

DATE ADOPTED: DECEMBER 28, 2020
ORDINANCE NO. 1671

BOROUGH OF CRAFTON

AN ORDINANCE OF BOROUGH OF CRAFTON, OF THE COUNTY OF ALLEGHENY, COMMONWEALTH OF PENNSYLVANIA, AUTHORIZING THE INCURRING OF NONELECTORAL DEBT FOR THE PURPOSE OF PROVIDING FUNDS FOR CERTAIN CAPITAL PROJECTS AND IMPROVEMENTS BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,500,000; FINDING A SALE BY NEGOTIATION TO BE IN THE BEST INTEREST OF THE BOROUGH; PROVIDING FOR MATURITIES, MAXIMUM INTEREST RATES AND REDEMPTION FEATURES; COVENANTING TO PAY DEBT SERVICE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER FOR THE PAYMENT OF THE BONDS; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; ESTABLISHING A SINKING FUND; COVENANTING TO ACCEPTING A PROPOSAL; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING THE PAYMENT OF EXPENSES; AUTHORIZING THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING APPROVAL OF THE FINAL OFFICIAL STATEMENT; AUTHORIZING THE OPENING OF A CLEARING FUND; ADOPTING A FORM OF BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE AGREEMENT; AND REPEALING INCONSISTENT ORDINANCES.

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WHEREAS, the Borough of Crafton, Allegheny County, Pennsylvania (hereinafter referred to as the "Borough"), is organized under the Borough Code of the Commonwealth of Pennsylvania and is authorized to incur debt pursuant to the Local Government Unit Debt Act, 53 Pa.C.S. §§8001 et seq., as amended (the "Debt Act"); and,

WHEREAS, the Borough desires to undertake certain capital projects, including improvements and upgrades to the sanitary sewer system of the Borough (the "Capital Project" or the "2021 Project" or the "Project") consisting of the certain capital projects and improvements in and around the Borough; and

WHEREAS, the Borough has received estimates for the cost of the 2021 Project; and,

WHEREAS, the Borough is empowered to issue such notes or bonds within constitutional and statutory debt limitations in order to accomplish such purposes; and,

WHEREAS, the Borough intends to issue its bonds or notes, in one or more series, in accordance with the terms of this Ordinance and the Debt Act to pay the costs of the 2021 Project; and,

WHEREAS, Huntingdon Public Capital Corporation (the "Purchaser") will present to the Borough a proposal (the "Proposal") for the purchase of bonds.

NOW, THEREFORE, BE AND IT HEREBY IS ORDAINED AND ENACTED BY THE BOROUGH COUNCIL OF THE BOROUGH OF CRAFTON, pursuant to a meeting thereof, advertised and conducted in accordance with the laws of the Commonwealth of Pennsylvania, that:

SECTION 1. The 2021 Project.

The Borough hereby undertakes as a project the 2021 Project. The description of the 2021 Project contained in the recitals to this Ordinance are hereby incorporated into this Section by reference as if set out at length.

SECTION 2. Incurrence of Indebtedness.

For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the 2021 Project, the incurring of nonelectoral debt by the Borough in the amount not to exceed \$9,500,000 is hereby authorized. Such debt shall be evidenced by an issue of general obligation bonds or notes, in one or more series, of the Borough in an aggregate principal amount not to exceed \$9,500,000, designated the Borough of Crafton, General Obligation Bonds, Series of 2021 (the "Bonds").

SECTION 3. Approval of Private Sale.

After considering the advantages and disadvantages of a public sale of the Bonds, the Borough Council hereby determines that a private sale by negotiation is in the best financial interests of the Borough.

SECTION 4. Acceptance of Proposal.

The Borough hereby covenants to award the Bonds to the Purchaser at a private sale by negotiation at the price of not less than 95.00% of the par amount of the Bonds, less net original issue discount/plus net original issue of the Bonds, if any such discount, premium or interest shall be specified in the Proposal and provided further that no amount of original issue discount shall be permitted which would cause the yield on any maturity of the Bonds to exceed those yields stipulated in Schedule A hereto (the "Purchase Price").

After due consideration of sundry factors, including professional assistance and current market conditions, the Borough Council of the Borough hereby:

(1) determines that a private sale by negotiation of the Bonds is in the best financial interest of the Borough; and

(2) authorizes and directs the President of the Borough Council of the Borough (or Vice President in the event of his/her absence or incapacity), together with the Manager of the Borough Council of the Borough (the "Borough Manager"), in their mutual agreement and discretion, to award the sale of the Bonds to the Purchaser, by means of the execution and delivery to the Purchaser of an acceptable Proposal. For this purpose, an "acceptable" Proposal shall mean an offer by the Purchaser on its standard contractual form(s), compliant with prevailing industry standards, approved, as to form, by Bond Counsel and by the Borough Attorney, to purchase and underwrite the Bonds at such interest rate or rates, at such a price, allowing for costs of issuance and upon such other conventional terms and conditions not detrimental to the interests of the Borough, as shall enable the financing of the costs of the Project, in the determination of the Borough Manager, at the best, reasonably available, overall cost.

Upon satisfaction of the foregoing condition and all other conditions of this Ordinance, the Bonds shall be awarded and sold at private sale by negotiation to the Purchaser at the Purchase Price, in accordance with all the terms of the Proposal which, once accepted, will be incorporated by reference into this Ordinance.

