to make such payments as and when due, or should the Township fail to perform any other covenant or condition contained in this Ordinance and running to the benefit of the holder or registered owner of the Note, or contained in the Act as applicable to the Note, such failure shall constitute a default by the Township, and the registered owner of the Note shall be entitled to all the rights and remedies provided by the Act in the event of default. If any such default occurs, the Paying Agent may, and upon written request of the registered owner of the Note accompanied by indemnity in such form and in such amount as the Paying Agent shall designate or a Court of competent jurisdiction shall set and establish, shall bring suit upon the Note, or by other appropriate legal or equitable action restrain or enjoin any acts by the Township which may be unlawful or in violation of the rights of the owner of the Note.

(b) With respect to the Note hereunder, when such Note shall be paid by the Township or the Paying Agent pursuant to the terms and provisions of this Ordinance, they shall

be cancelled and cremated or otherwise destroyed by the Paying Agent, which shall then furnish the Township with a Certificate of Cremation or Destruction, if requested.

(c) The Note or any of them hereunder shall be deemed to be no longer outstanding if provision for payment at maturity or at redemption, such redemption having been irrevocably undertaken, shall have been made in a manner authorized under Section 8250(b) of the Act.

(d) With respect to the Note hereunder, the Township may, from time to time and at any time, enact a supplemental Ordinance in order to: (1) cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental Ordinance, or (2) grant to or confer upon the owner of the Note any additional rights, remedies, powers, authority, or security that may be lawfully granted to or conferred upon it. This Ordinance may also be amended or modified from time to time, except with respect to the interest payable upon the Note, or with respect to the date of payments and maturity of the Note, and in the case of any such permitted amendment or modification, a certified copy of the same shall be filed with the Paying Agent following approval in writing by the owner of the Note, unless provision for payment or redemption of the Note has been made prior to the effective date thereof as provided in subsection (c) above.

Section 14. The President or Vice President or the Township Manager or Director of Finance of this Township, which shall include their duly qualified successors in office, if applicable, are authorized and directed as appropriate; (a) to prepare, to certify and to file the debt statement required by Section 8110 of the Act; (b) to prepare and file, as required with the Department of Community and Economic Development (the "Department") of the Commonwealth, statements required by Section 8024 or 8026 of the Act, which are necessary to qualify certain non-electoral and lease rental debt of this Township and, if necessary, the debt which will be evidenced by the Note to be issued hereunder, as subsidized or self-liquidating debt; (c) to prepare, execute and to file the application with the Department, together with a complete and accurate transcript for the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by Section 8111 of the Act; (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.

Section 15. It is declared that the debt to be incurred by the issuance of the Note hereby, together with any other indebtedness of the Township, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Township.

Section 16. (a) The Township hereby covenants with the registered owners, from time to time, of the Note that no part of the proceeds of the Note or of any monies on deposit with the Paying Agent and Sinking Fund Depository hereunder will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be "arbitrage Note" within the meaning of Section 148 of the Internal Revenue Code of 1986 (the "Code") and the Regulations thereunder (the "Regulations") proposed or in effect at the time of such use and applicable to the Note, and that it will comply with the requirements of the section of the Code and the Regulations throughout the term of the Note.

(b) If the total tax-exempt borrowings of the Township in the calendar year 2021 should exceed the applicable exemption limitation, and if the gross proceeds of the Note is invested at a yield greater than the yield on the Note and are not expended within six months from the date of issuance, or within the applicable periods therefrom and in the applicable percentages if Section 148(f)(4)(C)(ii) shall be applicable, the Township covenants that it will "Rebate" to the U.S. Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Note in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Note at a yield not in excess of the yield on the Note. Provided however, that the President or Vice President of the Board of Commissioners are hereby authorized on behalf of the Township to exercise an election to pay, in lieu of Rebate, a penalty pursuant to Section 148(f)(4)(C)(vii)(I), which election, if made in their discretion, shall be contained in the Township's Non-Arbitrage Certificate with respect to the Note issued at closing thereon, and shall thereupon become

binding upon the Township, in which case the Township shall pay the appropriate penalties, as applicable, as and when due, in lieu of Rebate. The Township hereby designates the Note as “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code.

