

CITY OF CHESTER

(Delaware County, Pennsylvania)

ORDINANCE NO. 4 - 2020

AUTHORIZING THE INCURRENCE BY THE CITY OF CHESTER OF NONELECTORAL DEBT BY THE ISSUANCE OF (1) GUARANTEED HOST COMMUNITY REVENUE REFUNDING BONDS, SERIES A OF 2020 IN THE AGGREGATE PRINCIPAL OF \$11,200,000, AND (2) GUARANTEED HOST COMMUNITY REVENUE REFUNDING BONDS, SERIES B OF 2020 IN THE AGGREGATE PRINCIPAL OF \$10,130,000, FOR THE PURPOSE OF REFUNDING CERTAIN DEBT OF THE CITY; AUTHORIZING THE PREPARATION OF A DEBT STATEMENT AND OTHER DOCUMENTATION; COVENANTING TO CREATE A SINKING FUND AND TO BUDGET, APPROPRIATE AND PAY DEBT SERVICE ON THE BONDS; PLEDGING CERTAIN REVENUES FOR PAYMENT OF THE BONDS; MAKING A FULL FAITH, CREDIT AND TAXING POWER GUARANTEE OF THE CITY FOR THE PROMPT AND FULL PAYMENT OF THE BONDS IF SUCH REVENUES ARE NOT SUFFICIENT; SETTING FORTH THE SUBSTANTIAL FORMS OF THE BONDS; SETTING FORTH THE AMORTIZATION AND INTEREST RATES OF THE BONDS; SETTING FORTH THE INTEREST PAYMENT DATES, PLACE OF PAYMENT AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION OF A TRUST INDENTURE UNDER WHICH THE BONDS WILL BE ISSUED AND SECURED AND CONTAINING CERTAIN FURTHER AGREEMENTS; AUTHORIZING CERTAIN OTHER AGREEMENTS; FINDING THAT A PRIVATE NEGOTIATED SALE OF THE BONDS IS IN THE BEST FINANCIAL INTEREST OF THE CITY AND ACCEPTING A PROPOSAL FOR THE PLACEMENT OF THE BONDS PURSUANT TO A BOND PLACEMENT AGREEMENT; AUTHORIZING PREPARATION OF A DISCLOSURE DOCUMENT RELATING TO THE BONDS; APPOINTING A TRUSTEE AND SINKING FUND DEPOSITORY; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, pursuant to the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.* (the "Act"), the City of Chester, Delaware County, Pennsylvania (the "City"), may incur indebtedness for the purpose of refinancing certain debt of the City; and

WHEREAS, the City previously issued a certain series of obligations, consisting of its Guaranteed Revenue Bonds, Series A of 2017, dated as of August 31, 2017, in the original aggregate principal amount of \$12,000,000 (the "2017A Bonds"), of which \$10,485,000 remains outstanding; and

WHEREAS, the 2017A Bonds were issued in accordance with an order of the Court of Common Pleas of the County of Delaware dated June 28, 2017 (the "Court Order") to fund (i) lawfully incurred outstanding obligations ("Unfunded Debt") of the City's then-current and prior fiscal years incurred for then-current expenses not paid; and (ii) the costs of issuance of the 2017A Bonds ((i) and (ii) together, the "2017A Project"); and

WHEREAS, the City previously issued a certain series of obligations, consisting of its Guaranteed Revenue Bonds, Series B of 2017, dated as of August 31, 2017, in the original aggregate principal amount of \$7,210,000 (the "2017B Bonds" and, together with the 2017A Bonds, the "2017 Bonds"), all of which remain outstanding; and

WHEREAS, the 2017B Bonds were issued to fund (i) certain reserves, (ii) costs of issuance of the 2017B Bonds, and (iii) a capital project (the "2017 Capital Project") that consisted of the purchase of certain property (the "Leased Property") which had been leased to the City by the Chester Economic Development Authority ("CEDA") ((i)-(iii) together, the "2017B Project"); and

WHEREAS, the City has previously issued a General Obligation Note, 2010 Series A (the "2010A Note") and the City's General Obligation Note, 2010 Series B (the "2010B Note, and together with the 2010A Note, the "2010 Notes") to the Delaware Valley Regional Finance Authority (the "DVRFA") in connection with a project financed by the DVRFA; and

WHEREAS, the 2010 Notes are currently outstanding in the aggregate principal amount of \$1,793,000; and

WHEREAS, the 2010 Notes are secured by a pledge of the Host Community Revenues (defined herein); and

WHEREAS, the City has determined to undertake a refunding project (the "2020A Refunding Project") consisting of the refunding of all the 2017A Bonds in accordance with the provisions of Section 8142 of the Act in order to reduce total debt service over the life of the 2017A Bonds; and

WHEREAS, the City has determined to undertake a refunding project (the "2020B Refunding Project") consisting of the refunding of all of the 2017B Bonds in order to reduce the annual debt service in any particular year or years by extending the life of the 2017B Bonds; and