The President and the Borough Manager are hereby authorized and directed to deliver the Bonds to the Purchaser and receive payment therefor on behalf of the Borough in the manner required by law and the terms of this Ordinance. The proper officers of the Borough are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the Bonds, to execute and deliver such documents and to do all such other acts, upon advice of the Borough Attorney and/or Bond Counsel, as are reasonably necessary to ensure a satisfactory settlement of the sale of the Bonds, and a proper application of the proceeds thereof to the 2021 Project.

SECTION 5. Maturity and Interest Rates.

The Bonds shall bear maximum interest and maximum principal maturities as set out on Schedule A.

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

Huntington National Bank, Pittsburgh, Pennsylvania, is hereby appointed Paying Agent (the "Paying Agent") and Registrar (the "Registrar") for the Bonds and Sinking Fund Depository (the "Sinking Fund Depository") for the Bonds Sinking Fund created hereby. The Borough Manager is hereby authorized and directed to contract with such entity for its services as Sinking Fund Depository, Paying Agent and Registrar at such initial and annual charges as shall be appropriate and reasonable for such services. The Borough may, by Ordinance, from time to time, appoint a successor Paying Agent, Sinking Fund Depository or Registrar to fill a vacancy or for any other reason.

SECTION 7. Form of Bond, Interest Payment Dates and Record Dates.

The Bonds shall be issued in fully registered form without coupons and shall be numbered in such manner as may be satisfactory to the Borough and the Paying Agent. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. Each Bond shall be dated as of the date of its authentication. The Bonds shall be issued in denominations of \$5,000 or any whole multiple thereof. The Bonds shall bear interest from the appropriate June 1 and December 1 (each, an "Interest Payment Date") immediately preceding their respective dates of authentication, unless: (a) a Bond shall be authenticated as of a date after a Regular Record Date and on or before the next succeeding Interest Payment Date, in which case such Bond shall bear interest from such next succeeding Interest Payment Date or (b) a Bond shall be authenticated on or prior to the Regular Record Date preceding June 1, 2021, in which case such Bond shall bear interest from the Dated Date set forth in the Proposal (the "Dated Date"); or (c) as shown on the records of the Paying Agent, interest on the Bonds shall be in default, in which event the Bond shall bear interest from the date on which interest was last paid on the Bond until such sum is paid, or if no interest has been paid, from the Dated Date.

The term "Regular Record Date" with respect to any Interest Payment Date shall mean the 15th day of the calendar month immediately preceding such Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date, except if and to the extent that the Borough defaults in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds are registered at the close of business on a Special Record Date

established by the Paying Agent, notice of which shall have been mailed not less than ten (10) days prior to such Special Record Date to the persons in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of principal of, premium, if any, or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for payment of the principal, premium, if any, and interest due on such date shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

The term "designated corporate trust office" as used herein means any corporate trust office of the Paying Agent, or affiliated banking institution or trust company acting in its behalf, designated from time to time by the Paying Agent as the place at which principal of or interest on the Bonds is to be payable or at which the Bonds are to be presented for payment, transfer or exchange, to the extent such designation is permissible under Pennsylvania law, and if such designation is not made by the Paying Agent, a place so designated by the Borough.

SECTION 8. Bond Register, Registrations and Transfer.

The Borough shall cause to be kept at the designated corporate trust office of the Paying Agent a register (the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Borough shall provide for the registration of Bonds and the registration of transfers and exchanges of Bonds. No transfer or exchange of any Bond shall be valid unless made at such office and registered in the Bond Register.

Upon surrender of any Bond at the designated corporate trust office of the Paying Agent for registration of transfer, the Borough shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and in the same aggregate principal amount as the Bond so surrendered.

Any Bond shall be exchangeable for other Bonds of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Bond or Bonds presented for exchange. Upon surrender of any Bond for exchange at the designated corporate trust office of the Paying Agent, the Borough shall execute and the Paying Agent shall authenticate and deliver in exchange therefor the Bond or Bonds which the owner making the exchange shall be entitled to receive.

All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the Borough, evidencing the same debt and entitled to the same benefits under this Ordinance as the Bonds surrendered for such registration of transfer or exchange.

Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Borough and the Registrar, duly executed by the Registered Owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer or exchange of any Bond, but the Borough may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Borough shall not be required to register the transfer of or exchange any Bond: (a) in the case of Bonds then considered for redemption, during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed; (b) once selected for redemption in whole or in part until after the redemption date; or (c) during a period beginning at the close of business on the fifteenth (15th) day next preceding the date of maturity of the Bond and ending at the close of business on the date of maturity.

SECTION 9. Execution and Authentication; Book-Entry-Only Registration.

(a) Execution and Authentication.

The Bonds shall be executed on behalf of the Borough by the President of the Borough Council, and shall have a facsimile of the corporate seal of the Borough affixed thereto, duly attested by the Borough Manager and said officers are hereby authorized and directed to execute the Bonds. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No Bond shall be valid until such Certificate of Authentication shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. To the extent that any one signature on a Bond (including the signature of the officer of the Paying Agent) is manual, all other signatures may be by facsimile. The President of the Borough Council of the Borough or Borough Manager or any of such officers is hereby authorized and directed to deliver the Bonds to the Purchaser, subject to the terms and conditions of the Proposal, and receive payment therefor on behalf of the Borough after sale of the same in the manner required by law and this Ordinance.

(b) Book-Entry-Only Registration.