Section 17. (a) The Township covenants that, concurrently with the delivery of the Note to the Bank, there will be paid over to and for the account of U.S. Bank National Association as paying agent for the 2016 Bonds (the “2016 Paying Agent”) by the Township an amount of money which, together with other available monies, will be sufficient to provide necessary funds to enable the 2016 Paying Agent to provide necessary funds to pay the interest and principal at redemption on the Redemption Date for those 2016 Bonds being refunded and for the costs of retirement on such date of the 2016 Bonds then outstanding and being refunded in accordance with the Refunding Program.

(b) The Township further covenants that the Note will not be delivered to the Bank of the Note unless and until the Township prior to or concurrently with such delivery, shall have taken or shall take all action as shall be necessary and/or appropriate to implement and effectuate provisions for the aforesaid defeasance of the 2016 Bonds being refunded pursuant to the Refunding Program. The intent and purpose of the foregoing is to insure that the Township will take such action and will cause such action to be taken and will do such things and will cause the 2016 Paying Agent to do such things, prior to or concurrently with delivery of the refunding portion of the Note, as shall be necessary and/or appropriate to implement and effectuate provision of the aforesaid defeasance of the 2016 Bonds, so that simultaneously with delivery of the refunding portion of the Note to the Bank, for purposes of the Act, such 2016 Bonds no longer shall be considered to be outstanding, and the Township shall be deemed to have made appropriate provisions for the retirement of the outstanding non-electoral debt which was evidenced thereby.

Section 18. The Township does hereby authorize and direct the issuance of irrevocable instructions (the "Irrevocable Instructions") to the 2016 Paying Agent for the 2016 Bonds called for the redemption for those 2016 Bonds being refunded such instructions and the notices of redemption to be given thereby to be in substantially the forms set forth in Schedule "B" hereof.

Section 19. To the extent required, the Township does hereby covenant and agree, for the benefit of the holders of the Note from time to time, it will comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission ("SEC") with respect to municipal securities disclosure and will execute and comply with an appropriate Continuing Disclosure Certificate as approved by Note counsel as long as the Note is outstanding but only as required.

Section 20. Proper officers of this Township are authorized and directed to deliver the Note, upon execution thereof as provided for herein, to the Bank, but only upon receipt of proper payment of the balance due or the amount then to be drawn thereon, and only after the Department has certified its approval pursuant to Section 8111 of the Act, and to pay or direct the payment of the costs of issuance and comply with the Note Purchase Proposal requirements, including any fees due and payable to the Bank.

Section 21. In the event that any provision, section, sentence, clause or part of this Ordinance shall be held 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 Township that such remainder shall be and shall remain in full force and effect.

Section 22. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 23. This Ordinance shall be effective in accordance with Sections 8003(c) of the Act.

DULY ADOPTED this 8th day of July, 2021, by the Board of Commissioners of Township of Salisbury, Lehigh County, Pennsylvania, in lawful session duly assembled.

BOARD OF COMMISSIONERS OF THE
TOWNSHIP OF SALISBURY

BY: Deb J. Bui
(Vice) President

ATTEST:

Cathy Bonastrom
Secretary

(SEAL)