WHEREAS, the City has determined to issue its: (i) Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the "2020A Bonds") in the aggregate principal amount of \$11,200,000, to finance the 2020A Refunding Project, any required reserve fund, and the costs and expenses of issuing the 2020A Bonds (the "2020A Project"); and (ii) Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the "2020B Bonds," and, together with the 2020B Bonds, the "Bonds") in the aggregate principal amount of \$10,130,000, to finance the 2020B Refunding Project, any required reserve fund, and the costs and expenses of issuing the 2020B Bonds (the "2020B Project" and, together with the 2020A Project, the "Project"); and

WHEREAS, the 2017A Bonds and the 2017B Bonds are secured pursuant to a Trust Indenture between U.S. Bank National Association, as trustee for the 2017A Bonds, and the City (the "2017 Indenture");

WHEREAS, notwithstanding restrictions in the 2017 Indenture, the holder of the 2017A Bonds and the 2017B Bonds (the "Holder") has agreed to permit the City to redeem the 2017A Bonds and the 2017B Bonds in consideration of the direct placement of the Bonds with the Holder, and after giving effect to such redemption, the 2017A Bonds and the 2017B Bonds will be canceled in accordance with the terms of the 2017 Indenture;

WHEREAS, pursuant to a Host Community Agreement dated January 30, 1989, as amended (the "Host Community Agreement"), among the City, the County of Delaware (the "County") and Westinghouse Electric Corporation (and subsequently assigned to Covanta Delaware Valley, L.P.), the City approved the development of a resource recovery facility and receives certain host community fees (such fees, including any host municipality benefit fee received pursuant to the Pennsylvania Municipal Waste Planning, Recycling and Waste Reduction Act from such facility being referred to herein as the "Host Community Revenues"); and

WHEREAS, Chester Downs and Marina, LLC ("Chester Downs") constructed a harness racing track (the "Facility") located in the City and received a license from the Pennsylvania Gaming Control Board authorizing the Facility to operate slot machines in accordance with Section 1403(c)(3)(iii) of

the Pennsylvania Race Horse and Development Gaming Act, 4 Pa. Cons. Stat. §1101, et al. (the “Gaming Act”), and the City, as the host of a licensed facility, receives certain revenues from the Facility (the “Harrah’s Revenues”); and

WHEREAS, the City entered into an agreement with the County dated as of February 15, 2009 (the “Contribution Agreement”); the City’s obligation under the Contribution Agreement constitutes lease rental debt of the City (DCED Approval No. LRA 4833, February 6, 2009), pursuant to which the City agreed to make certain payments to the County with respect to the City’s share of the cost of a new professional soccer stadium;

WHEREAS, the City has pledged the Harrah’s Revenues to payments under the Contribution Agreement; and

WHEREAS, the City’s grant of a security interest in the Pledged Revenues (defined herein) will be subordinate to the City’s prior senior pledge of the Host Community Revenues securing the 2010 Notes and the City’s prior senior pledge of the Harrah’s Revenues to secure its obligation under the Contribution Agreement; and

WHEREAS, the City will pledge as security for payment of the Bonds (i) the Host Community Revenues, subject and subordinate to the pledge securing the 2010 Notes, (ii) the Harrah’s Revenues, subject and subordinate to the pledge of the Harrah’s Revenues under the Contribution Agreement, (iii) all revenues (the “Additional City Consideration”) received by the City from the Facility pursuant to the Amended and Restated Additional Consideration Agreement dated October 1, 2011 (and any amendment or supplements thereto), between Harrah's Chester Downs Investment Company, LLC, f/k/a Chester Downs and Marina, LLC, Harrah's Chester Downs Investment Company, LLC, Harrah's Chester Downs Management Company, LLC and Harrah's Operating Company, Inc., and the Redevelopment Authority of the County of Delaware, and including the corresponding deed (collectively, the “Pledged Revenues”); and

WHEREAS, the Pledged Revenues will be deposited in an escrow account held by U.S. Bank National Association, as trustee (the “Trustee”) pursuant to a Trust Indenture between the City and the Trustee pursuant to which the Bonds will be issued (the “Indenture”); and

WHEREAS, the City has retained Sustainable Capital Advisors, LLC, as financial advisor in connection with the issuance of the Bonds (the "Financial Advisor"); and

WHEREAS, the City has considered the possible methods of sale provided for in the Act with respect to the sale of the Bonds, such methods of sale being at public sale or private sale by negotiation or upon invitation; and

WHEREAS, the City’s recovery plan coordinator (the “Act 47 Coordinator”) under the Municipalities Financial Recovery Act, Act No. 1987-47, as amended (“Act 47”) and the City’s receiver, appointed pursuant to Act 47 (the “Receiver”) have approved the issuance and sale of the Bonds as described in this Ordinance; and