(i) Letter of Representations. The Borough authorizes and approves the purchase of the Bonds by the Purchaser as book-entry-only obligations with The Depository Trust Company, New York, New York ("DTC"). Proper officers of the Borough are authorized and directed to execute DTC's Letter of Representations, if applicable, in substantially the form

submitted to the Borough concurrent with its consideration of this Ordinance, and such other documents as shall be necessary to complete the sale of the Bonds as book-entry obligations.

(ii) Book-Entry-Only System.

(A) The Bonds shall be issued in the form of one fully registered bond for the aggregate principal amount of the Bonds of each maturity, which Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Except as provided in paragraph (G) below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds, registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Borough or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portions of the Bonds on the registration records maintained by the Paying Agent pursuant to Section 5 hereof, in connection with discontinuing the book entry system as provided in paragraph (G) below or otherwise.

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

(C) The Borough and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners under this Ordinance and the Bonds, registering the transfer of Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever; and neither the Borough nor the Paying Agent shall be affected by any notice to the contrary. Neither the Borough nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or

any such participant, or any other person which is not shown on the registration records maintained by the Paying Agent as being a registered owner, with respect to either: (1) the Bonds; or (2) the accuracy of any records maintained by DTC or mly such participant; or (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; or (4) any notice which is permitted or required to be given to registered owners under this Ordinance or the Bonds; or (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as registered owner.

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

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

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

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

SECTION 10. General Obligation Covenant.

The Bonds, when issued, are hereby declared to be general obligations of the Borough. The Borough hereby covenants with the Registered Owners from time to time of the Bonds outstanding pursuant to this Ordinance that it will include the amount of the debt service as specified in this Section, subject to appropriate adjustment in the event of the optional redemption of any Bonds prior to maturity, on the Bonds for each fiscal year in which such sums are payable, in its budget for that year, will appropriate such amounts for such payments and will duly and punctually pay or cause to be paid the principal of the Bonds and the interest thereon on the dates, at the places and in the manner stated therein, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Borough does hereby pledge its full faith, credit and taxing power. The maximum amount of the debt service which the Borough hereby covenants to pay on the Bonds in each year is shown on Schedule A which is attached hereto and incorporated herein by reference as if set out here at length.

As provided in the Debt Act, the foregoing covenants are specifically enforceable.

SECTION 11. Redemption.

(a) Optional. The Bonds shall be subject to redemption prior to maturity at the option of the Borough as set forth in the Proposal.

(b) Mandatory. The Bonds shall be subject to mandatory redemption on the dates (each, a "Mandatory Redemption Date") and in the amounts as set forth in the Proposal. The Borough covenants to cause the Bonds to be redeemed on the Mandatory Redemption Dates and in the amounts set forth in the Proposal, subject to its right which is reserved in Section 12, to satisfy that obligation by delivering to the Paying Agent and Sinking Fund Depository no later than forty-five (45) days before any Mandatory Redemption Date, for cancellation, Bonds of the maturity which are subject to mandatory redemption on that Mandatory Redemption Date.

(c) Notice. Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the Registered Owners of Bonds to be redeemed at the addresses which appear in the Bond Register; provided, however, that neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond shall affect the validity of the proceedings for the redemption of any other Bond. If the Borough shall have duly given notice of redemption and shall have deposited with the Paying Agent funds for the payment of the redemption price of the Bonds so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such Bonds shall cease to accrue after such redemption date. Such notice may be conditioned on the deposit of funds with the Paying Agent on the redemption date.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use) and shall also contain the serial identification numbers printed on the Bonds.

(e) Selection by Lot. Subject to Section 9(b) herein, if less than all Bonds maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the Bonds to be redeemed at such time.

(f) Portions of Bonds. Any portion of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Prior to selecting Bonds for redemption, the Paying Agent shall assign numbers to each \$5,000 portion of any Bond of a denomination larger than \$5,000 and shall treat each portion as a separate Bond in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any Bond for redemption of a portion thereof, the Paying Agent shall authenticate and deliver to the Registered Owner thereof a new Bond or Bonds of the same maturity and in any authorized denominations requested by the Registered Owner in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 12. Sinking Fund.

(a) Deposit. There is hereby established a sinking fund to be known as "Borough of Crafton, Series of 2021 Bonds Sinking Fund" (the "Series of 2021 Bonds Sinking Fund") into which the Borough covenants to deposit, and into which the Treasurer is hereby authorized and directed to deposit (i) on or before June 1, 2021 and on or before each respective Interest Payment Date thereafter until maturity, amounts sufficient to pay the interest due on such dates on the Bonds then outstanding, and (ii) on or before December 1, 2021, and on each December 1 thereafter until maturity, amounts sufficient to pay the principal of the Bonds due on each such date at maturity or pursuant to the mandatory redemption requirements thereof. Should the amounts covenanted to be paid into the Series of 2021 Bonds Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal, whether by reason of funds already on deposit in the Series of 2021 Bonds Sinking Fund or by reason of the purchase or redemption of Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Credit for Bonds Delivered. The Borough may satisfy any part of its obligations with respect to clause (a)(ii) by delivering to the Paying Agent and Sinking Fund Depository, for cancellation, Bonds maturing or subject to mandatory redemption on the date on which such deposit is required. The Borough shall receive credit against such deposit for the face amount of the Bonds so delivered, provided that such Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the Bonds for which credit is requested, in the case of a deposit required for the payment of Bonds at maturity, or (ii) in the

case of a deposit required to be made on a Mandatory Redemption Date, no later than forty-five (45) days prior to the Mandatory Redemption Date for which credit is requested.