\$6,546,000
TOWNSHIP OF SALISBURY
GENERAL OBLIGATION NOTE, SERIES OF 2021

DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
8/17/2021					
12/15/2021	234,700	1,750	37,548.58	272,248.58	272,248.58
6/15/2022		1,750	55,223.88	55,223.88	
12/15/2022	460,200	1,750	55,223.88	515,423.88	570,647.75
6/15/2023		1,750	51,197.13	51,197.13	
12/15/2023	471,200	1,750	51,197.13	522,397.13	573,594.25
6/15/2024		1,750	47,074.13	47,074.13	
12/15/2024	477,100	1,750	47,074.13	524,174.13	571,248.25
6/15/2025		1,750	42,899.50	42,899.50	
12/15/2025	488,000	1,750	42,899.50	530,899.50	573,799.00
6/15/2026		1,750	38,629.50	38,629.50	
12/15/2026	499,100	1,750	38,629.50	537,729.50	576,359.00
6/15/2027		1,750	34,262.38	34,262.38	
12/15/2027	505,000	1,750	34,262.38	539,262.38	573,524.75
6/15/2028		1,750	29,843.63	29,843.63	
12/15/2028	516,000	1,750	29,843.63	545,843.63	575,687.25
6/15/2029		1,750	25,328.63	25,328.63	
12/15/2029	526,600	1,750	25,328.63	551,928.63	577,257.25
6/15/2030		1,750	20,720.88	20,720.88	
12/15/2030	360,500	1,750	20,720.88	381,220.88	401,941.75
6/15/2031		1,750	17,566.50	17,566.50	
12/15/2031	365,600	1,750	17,566.50	383,166.50	400,733.00
6/15/2032		1,750	14,367.50	14,367.50	
12/15/2032	370,500	1,750	14,367.50	384,867.50	399,235.00
6/15/2033		1,750	11,125.63	11,125.63	
12/15/2033	380,500	1,750	11,125.63	391,625.63	402,751.25
6/15/2034		1,750	7,796.25	7,796.25	
12/15/2034	385,500	1,750	7,796.25	393,296.25	401,092.50
6/15/2035		1,750	4,423.13	4,423.13	
12/15/2035	395,300	1,750	4,423.13	399,723.13	404,146.25
6/15/2036		1,750	964.25	964.25	
12/15/2036	110,200	1,750	964.25	111,164.25	112,128.50
Totals	6,546,000		840,394.33	7,386,394.33	7,386,394.33

TOWNSHIP OF SALISBURY
LEHIGH COUNTY, PENNSYLVANIA

IN RE:

REFUNDING OF 2016 BONDS : IRREVOCABLE INSTRUCTIONS
 : TO CALL FOR REDEMPTION

TO: U.S. BANK NATIONAL ASSOCIATION

The TOWNSHIP OF SALISBURY (the "Township"), on July 8, 2021, duly adopted an ordinance (the "Ordinance"), a copy of which has been delivered to you, authorizing these irrevocable instructions to be issued to you, to take certain steps necessary to bring about the redemption of certain of the Township's remaining outstanding General Obligation Bonds, Series of 2016 (the "2016 Bonds"), specifically all bonds maturing on or after December 15, 2021. As you are aware, you are the Paying Agent for this issue. In accordance with the Ordinance and the Refunding Program incorporated therein, it is the intent and purpose of the Township to call for redemption all 2016 Bonds maturing on or after December 15, 2021 on August 17, 2021.

Therefore, under and pursuant to the Ordinance and in compliance therewith, you are given instructions, which instructions are and shall be irrevocable, except that the redemption is conditioned upon deposit by the Township of sufficient funds in an amount equal to the redemption price on or before the redemption date.

A. To deliver, by posting by first class United States mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to August 17, 2021, a Notice of Redemption which will contain information substantially similar to the information set forth in the form attached hereto to each registered owner of the 2016 Bonds being redeemed at the time of such action, at such address as shall appear on the Books maintained by you with respect to


the 2016 Bonds, for the 2016 Bonds, to Depository Trust Company, to Moody's Investors Service, Inc. and to Standard & Poor's Corporation.

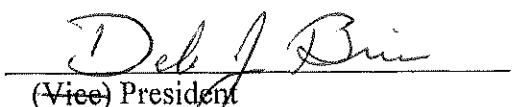
B. To give Notice of Redemption with respect to the redemption of the 2016 Bonds so called for redemption with the Electronic Municipal Market Access System ("EMMA") as provided at www.emma.msrb.org. The Township has obligated itself by the Ordinance authorizing the refunding to make available such monies as shall be reasonably necessary for costs and expenses of complying with these instructions.