WHEREAS, upon the advice of its Financial Advisor, the City has determined that it is in the best financial interest of the City to directly place the Bonds with the Holder through a private negotiated sale, and has received a proposal from San Blas Securities, LLC, as placement agent for the Bonds (the "Placement Agent"), to effect delivery through a securities depository, for the sale of the Bonds pursuant to a bond placement agreement (the "Placement Agreement"), to the Holder, which is a Qualified Bond Purchaser (as described in the Placement Agreement), and the City Council now desires to authorize the issuance of the Bonds for the purposes described above and to accept the proposal of the Placement Agent for such placement of the Bonds by entering into the Placement Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Chester, Delaware County, Pennsylvania, and IT IS HEREBY RESOLVED, as follows:

1. **Authorization of the Financing of the Project, and Incurrence of Indebtedness; Estimated Useful Life of Projects.** The City hereby approves the financing of the Project as described in the recitals to this Ordinance, and shall incur indebtedness in the form of the Bonds, pursuant to the Act, as described in Section 2 hereof.

The terms of the 2020A Bonds (including the final maturity thereof) and the use of the proceeds thereof shall be in compliance with the terms of the Order, Sections 8130 and 8142 of the Act.

It is hereby determined and stated that the 2020B Bonds are scheduled to mature in accordance with the limitations set forth in Section 8142(a)(2) of the Act taking into account the useful lives, respectively, of the 2010A Project and the 2010B Project.

It is hereby determined and stated that the purpose of the Project is to reduce the annual debt service in one or more years of the life of the Bonds pursuant to Section 8241(b)(2) of the Act.

2. **Authorization of Issuance of the Bonds.** The City shall issue, pursuant to the Act and this Ordinance: (a) \$11,200,000 principal amount of the 2020A Bonds in order to provide funds for and toward the costs of financing the 2020A Project, including the costs of issuing the 2020A Bonds; and (b) \$10,130,000 principal amount of the 2020B Bonds in order to provide funds for and toward the costs of the 2020B Project, including the costs and expenses of issuing the 2020B Bonds, both as authorized and provided in Section 1 hereof.

3. **Type of Indebtedness.** The indebtedness evidenced by the Bonds is nonelectoral debt.

4. **Execution of Debt Statement; Bonds and Other Documents.** The Mayor or Deputy Mayor of the City, and the City Clerk of the City and their successors are hereby authorized and directed to file the Debt Statement required by Section 8110 of the Act together with a Borrowing Base Certificate required by the Act, to execute and deliver the Bonds in the name and on behalf of the City and to take all other action required by the Act or this Ordinance in order to effect the issuance of the Bonds. Said officers or any of them are further authorized to apply to the Department of Community and Economic Development for approval of the debt herein authorized and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, the Order, the Debt Statement, a Borrowing Base Certificate signed by the appropriate officials of the City or by the accountants of the City responsible for auditing its financial affairs, and to take any and all such further action and to execute and deliver such other documents as may be necessary or proper to comply with all requirements of the Act or to carry out the intent and purpose of this Ordinance. Said officers and their successors are further hereby authorized if, in their opinion, it is advisable to do so, to prepare and file such statements and documents as may be required by Section 8024 or 8026 of the Act in order to qualify all or any portion of the existing indebtedness of the City or the Bonds as subsidized debt or liquidating debt.

5. **Type of Bonds.** The 2020A Bonds when issued and the 2020B Bonds when issued will be guaranteed host community revenue bonds.

6. **Pledge of, and Security Interest in, the Pledged Revenues.** The City hereby irrevocably pledges the Pledged Revenues for the payment of the principal of, premium, if any, and interest on the Bonds and grants a security interest in and to all such Pledged Revenues which shall be perfected as provided in the Act and the Pennsylvania Uniform Commercial Code (the "UCC"), as applicable, for the benefit and security of the Trustee on behalf of the owners of the Bonds. A financing statement under the UCC reflecting the foregoing pledge and security interest is authorized to be filed naming the Trustee as the secured party. Such pledge and security interest shall be subject, as

appropriate, to those existing pledges and security interests securing existing obligations of the City described in the recitals hereto.

7. **City Guaranty.** To the extent, if any, that the Pledged Revenues and other funds available therefor shall be insufficient to pay the principal of, premium, if any, and interest on, the Bonds, the City hereby guarantees the payment thereof, and for such guaranty the City shall, as provided in Section 8 hereof, budget, appropriate and pay the principal of, and interest on, the Bonds as and when the same shall become due and payable from its general revenues.

8. **Covenant to Pay Debt Service - Pledge of Taxing Power.** The City hereby covenants with the registered owners of the Bonds: (a) that the City will include in its budget for each fiscal year for the life of the Bonds, the amount of the debt service on the Bonds which will be payable in each such fiscal year so long as the Bonds shall remain outstanding; (b) that the City shall appropriate from the Pledged Revenues, and, to the extent of any deficiency therein, its general revenues, such amounts to the payment of such debt service for the Bonds; and (c) that the City shall duly and punctually pay or cause to be paid from the sinking fund hereinafter created, the Pledged Revenues and any other of its available revenues or funds, the principal of the Bonds and the interest thereon on the dates and at the place and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment the City hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenants shall not exceed those set forth in **Exhibits B-1 and B-2** attached hereto and made a part hereof which are hereby incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant.