(c) Application of Funds. All sums in the Series of 2021 Bonds Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid by Section 10 hereof as the same from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the Series of 2021 Bonds Sinking Fund, to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and as permitted by Section 23 hereof. The Series of 2021 Bonds Sinking Fund shall be kept as a separate account at the designated corporate trust office of the Sinking Fund Depository. The Sinking Fund Depository, without further authorization other than as herein contained, shall pay from the moneys in the Series of 2021 Bonds Sinking Fund, the interest on the Bonds as and when due to the Registered Owners on the appropriate Record Date and principal of the Bonds, as and when the same shall become due, to the Registered Owners thereof.

(d) Optional Deposits. Notwithstanding the foregoing, in the case of optional redemption of any or all of the Bonds as permitted by Section 11 hereof, the Borough Manager is hereby authorized and directed to deposit, from time to time, before the appropriate optional redemption date, funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Bonds so called for redemption and the premium, if any, and the interest thereon to the date fixed for redemption.

SECTION 13. Disposition of Proceeds.

All moneys derived from the sale of the Bonds shall be deposited in the Clearing Account created pursuant to Section 21 hereof and shall be and hereby are appropriated substantially to payment of the cost of the 2021 Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the Bonds, and the payment of interest on the Bonds from the Dated Date, to the date of delivery, and shall not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination to be not necessary for such purposes, be deposited in the Series of 2021 Bonds Sinking Fund and used for the payment of interest on the Bonds. Promptly on the deposit of the proceeds of the Bonds, the Borough shall cause the transfers to the Project Account described below.

SECTION 14. Cost and Realistic Useful Life.

Reasonable realistic cost estimates have been obtained for the 2021 Project with the assistance of architects, engineers, financial advisors, and other persons qualified by experience. The useful life of the projects financed with the proceeds of the Bonds is at least forty (40) years. Corresponding aggregate principal amounts of the Bonds will mature prior to such respective useful lives as required by the Debt Act (53 Pa.C.S. §8142(a)(2)). The first payment of principal of the Bonds is no later than one year after the estimated completion of construction of the 2021

Project in compliance with the Debt Act (53 Pa.C.S. §8142(c)). In addition, in accordance with the Debt Act (53 Pa.C.S. §8142(b)(1)), the maturities of the Bonds have been fixed so as to result in at least an approximately level overall annual debt service plan.

SECTION 15. Qualified Tax-Exempt Obligations.

The Borough hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of that portion of such financial institutions' interest expense allocable to on the purchase of the Bonds. The Borough does not reasonably expect to issue more than \$10,000,000 of new qualified tax-exempt obligations in the 2021 calendar year.

SECTION 16. Advertising.

The action of the officers of the Borough in advertising a summary of this Ordinance, as required by law, is ratified, and confirmed. The officers of the Borough or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in Borough of Crafton within fifteen (15) days after final enactment. The Borough Manager is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

SECTION 17. Appointment of Professionals.

The Borough hereby appoints Patrick S. Healy, Esquire, of Bruce E. Dice & Associates, P.C., as Bond Counsel, for the purpose of rendering any and all necessary opinions with respect to the Bonds.

SECTION 18. Filing With Department of Community and Economic Development.

The Borough Manager is hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by the Debt Act (53 Pa.C.S. §8110), and to take other necessary action, and to prepare and file all necessary documents with the Department of Community and Economic Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the Bonds from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 19. 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 Bonds, all in accordance with this Ordinance.

SECTION 20. Official Statements.

The Preliminary Official Statement to be prepared with respect to the Bonds is hereby authorized. The President of the Borough Council is hereby authorized to execute and approve a Final Official Statement, dated the date of acceptance of the Proposal, relating to the Bonds provided that the Final Official Statement shall have been approved by the Borough Attorney. The distribution of the Preliminary Official Statement is hereby authorized, and the Purchaser is hereby authorized to use the Preliminary and the Final Official Statements in connection with the sale of the Bonds.

SECTION 21. Clearing Account.

The Borough hereby creates with the Paying Agent a special fund to be known as Borough of Crafton Series of 2021 Clearing Account (the "Clearing Account") which shall be held as a trust fund for the benefit of the Borough until disbursed in accordance with the provisions hereof. The Borough shall deliver the net proceeds (including accrued interest) derived from the sale of the Bonds to the Paying Agent for deposit to the Clearing Account. Upon written directions from the Borough signed by the President of the Borough Council and the Borough Manager, the Paying Agent shall pay, out of the Clearing Account the costs and expenses of the issuance of the Bonds, shall transfer the amount of accrued interest, if any, to the Bonds Sinking Fund, and shall transfer the remainder to the project fund of the Borough. The written direction from the Borough shall state the names of the respective payees, the purpose for which the expenditure has been incurred, for the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

SECTION 22. Payment of Expenses.

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

SECTION 23. Investment.

Any moneys in the Series of 2021 Bonds Sinking Fund not required for prompt expenditure may, at the direction of the Borough, be invested in bonds, notes or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing

accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds. Any such investments or deposits shall mature or be subject to redemption at the option of the holder or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the Registered Owners.

SECTION 24. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to the President shall be deemed to run to the Vice President as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

SECTION 25. Bond Form.