It is assumed by the Township that you will make appropriate arrangements and provisions so that the strict compliance with the irrevocable instructions contained herein will be assured. You are hereby designated as the Township's true and lawful attorney for purposes of carrying out this redemption.

ATTEST:

TOWNSHIP OF SALISBURY


Secretary

BY: 
(Vice) President

(SEAL)

RECEIPT AND ACKNOWLEDGMENT

Receipt of the foregoing instructions and a copy of the Ordinance of the Township referred to therein, and copies of the Notice of Redemption, is hereby acknowledged.

It is further acknowledged that the Irrevocable Instructions contained in the foregoing are satisfactory to the Paying Agent.

Signed, sealed and dated this ____ day of July, 2021.

U.S. BANK NATIONAL ASSOCIATION
as Paying Agent

BY: _____
Authorized Representative

CONDITIONAL NOTICE OF REDEMPTION

TO: REGISTERED OWNERS OF 2016 GENERAL OBLIGATION BONDS, SERIES OF 2016, DATED AS OF MARCH 15, 2016, AND MATURING ON OR AFTER DECEMBER 15, 2021

NOTICE is given by the TOWNSHIP OF SALISBURY (the "Township") that the Township, by appropriate Ordinance has exercised its option to call for redemption and does call for redemption its remaining outstanding unrefunded General Obligation Bonds, Series of 2016, dated as of March 15, 2016, (the "2016 Bonds"), maturing on and after December 15, 2021, as hereinafter set forth, issued under and secured by an ordinance, authorizing the 2016 Bonds, (the "Ordinance"), in accordance with the right and privilege reserved to the Township in the 2016 Bonds and under the Ordinance. However, this redemption is conditioned upon the settlement of the sale of the Township General Obligation Bonds, Series of 2021 being issued to provide funds to redeem the 2016 Bonds.

The date fixed for this redemption of 2016 Bonds, as determined by the Board of Commissioners of the Township, is August 17, 2021 (the "Redemption Date"); and on the Redemption Date each of the 2016 Bonds so called for redemption will become and will be due and payable at the corporate trust office of the Paying Agent, U.S. Bank National Association, Philadelphia, Pennsylvania, and from and after the Redemption Date interest on such 2016 Bonds as are called for redemption hereby will cease to accrue, irrespective of whether such Bonds are presented and surrendered to the Paying Agent.

The principal due of such 2016 Bonds as of the date of redemption, August 17, 2021, will become and will be due and payable at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania, and will be paid by the Paying Agent upon presentation and surrender of such 2016 Bonds, in registered form, as provided in the Ordinance. The 2016 Bonds so called for redemption are the following:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cusip Number (Last Three Digits)</u>	<u>Value Per \$5,000 Bond</u>
12/15/2021	2.000%		\$ 355,000
12/15/2022	2.000%		\$ 355,000
12/15/2023	2.000%		\$ 365,000
12/15/2024	2.005%		\$ 370,000
12/15/2025	2.000%		\$ 380,000
12/15/2026	2.000%		\$ 390,000
12/15/2027	2.000%		\$ 395,000
12/15/2028	2.050%		\$ 405,000
12/15/2035	2.500%		\$2,010,000

It is suggested that registered or certified mail be used for forwarding the 2016 Bonds so called for redemption, and that it is not necessary to endorse and guarantee such 2016 Bonds unless payment is to be made to someone other than the registered holder. Holders of the above-described securities should submit certified Taxpayer Identification Numbers on I.R.S. Form W-9 when presenting their securities for redemption.

This Notice of Redemption is given in accordance with requirements of the 2016 Bonds to be redeemed and the Ordinance.

By Order of the Board of Commissioners of the Township.

TOWNSHIP OF SALISBURY

Dated: _____

Submit Bonds for Redemption to:

_____ (Address) _____

Attention: _____