9. **Form of Bonds.** The 2020A Bonds and the 2020B Bonds shall be substantially in the forms set forth in **Exhibits A-1 and A-2**, respectively, hereto, with appropriate omissions, insertions and variations.

10. **Terms of Bonds.** The Bonds shall be issued in fully registered form, in denominations of \$100,000 or any multiple of \$5,000 in excess thereof, or as otherwise provided in the Indenture, and shall be dated the date of issuance thereof. The 2020A Bonds shall be issued in the aggregate principal amount of \$11,200,000, and mature on May 15, 2027. The 2020B Bonds shall be issued in the aggregate principal amount of \$10,130,000, and mature on November 15, 2032. The interest rate on the 2020A Bonds shall equal 6.875% per annum and the interest rate on the 2020B Bonds shall equal 6.875% per annum. The Bonds of each series shall bear interest from the date thereof payable semiannually on May 15 and November 15 of each year (each an "Interest Payment Date"), commencing November 15, 2020 and shall be subject to mandatory sinking fund redemption on May 15 and November 15 of each year, or as otherwise set forth in the Indenture, in principal amounts for each maturity as set forth in the respective Bond Amortization Schedules attached hereto as **Exhibits B-1 and B-2** and made a part hereof.

The Order permits the amortization of the 2020A Bonds as determined by the City. It is hereby determined that the amortization of the 2020A Bonds approved hereby will accomplish the payment of the 2020A Bonds without endangering the rendering of municipal services or requiring the levying of excessive taxes. The 2020 Bonds are being amortized on at least an approximately level annual debt service plan. The principal of the Bonds shall be payable in lawful money of the United States of America at the corporate trust operations office of the Trustee in St. Paul, Minnesota or such other office or location designated by the Trustee. Interest on the Bonds shall be payable in the manner provided in the forms of Bonds set forth herein and in the Indenture.

11. **Redemption of Bonds.** The 2020A Bonds shall not be subject to optional redemption prior to maturity. The 2020A Bonds shall be issued as term bonds and subject to mandatory sinking fund redemption on May 15 and November 15 in such years and in such principal amounts as set forth in **Exhibit B-1** hereto. The 2020B Bonds shall be issued as term bonds and subject to redemption prior

to maturity, at the option of the City, as a whole or in part from time to time, in any order of maturity or portion of a maturity as selected by the City, on or after November 15, 2027, upon payment of the redemption prices not exceeding 103% of principal amount plus interest accrued to the redemption date, as set forth in the Indenture. The 2020B Bonds shall be subject to mandatory sinking fund redemption on May 15 and November 15 in such years and in such principal amounts as set forth in **Exhibit B-2** hereto.

12. **Sale of Bonds.** The Bonds shall be sold at a private negotiated sale as hereinafter set forth in Section 16. After due consideration, the Council of the City hereby finds and determines, on the basis of the advice and recommendation of its Financial Advisor, the concurrence of the Act 47 Coordinator and the Receiver, and all available information, that such a private negotiated sale of the Bonds is in the best financial interest of the City.

13. **Creation of and Deposits in Sinking Fund.** The City covenants that there shall be and there are hereby established and that it shall hereafter maintain a sinking fund designated respectively "Sinking Fund - Guaranteed Host Community Revenue Bonds, Series of 2020" for the Bonds (the "Sinking Fund") to be held by the Trustee (or such substitute or successor Trustee which shall hereafter be appointed in accordance with the provisions of the Indenture and the Act) pursuant to the terms of the Indenture.

The City covenants and agrees to deposit (or to provide for the deposit) in the Sinking Fund for each series of the Bonds no later than each Interest Payment Date the debt service payable on the applicable Bonds on such dates or such greater or lesser amount as at the time shall be sufficient to pay principal of and interest on the Bonds becoming due on each such date, subject, in each case, to any provision of the Indenture requiring earlier deposits therein.

Pending application to the purpose for which the Sinking Fund is established, the Mayor or Deputy Mayor of the City is hereby authorized and directed to cause the monies therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the Act. All net income received on such deposits or investments of monies in each Sinking Fund during each applicable period shall be added to such Sinking Fund and shall be credited against the deposit next required to be made in such Sinking Fund.

The Trustee is hereby authorized and directed, without further action by the City, to pay from such Sinking Fund the principal of and interest on the applicable series of the Bonds as the same become due and payable in accordance with the terms thereof and of the Indenture, and the City hereby covenants that such monies, to the extent required, will be applied to such purpose.

14. **No Taxes Assumed.** The City shall not assume the payment of any tax or taxes in consideration of the purchase of the Bonds.

15. **Sale of Bonds.** The City approves and accepts the proposal for the sale of the Bonds pursuant to the Placement Agreement to the Holder.