The form of the Bonds shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF ALLEGHENY

BOROUGH OF CRAFTON
GENERAL OBLIGATION BONDS
SERIES OF 2021

No.
CUSIP

Interest Rate:
Maturity Date:

Borough of Crafton, County of Allegheny, Commonwealth of Pennsylvania (the "Borough"), for value received, and intending to be legally bound, promises to pay to _____, or registered assigns, (the "Registered Owner") the principal amount of _____ Dollars (\$_____) on the maturity date stated above upon presentation and surrender of this Bond at the designated corporate trust office of Huntington National Bank. (the "Paying Agent") in Pittsburgh, Pennsylvania, and to pay interest thereon at the above-stated rate from the immediately preceding the date hereof (unless this Bond is dated after a Regular Record Date but on or before the next succeeding _____ date, then from such next succeeding _____, or unless this Bond is dated on or prior to the Regular Record Date preceding _____, 2021, then from _____, 2021, or unless, as shown on the records of the Paying Agent, interest on the Bond shall be in default, in which event the Bond shall bear interest from the date on which interest was last paid on the Bond until such sum is paid, or if no interest has been paid, from _____, 2021) semiannually on _____ of each year during the term of this Bond (beginning _____, 2021), or until payment of said principal sum has been made or provided for.

The principal of, and premium, if any, and interest on this Bond are payable in such coin or currency of the United States of America as at the time and place of payment is legal tender for payment of public and private debts, at the designated corporate trust office of the Paying Agent; provided that, interest will be paid by check mailed to the person who is the registered owner on the appropriate record date at his address as it appears on the Bond Register described below, unless written demand is made by such person for payment in legal tender at such office.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE BOROUGH OR ITS AGENT FOR REGISTRATION FOR TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC) ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

The term "designated corporate trust office" as used herein means any corporate trust office of the Paying Agent, or affiliated banking institution or trust company acting in its behalf, designated from time to time by the Paying Agent as the place at which principal of or interest on this Bond is to be payable or at which the Bond is to be presented for payment, transfer or exchange, to the extent such designation is permissible under Pennsylvania law, and if such designation is not made by the Paying Agent, a place so designated by the Borough.

If the date for payment of principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for payment of the principal, premium, if any, and interest due on such date shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

This Bond is one of a duly authorized issue of \$_____, principal amount, General Obligation Bonds, Series of 2021 (the "Bonds") of the Borough which have been issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended (the "Act"), without the assent of the electors, pursuant to an Ordinance (the "Ordinance") of the Borough Council of Borough of Crafton enacted on _____, 2020. The Bonds have been issued for the purpose of obtaining funds to pay the costs of certain capital projects and improvements in and around the Borough.

Interest payable on any interest payment date will be paid to the person in whose name this Bond is registered (the "Record Owner") at the close of business on the 15th day of the calendar month (the "Regular Record Date") immediately preceding the relevant interest payment date. Any such interest which is not deposited with the Paying Agent on or before any such interest payment date for payment to the Record Owner on the Regular Record Date shall forthwith cease to be payable to the Record Owner on the Regular Record Date, and shall be paid to the person in whose name this Bond is registered on a special record date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of which shall be given to all registered owners not less than ten (10) days prior to such special record date, all as provided in the Ordinance.

Bonds maturing on _____ of the years 20_ and 20_ are subject to mandatory redemption prior to their stated maturity dates, in part, by lot, or by any other method deemed fair and appropriate by the Paying Agent, on the dates and in the amounts shown below upon payment of the redemption price of 100% of the principal amount, together with interest accrued to the date fixed for redemption.

_____ 20_ Maturity
Redemption Date

_____ 20_ Maturity
Redemption Date

* At maturity

The Bonds maturing on or after _____, 20__, are subject to redemption at the option of the Borough prior to their stated maturity dates, as a whole, or in part from time to time, on _____ 20_, or on any date thereafter, in any order of maturity as selected by the Borough, in each case, upon payment of 100% of the principal amount to be redeemed together with interest accrued to the date fixed for redemption.

If less than all Bonds maturing on any one date are to be redeemed at any time, the Bonds to be called for redemption at such time shall be chosen by the Paying Agent, by lot.

Notice of redemption of any Bonds shall be given to the registered owner of such Bond by first class mail, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, in the manner and upon the terms and conditions set forth in the Ordinance. A portion of a Bond of a denomination larger than \$5,000 may be redeemed, and in such case, upon the surrender of such Bond, there shall be issued to the registered owner thereof, without charge therefor, a Bond or Bonds for the unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Ordinance. If notice of redemption shall have been duly given, the Bonds or portions thereof specified in that notice shall become due and payable at the applicable redemption price on the redemption date designated in that notice, and if, on that redemption date, moneys are held by the Sinking Fund Depository for the payment of the redemption price of the Bonds to be redeemed, together with interest to the redemption date, then from and after the redemption date, interest on such Bonds shall cease to accrue. Such notice may be conditioned on the deposit of funds with the Paying Agent on the redemption date.

The Borough, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices of redemption and other notices, if any, as a convenience to the registered owners of the Bonds. No representation is made by the Borough as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice and reliance may be

This Bond may be transferred or exchanged only on the Bond Register (the "Bond Register") maintained by the Borough at the designated corporate trust office of the Paying Agent upon surrender hereof by the Registered Owner at such office duly endorsed by, or accompanied by a written instrument of transfer duly executed by, the Registered Owner or his duly authorized agent or legal representative, in each case, in form and with a guaranty of signature satisfactory to the Borough and the Paying Agent.

No service charge shall be made for any transfer or exchange of any Bond, but the Borough may require payment of any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Borough shall not be required to register the transfer or exchange of any Bond:

(a) in the case of Bonds then considered for redemption, during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed; (b) once selected for redemption in whole or in part; or (c) during a period beginning at the close of business on the fifteenth (15th) day next preceding the date of maturity of the Bond and ending at the close of business on the date of maturity.

Subject to the provisions of this Bond and of the Ordinance relating to payment of interest, the Borough and the Paying Agent may treat the Registered Owner of this Bond as the absolute owner hereof, for all purposes, whether or not this Bond shall be overdue, and neither the Borough nor the Paying Agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this Bond, 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 this Bond.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Borough to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the

laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the Borough is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania and applicable to the Borough; and that the Borough has established with the Paying Agent as Sinking Fund Depository a sinking fund for the Bonds and has agreed to deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable.

This Bond is hereby declared to be a general obligation of the Borough. The Borough, in the Ordinance authorizing the issuance of the Bonds, has covenanted with the registered owners, from time to time, of the Bonds that the Borough will include the amount of the debt service charges on the Bonds for each fiscal year in which such sums are payable, in its budget for that year, that it will appropriate such amounts to the payment of such debt service, and will duly and punctually pay or cause to be paid the principal of every Bond, and the interest thereon, on the dates and at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Borough has pledged its full faith, credit and taxing power. This covenant is specifically enforceable.

This Bond is a qualified tax-exempt obligation under Section 265 of the Internal Revenue Code of 1986, as amended, and the rules and regulations adopted pursuant thereto, and the Borough will represent in a tax certificate that it does not reasonably expect to issue more than \$10,000,000 of qualified tax exempt obligations in the current calendar year.

This Bond shall not be valid or become obligatory for any purpose unless the certificate of authentication hereon shall have been signed by the manual signature of an officer of the Paying Agent.

IN WITNESS WHEREOF, the Borough has caused this Bond to be duly executed and dated as of the date of its authentication.

ATTEST:
Borough Manager

BOROUGH OF CRAFTON
President of Borough Council

[SEAL]

[FORM OF PAYING AGENT'S AUTHENTICATION CERTIFICATE]

Paying Agent's Authentication Certificate

This Bond is one of Borough of Crafton, General Obligation Bonds, Series of 2021, described in the within-mentioned Ordinance. The text of opinion printed hereon is the text of the opinion of

the Patrick S. Healy, Esquire, of Bruce E. Dice & Associates, P.C., Bond Counsel, of Pittsburgh, Pennsylvania, an executed counterpart of which, dated and delivered on the date of original delivery of and payment for said Bonds, is on file with the undersigned.

HUNTINGTON NATIONAL BANK,
Paying Agent

By _____
Authorized Officer

Dated:

* * * * *

[STATEMENT OF INSURANCE]

* * * * *

[TEXT OF OPINION OF BRUCE E. DICE & ASSOCIATES, P.C., BOND COUNSEL, OF
PITTSBURGH, PENNSYLVANIA]

* * * * *

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

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

Additional abbreviations may also be used though not in the list above.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto Please insert Social Security or other identifying number of assignees

Please print or typewrite name and address including postal zip code of transferee
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
-Agent

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated

Signature(s) Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of an approved Signature Guarantee

NOTICE: The signature(s) to this assignment must correspond with the name(s) as written upon the face

Medallion Program. of the Bond, in every particular, without alteration or enlargement or any change whatever.

SECTION 26. Bond Insurance.

Payment of the Bonds, if required, may be insured by a Bond Insurance Policy (the "Bond Insurance Policy") hereby authorized to be purchased upon the issuance and delivery of the Bonds issued by such Insurer (the "Insurer") as deemed acceptable to the Borough.

No provisions of this Ordinance, the Debt Act or otherwise arising at law or in equity for the enforcement of claims by Registered Owners for the payment of either principal or interest in respect of the Bonds shall be effectuated without the consent of the Insurer, so long as the terms of the Bond Insurance Policy are being fully met and satisfied.

In the event that the principal and/or interest on the Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, all covenants, agreements and other obligations of the Borough to the Registered Owners of the Bonds, under this Ordinance and under the Debt Act, shall continue to exist and shall run to the benefit of the Insurer, who shall be subrogated to the rights of such Registered Owners. Accordingly, the Sinking Fund Depository shall abide and follow all instructions of the Insurer for the prompt payment of the principal of and/or interest due on the Bonds to the Registered Owners, including provision of the Register to the Insurer, processing of checks or other remittances on behalf of the Insurer, collection of Bonds and notation of the Insurer's interests as subrogee within its records and on its books.

SECTION 27. Disclosure Agreement.

The Borough covenants that it will enter into and comply with a Disclosure Agreement (the "Disclosure Agreement") for the benefit of the owners of the Bonds at or prior to the closing for the issuance of the Bonds. Pursuant to the Disclosure Agreement, the Borough will provide certain financial and operating information on an annual basis and notice of certain events to Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, in accordance with United States Securities and Exchange Commission Rule 15c2-12. The President or Vice President of the Borough Council is hereby authorized and directed to execute and deliver the Disclosure Agreement on behalf of the Borough in such form as may be approved

by the Borough Attorney and Bond Counsel, and the Borough Manager of the Borough is hereby authorized and directed to seal and attest the Disclosure Agreement.