The 2020A Bonds shall be sold at a price equal to 99% of the principal amount thereof, plus accrued interest from the dated date of the 2020A Bonds to the date of delivery, if any. The 2020B Bonds shall be sold at a price equal to 98% of the principal amount thereof, plus accrued interest from the dated date of the 2020B Bonds to the date of delivery, if any. The placement agent fee for each series of the Bonds is equal to 1.50% of the principal amount of the respective series of Bonds. A copy of the Placement Agreement shall be attached to this Ordinance as **Exhibit C** and lodged with the official minutes of this meeting and is hereby incorporated herein by reference. The proper officers of the City are hereby authorized and directed to execute the Placement Agreement and to deliver executed copies thereof to the Placement Agent. The Mayor or Deputy Mayor of the City is authorized to execute

an addendum or confirmation to the Placement Agreement setting forth the final terms of the Bonds within the parameters set forth in this Ordinance.

16. **Disclosure Document.** The City hereby authorizes the preparation by the appropriate officials of the City of a disclosure document for the Bonds setting forth certain information relating to the Bonds and certain financial and operating information of the City (the "Disclosure Document"), which shall be executed by the Mayor or Deputy Mayor of the City. The Disclosure Document may be prepared subsequent to the issuance of the Bonds.

17. **Trust Indenture.** The City hereby authorizes the execution and delivery of the Indenture with U.S. Bank National Association, as trustee (the "Trustee") under which the Bonds will be issued and secured, and the Sinking Fund held. The Indenture may set forth any provisions regarding the Bonds described in Section 8148 of the Act, including, without limitation, provisions limiting the ability of the City to issue additional debt secured by the Pledged Revenues, provisions regarding the collection and deposit of any Pledged Revenues and provisions regarding establishment of any reserve funds. The Mayor or Deputy Mayor of the City is hereby authorized and directed to execute and deliver, and the City Clerk to attest, the Indenture, and to approve the terms and forms thereof, such approval to be evidenced by such officer's execution thereof.

The proper officers of the City are authorized to contract with U.S. Bank National Association for the performance of its duties as Trustee on usual and customary terms, including an agreement to observe and comply with the provisions of this Ordinance and of the Act.

To the extent that any reserve fund is established under the Indenture, the Mayor or Deputy Mayor of the City is hereby authorized to obtain a surety, insurance policy or other appropriate instrument from an appropriate provider to fulfill all or a portion of the required deposit in such reserve fund.

18. **Other Agreements.** The City hereby authorizes the execution and delivery of (i) any agreements which are necessary or appropriate to evidence the pledge of the Pledged Revenues or the collection and application of the Pledged Revenues, or with any persons which have a pledge of and/or security interest in the Pledged Revenues, including, but not limited to, one or more custody agreements, subordination agreements or intercreditor agreements and (ii) any agreement to provide ongoing information regarding the City and its finances to the holders of the Bonds, and the Mayor or Deputy Mayor of the City is hereby authorized and directed to execute and deliver, and the City Clerk to attest, any such agreement, and to approve the terms and forms thereof, such approval to be evidenced by such officer's execution thereof.

19. **Refunding Project: Payment of Outstanding Notes.** The officers of the City are hereby authorized and directed to execute all documents and to take such other action as may be necessary or advisable to effect the tender and payment of the 2017A Bonds and the 2017B Bonds as part of the Project.

20. **Execution and Authentication of Bonds.** As provided in Section 4, the Bonds shall be executed by the Mayor or Deputy Mayor of the City and the Controller of the City and have the official seal of the City or a facsimile thereof affixed thereto, duly attested by the signature of the City Clerk; each such execution and attestation may be by manual or facsimile signature. If any officer whose signature appears on the Bonds shall cease to hold such office before the actual delivery date of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the Bonds. The Bonds shall be authenticated by the manual signature of an authorized representative of the Trustee.

21. **Application of Bond Proceeds.** The purchase price of each of the Bonds shall be deposited into one or more accounts created under the Indenture and applied to the purposes authorized hereby.

22. **Contract with Bond Owners.** This Ordinance constitutes a contract with the registered owners of the Bonds outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania (including, but not limited to, the Act).

23. **Binding Effect of Covenants and Agreements.** All covenants, obligations and agreements of the City set forth in this Ordinance and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the City and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Ordinance, all rights, powers and privileges conferred and duties and liabilities imposed upon the City or its officers by the provisions of this Ordinance or the documents authorized hereby shall be exercised or performed, by such officers or other representatives of the City as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any supervisor, officer, agent or employee of the City in his or her individual capacity and neither the Council of the City nor any officer executing the other documents authorized by this Ordinance shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

24. **Further Action.** The proper officers of the City are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the City.

25. **Severability.** In case any one or more of the provisions contained in this Ordinance or in any Bond shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said Bonds, and this Ordinance or said Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

26. **Repealer.** All Ordinance and parts of Ordinance heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

27. **Effective Date.** This Ordinance shall take effect on the earliest date permitted by the Act.