SECTION 28. Federal Income Tax Covenants.

(a) Compliance in General. The Borough hereby states its intention to comply with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code") with respect to the tax-exempt Bonds that it issues; the Borough represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon appropriate instructions of Bond Counsel or otherwise, all those acts necessary and proper to the maintenance of the exclusion from gross income of the interest on any tax-exempt Bonds to the Registered Owners thereof conferred by said Sections, as interpreted by applicable regulations, rulings or other pronouncements of the Secretary of the United States Department of the Treasury.

(b) Not a Private Activity Bond; Taxing Powers. The Borough covenants that any tax-exempt Bonds are not an issue: (1)(a) more than 10 percent of the proceeds of which are to be used for any private business use, and (b) the payment of the principal of, or the interest on, more than 10 percent of the proceeds, directly or indirectly, is (x) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (y) to be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; nor (2) the proceeds of which, in an amount exceeding the lesser of five percent of such proceeds, or \$5,000,000, are to be used to make or finance loans to persons other than governmental units.

The Borough certifies that it is a political subdivision and governmental unit with general taxing powers.

(c) Non-Arbitrage. The Borough covenants that no portion of the proceeds of any of the tax-exempt Bonds is reasonably expected (at the time of issuance of such Bonds) to be used, nor will intentionally be so used, directly or indirectly, (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments. This prohibition shall not apply to proceeds invested in higher yielding investments (a) for a reasonable temporary period until such proceeds are needed for the purpose of the tax-exempt Bonds, or (b) as a part of a reasonably required reserve or replacement fund. For these purposes, "higher yielding investment" means any investment property (generally, a security or debt obligation) which produces a yield over the term of the tax-exempt Bonds which is materially higher than the yield on the tax-exempt Bonds, but shall not include any tax-exempt bond.

(d) Required Rebate. The Borough covenants to pay and rebate its arbitrage profits (being an amount equal to the sum of: (1) the excess of (a) the amount earned on all nonpurpose investments over (b) the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the tax-exempt Bonds; plus (2) any income attributable

to said excess [provided, further, that any gain or loss on the disposition of a nonpurpose investment shall be taken into account]) to the United States in accordance with the provisions of Section 148(f) of the Tax Code and regulations thereunder, but only as and to the extent that none of the following exceptions apply to the Borough.

(e). Exceptions. Rebate to the United States as described above shall not be required of the Borough if, and in the event that any one of the following exceptions applies: (i) SIX MONTH SAFE HARBOR -- the gross proceeds of the tax-exempt Bonds are expended for the Project by no later than the day which is six months after the date of issuance of the tax-exempt Bonds, or, the gross proceeds, except the lesser of five percent of the gross proceeds of the tax-exempt Bonds, or \$100,000, are so expended by said date and such remaining portion is expended by no later than the day which is one year after the date of issuance of the tax-exempt Bonds; or (ii) 18-MONTH SPEND-DOWN -- the following cumulative percentages of the gross and investment proceeds of the tax-exempt Bonds are expended for the Project by no later than the day which is the indicated respective period of time following the date of issuance of the tax-exempt Bonds; 15% -- six months; 60% -- one year; 100% -- eighteen months (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after eighteen months, but not in excess of thirty months; or (iii) TWO YEAR SPEND-DOWN (CONSTRUCTION ISSUES ONLY) -- the following cumulative percentages of the gross and investment proceeds of the tax-exempt Bonds are expended for the Project by no later than the day which is the indicated respective period of time following the date of issuance of the tax-exempt Bonds: 10% -- six months; 45% -- one year; 75% -- eighteen months; 100% -- two years (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after two years, but not in excess of three years); or (iv) SMALL ISSUER -- (1) 95 percent or more of the net sale proceeds (being gross proceeds minus amounts deposited into a reasonably required reserve fund, if any) of the tax-exempt Bonds is to be used for local governmental activities of the Borough (or a subordinate entity), and (b) the aggregate face amount of all tax-exempt bonds, other than private activity bonds, issued by the Borough, and all subordinate entities thereof (but not including any bond not outstanding or to be redeemed, as may be excluded under prevailing interpretations of the Tax Code and regulations thereunder), during the calendar year in which the tax-exempt Bonds are issued, is not reasonably expected to exceed \$15,000,000, at least \$10,000,000 of which will be/was issued for capital purposes.

For these purposes, "gross proceeds" means any proceeds and replacement proceeds of the tax exempt Bonds, "available construction proceeds" has the meaning used in §148(f)(4)(C)(vi) of the Tax Code, "sale proceeds" means all amounts actually or constructively received from the sale of the tax-exempt Bonds, except accrued interest on the tax-exempt Bonds deposited to the Sinking Fund, and "nonpurpose investment" means any investment property acquired with the gross proceeds of the tax-exempt Bonds and not required to carry out the governmental purpose of the tax-exempt Bonds.

(f) Information Reporting. The Borough shall prepare, or cause to be prepared, execute and submit to the Secretary IRS Form 8038-G (or 8038-GC, as applicable) according to all the requirements for information reporting contained in Section 149(e) of the Tax Code.

For these purposes, "tax-exempt obligations" means any obligation the interest on which is wholly exempt from taxes under the Tax Code.

SECTION 29. Federal Securities Law Covenants.

(a) Compliance in General. The Borough hereby states its intention to comply, and to facilitate compliance by the Purchaser and other related parties, with all the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), including for this purpose the related body of securities disclosure and anti-fraud laws; the Borough represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon appropriate instructions of Bond Counsel or otherwise, all those acts necessary and proper to achieve compliance with the Rule, as interpreted by applicable regulations, rulings or other pronouncements of the Securities and Exchange Commission, or other appropriate regulatory body.

(b) Official Statement. The Borough acknowledges that preparation of the Preliminary Official Statement by the Purchaser will be done on its behalf and for its benefit, as an agent, and that, in particular, while matters of style and format may have originated with the Purchaser, all substantive data and information was provided by the Borough. The Borough, upon review as to completeness and accuracy, will deem the Preliminary Official Statement final as of its date, and will certify that the Preliminary Official Statement did not and does not, as of its date, contain any untrue statements of a material fact or omit to state any material fact which should be included therein in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, as required by statute, regulation or substantive law. The distribution of the Preliminary Official Statement by the Purchaser is hereby approved.

The Borough hereby covenants to provide a final Official Statement to the Purchaser within seven business days of the execution of the Purchase Proposal, or such other time as may be necessary to comply with the Rule. The Designated Officer is hereby authorized and directed to execute the same with such completions therein from the preliminary document as may be necessary. However, the execution of a certificate concurrently upon, or subsequent to, preparation of the final Official Statement, including any settlement certificate, by a Designated Officer, regarding the truth and accuracy of the final Official Statement is tantamount to execution of the original document and full and sufficient authority for the printing of one or more conformed signatures therein. The Borough hereby covenants that the same representations regarding finality and completeness made regarding the Preliminary Official Statement will be true of the final Official Statement as of its date and as of Settlement. The Purchaser is authorized to use the final Official Statement in connection with the sale of the Bonds.

(c) Continuing Disclosure. The Borough will execute and deliver a Continuing Disclosure Certificate under which it will agree to provide or cause to be provided (i) annual financial information and operating data, and (ii) timely notice of the occurrence of certain material events with respect to the Bonds. The Purchaser's obligation to purchase the Bonds is conditioned upon its receipt of the Continuing Disclosure Certificate, at or prior to the delivery of the Bonds, in form and substance satisfactory to the Purchaser.

SECTION 30. Miscellaneous

(a) Ordinance A Contract. This Ordinance shall be a contract with the Registered Owners, from time to time, of the Bonds.

(b) Inconsistencies. All prior ordinances, resolutions, or other official acts or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

(c) Statutory References. All references to specific provisions of statutory law herein contained may be read and interpreted by reference to amended, successor or replacement laws, but only to the extent consistent with the intent and clear meaning of this Ordinance. All inconsistencies shall be resolved with recognition of, and in favor of, the rights of the owners of the Bonds, whose rights shall not be impaired.

(d) Benefitted Parties. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Borough, the Sinking Fund Depository, the Registered Owners of the Bonds (and the Insurer, if any), any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the Borough shall be for the sole and exclusive benefit of such persons.

(e) Severability. If any one or more of the covenants or agreements provided in this Ordinance on the part of the Borough or the Sinking Fund Depository to be performed shall for any reason be held to be illegal or invalid or otherwise contrary to law, then such covenant or covenants or agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, but shall in no way otherwise affect the validity of this Ordinance.

(f) No Personal Liability. No covenant or agreement contained in the Bonds or in this Ordinance shall be deemed to be the covenant or agreement of any member, officer, agent, attorney or employee of the Borough in his individual capacity, and neither the members of the Borough Council nor any Designated Officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(g) Counterparts. This Ordinance may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; but such counterparts shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

DULY ENACTED AND ORDAINED THIS 28TH DAY OF DECEMBER 2020, BY THE BOROUGH COUNCIL OF THE BOROUGH OF CRAFTON, ALLEGHENY COUNTY, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.

(SEAL)

BOROUGH OF CRAFTON

Attest

By: _____
Doug Sample, Borough Manager

By: _____
Phillip Levasseur, President

EXAMINED AND APPROVED by me this 28th day of December 2020.

By: _____

Jim Bloom, Mayor

By: _____

Stephen Korbel, Esquire

Solicitor

(SEAL)

SCHEDULE A

MAXIMUM DEBT SERVICE

AND PRINCIPAL AMORTIZATION SCHEDULE

CERTIFICATE

I, the undersigned, Borough Manager of the Borough of Crafton, Allegheny County, Pennsylvania (the "Borough"), hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of an Ordinance (the "Ordinance") which was duly enacted at a meeting of the Borough Council on December 28, 2020, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Ordinance was duly recorded in the Borough's Ordinance Book, and a summary of the Ordinance was published as required by law in a newspaper of general circulation in the Borough; (c) the Borough met the advance notice requirements of Act No. 1998-93, as amended, by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the Council of the Borough; (d) the total number of members of the Council of the Borough is seven (7); and (e) the vote upon the Ordinance was called and duly recorded upon the minutes and that the members voted in the following manner:

	Yes	No	Abstain	Absent
Phillip Levasseur	_____	_____	_____	_____
Edward Alo	_____	_____	_____	_____
Brad Crouse	_____	_____	_____	_____
Fred Amendola	_____	_____	_____	_____
Mike Crown	_____	_____	_____	_____
Coletta Perry	_____	_____	_____	_____
Anthony Saba	_____	_____	_____	_____

WITNESS my hand and seal of the Borough of Crafton on December 28, 2020.

By: _____
Borough Manager

[SEAL]