I HEREBY CERTIFY that the foregoing is a true and correct copy of an Ordinance enacted by the affirmative vote of a majority of the members of the Council of the City of Chester, Delaware County, Pennsylvania (the "City"), at a public meeting held the 5th day of August, 2020; that proper notice of such meeting was duly given as required by law; and that said Ordinance has been duly entered upon the minutes of said Council, showing how each member voted thereon.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this 5th day of August, 2020.

[City Seal]

City Clerk

EXHIBIT A -1

[FORM OF SERIES 2020A BOND)

THIS BOND MAY ONLY BE TRANSFERRED IF THE TRANSFEREES ARE "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A(A)(1) OF THE SECURITIES ACT OF 1933, AS AMENDED. EACH SUCH TRANSFEREE OF THIS BOND, BY ITS ACCEPTANCE THEREOF OR OF ANY INTEREST THEREIN, WILL BE DEEMED TO HAVE REPRESENTED TO AND AGREED WITH THE CITY AND THE TRUSTEE THAT: (1) IT IS A QUALIFIED INSTITUTIONAL BUYER AND, IF PURCHASING FOR AN ACCOUNT FOR WHICH SUCH PURCHASER IS ACTING AS FIDUCIARY OR AGENT, SUCH ACCOUNT IS A QUALIFIED INSTITUTIONAL BUYER; AND (2) IT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT OR FOR NOT MORE THAN ONE ACCOUNT FOR WHICH IT IS ACTING AS A FIDUCIARY OR AGENT.

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

CITY OF CHESTER
(Delaware County, Pennsylvania)

GUARANTEED HOST COMMUNITY REVENUE REFUNDING BOND
SERIES A OF 2020

No. R-

INTEREST RATE MATURITY DATE DATED DATE CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The City of Chester, Delaware County, Pennsylvania (the "City"), a political subdivision of the Commonwealth of Pennsylvania, for value received, hereby promises to pay to the registered owner hereof on the Maturity Date set forth above the Principal Sum set forth above, unless this Bond shall have been called for redemption and payment of the redemption price shall have been made or duly provided for, and to pay interest thereon from the Dated Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly, provided for, semiannually on May 15 and November 15 of each year, commencing November 15, 2020 (each, an "Interest Payment Date"), at the interest rate specified above, calculated on the basis of a 360-day year of twelve 30-day months until the principal sum is paid or has been provided for.

Interest is payable to the registered owner of this Bond from the Interest Payment Date next preceding the authentication date of the Bond, unless: (a) this Bond is authenticated as of an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; (b) this Bond is

registered and authenticated after a Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event it shall bear interest from such succeeding Interest Payment Date; (c) such Bond is registered and authenticated on or prior to the Regular Record Date preceding November 15, 2020 in which event it shall bear interest from August 14, 2020; or (d) as shown by the records of the Trustee (defined below) interest on this Bond shall be in default, in which event it shall bear interest from the date on which interest was last paid on this Bond.

The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust operations office of U.S. Bank National Association, in St. Paul, Minnesota or such other office or location designated by U.S. Bank National Association, as trustee (the "Trustee"). Interest on this Bond will be paid on each Interest Payment Date by check mailed (or, at the option of a holder of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer to an account at a financial institution in the continental United States designated in writing to the Trustee at least two business days before the applicable Interest Payment Date) to the person in whose name this Bond is registered on the registration books maintained by the Trustee, as bond registrar, at the address appearing thereon at the close of business on the 1st day of the calendar month (whether or not a day on which the Trustee is open for business) in which the Interest Payment Date occurs (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the Regular Record Date, and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever monies become available for payment of the defaulted interest, and notice of the Special Record Date and payment date for such interest shall be given by first class mail to the registered owners of the Bonds not less than 10 days prior to the Special Record Date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the 5th day preceding the date of mailing. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Notwithstanding the foregoing, so long as this Bond is registered in the name of The Depository Trust Company ("DTC") or its nominee, Cede & Co., payment of principal and interest on this Bond shall be payable in the manner and at the respective times of payment provided for in DTC's Operational Arrangements, as they may be amended from time to time.

This Bond is one of a duly authorized issue of Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020, of the City in the aggregate principal amount of \$11,200,000 (the "Bonds") issued in fully registered form in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof, or as otherwise provided in the Indenture (defined below) all issued in accordance with the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq., as amended (the "Act"), and pursuant to an Ordinance of the Council of the City duly enacted on August 5, 2020 (the "Ordinance") and under a Trust Indenture (the "Indenture") between the City and the Trustee dated as of August 1, 2020. The Bonds are issued for the purposes described in the Ordinance.

Concurrently with the issuance of the Bonds, the City is issuing its Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the "2020B Bonds" and together with the Bonds, the "2020 Bonds") in the aggregate principal amount of \$10,130,000 under the Indenture.

Reference is made to the Indenture and to the Ordinance for a statement of the purposes for which the Bonds are issued, and for provisions concerning, inter alia, the security for the 2020 Bonds, the Trust Estate under the Indenture and other obligations which may be issued under or authorized by the Indenture; the rights and obligations of the City and the Trustee; provisions relating to the rights of the registered owners of the Bonds; amendments to the Indenture; events of default and remedies; deposit of certain pledged revenues; and certain other contractual provisions affecting the owners of the

Bonds. An executed copy of the Indenture and a copy of the Ordinance are on file at the office of the City Clerk of the City, 1 E. 4th St, Chester, PA 19013.

Under the laws of the Commonwealth of Pennsylvania, this Bond and the interest thereon shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or to any other taxes not levied or assessed directly on this Bond or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of this Bond are subject to state and local taxation.

The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to mandatory redemption prior to their stated maturity by lot by the City from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The City hereby covenants that it will cause the Trustee to select by lot, to give notice of redemption and to redeem the Bonds at said price from monies deposited in the Sinking Fund sufficient to effect such redemption (to the extent that the Bonds shall not have been previously purchased from said monies by the City as permitted under the Indenture) on May 15 and November 15 in the years, and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all Bonds which shall then be outstanding):

<u>May 15</u>	<u>Principal Amount</u>	<u>November 15</u>	<u>Principal Amount</u>
2021	\$645,000	2021	\$645,000
2022	690,000	2022	690,000
2023	740,000	2023	740,000
2024	790,000	2024	790,000
2025	845,000	2025	845,000
2026	905,000	2026	905,000
2027*	1,970,000		

*Maturity Date

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$100,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust operations office of the Trustee in St. Paul, Minnesota or such other office or location designated by the Trustee, together with a duly executed instrument of transfer in form satisfactory to the Trustee, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption, and upon deposit with the Trustee of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit of security hereunder, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Trustee not less than 30 or more than 60 days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Trustee. Such notice

shall be given in the name of the City, shall identify the Bonds to be redeemed (and, in the case of a partial redemption, of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate operations trust office of the Trustee in St. Paul, Minnesota or such other office or location designated by the Trustee, and that from the date of redemption interest will cease to accrue. The Trustee shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and the reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

The City and the Trustee may treat the person in whose name this Bond is registered on the Bond register maintained by the Trustee as the absolute owner of this Bond for all purposes and neither the City nor the Trustee shall be affected by any notice to the contrary. The Bonds are being issued by means of a book-entry system, with actual bond certificates evidencing ownership of the Bonds immobilized at either DTC, New York, New York (the "Securities Depository"), or its successor as Securities Depository or with the Trustee, as custodian for DTC. Transfers of beneficial ownership of the Bonds shall be effected on the records of the Securities Depository and its participants pursuant to the rules and procedures established by the Securities Depository.

So long as the Bonds are issued in book-entry form, actual bond certificates are not available for distribution to the beneficial owners and the principal and interest on the Bonds are payable to Cede & Co., as nominee of the Securities Depository. Transfer of principal and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfers of principal and interest to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of beneficial owners. The City and the Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants. If the Bonds are no longer registered to a Securities Depository or its nominee, the Bonds are transferable by the registered owners thereof, subject to payment of any required tax, fee or other governmental charge, upon presentation and surrender at the corporate trust office of the Trustee in, Philadelphia, Pennsylvania, together with a duly executed instrument of transfer in form satisfactory to the Trustee. The Trustee shall not be required: (i) to issue, transfer or exchange any of the Bonds during a period beginning at the close of business on the fifth (5th) day next preceding the day of selection of Bonds to be redeemed and ending at the close of business on the day on which such notice is given, or (ii) to transfer or exchange any Bond selected for redemption in whole or in part.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon, against any supervisor, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City or through 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 City, officers or employees is released as a condition of and as consideration for the execution and issuance of this Bond.

Whenever the due date for payment of interest on or principal of this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in the jurisdiction in which the corporate trust or payment office of the Trustee is located are authorized or required by law or executive order to close (a "Holiday"), then the payment of such interest

or principal need not be made on such date, but may be made on the succeeding day which is not a Holiday, with the same force and effect as if made on the due date for payment of principal or interest.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the City 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 City, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; that the City has established a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that, as described in the Ordinance, for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

This Bond shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Trustee by execution of the certificate endorsed hereon.

IN WITNESS WHEREOF, the City of Chester, Delaware County, Pennsylvania has caused this Bond to be signed in its name and on its behalf by the signature of the its Mayor or Deputy Mayor and its Controller and an impression of its corporate seal to be hereunto affixed, duly attested by the signature of the City Clerk.

CITY OF CHESTER

By: _____
Mayor

By: _____
Controller

Attest: _____
City Clerk

(SEAL)

AUTHENTICATION CERTIFICATE

This Bond is one of the City of Chester, Delaware County, Pennsylvania, Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020, described in the within mentioned Ordinance and Indenture.

DATE OF AUTHENTICATION:

U.S. BANK NATIONAL ASSOCIATION,
Trustee

By: _____
Authorized Representative

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
EMPLOYER IDENTIFICATION NUMBER OF
ASSIGNEE

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer said Bond on the
books of the within named Trustee, with full power of substitution in the premises.

Dated:

Signature Guaranteed by:

NOTICE: Signature(s) must be guaranteed by
an eligible guarantor institution, an institution
which is a participant in a Securities Transfer
Association recognized signature guaranteed
program.

NOTICE: The signature to this Assignment must
correspond with the name as it appears upon the
face of the within Bond in every particular, without
alteration or enlargement or any change whatever.

(Authorized Signature)

[END OF BOND FORM]

Payment Date; (c) such Bond is registered and authenticated on or prior to the Regular Record Date preceding November 15, 2020 in which event it shall bear interest from August 14, 2020; or (d) as shown by the records of the Trustee (defined below) interest on this Bond shall be in default, in which event it shall bear interest from the date on which interest was last paid on this Bond.

The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust operations office of U.S. Bank National Association, in St. Paul, Minnesota or such other office or location designated by U.S. Bank National Association, as trustee (the "Trustee"). Interest on this Bond will be paid on each Interest Payment Date by check mailed (or, at the option of a holder of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer to an account at a financial institution in the continental United States designated in writing to the Trustee at least two business days before the applicable Interest Payment Date) to the person in whose name this Bond is registered on the registration books maintained by the Trustee, as bond registrar, at the address appearing thereon at the close of business on the 1st day of the calendar month (whether or not a day on which the Trustee is open for business) in which the Interest Payment Date occurs (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the Regular Record Date, and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever monies become available for payment of the defaulted interest, and notice of the Special Record Date and payment date for such interest shall be given by first class mail to the registered owners of the Bonds not less than 10 days prior to the Special Record Date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the 5th day preceding the date of mailing. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Notwithstanding the foregoing, so long as this Bond is registered in the name of The Depository Trust Company ("DTC") or its nominee, Cede & Co., payment of principal and interest on this Bond shall be payable in the manner and at the respective times of payment provided for in DTC's Operational Arrangements, as they may be amended from time to time.

This Bond is one of a duly authorized issue of Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020, of the City in the aggregate principal amount of \$10,130,000 (the "Bonds") issued in fully registered form in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof, or as otherwise provided in the Indenture (defined below) all issued in accordance with the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq., as amended (the "Act"), and pursuant to an Ordinance of the Council of the City duly enacted on August 5, 2020 (the "Ordinance") and under a Trust Indenture (the "Indenture") between the City and the Trustee dated as of August 1, 2020. The Bonds are issued for the purposes described in the Ordinance.

Concurrently with the issuance of the Bonds, the City is issuing its Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the "2020 Bonds" and together with the Bonds, the "2020 Bonds") in the aggregate principal amount of \$11,200,000 under the Indenture.

Reference is made to the Indenture and to the Ordinance for a statement of the purposes for which the Bonds are issued, and for provisions concerning, inter alia, the security for the 2020 Bonds, the Trust Estate under the Indenture and other obligations which may be issued under or authorized by the Indenture; the rights and obligations of the City and the Trustee; provisions relating to the rights of the registered owners of the Bonds; amendments to the Indenture; events of default and remedies; deposit of certain pledged revenues; and certain other contractual provisions affecting the owners of the Bonds. An executed copy of the Indenture and a copy of the Ordinance are on file at the office of the City Clerk of the City, 1 E. 4th St, Chester, PA 19013.

Under the laws of the Commonwealth of Pennsylvania, this Bond and the interest thereon shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or to any other taxes not levied or assessed directly on this Bond or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of this Bond are subject to state and local taxation.

The Bonds are subject to redemption prior to maturity at the option of the City as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the City on November 15, 2027 or any date thereafter, upon payment of a redemption price set forth below plus interest accrued to the redemption date.

<u>Redemption Date</u>	Redemption price (expressed as a percentage of the principal <u>amount redeemed</u>)
November 15, 2027 through November 14, 2028	103%
November 15, 2028 through November 14, 2029	102%
November 15, 2029 through November 14, 2030	101%
November 15 and thereafter	100%

The Bonds are subject to mandatory redemption prior to their stated maturity by lot by the City from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The City hereby covenants that it will cause the Trustee to select by lot, to give notice of redemption and to redeem the Bonds at said price from monies deposited in the Sinking Fund sufficient to effect such redemption (to the extent that the Bonds shall not have been previously purchased from said monies by the City as permitted under the Indenture) on May 15 and November 15 in the years, and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all Bonds which shall then be outstanding):

<u>May 15</u>	<u>Principal Amount</u>	<u>November 15</u>	<u>Principal Amount</u>
2028	\$880,000	2028	\$880,000
2029	940,000	2029	945,000
2030	1,005,000	2030	1,010,000
2031	1,080,000	2031	1,080,000
2032	1,155,000	2032*	1,155,000

*Maturity Date

In the event that a portion, but not all of the Bonds are redeemed pursuant to optional redemption, then the principal amount of any remaining mandatory sinking fund redemptions and the final maturity applicable to the Bonds shall be proportionately reduced (subject to the Trustee making such adjustments as it deems necessary to be able to affect future redemptions of such Bonds in authorized denominations) unless the City directs an alternate reduction of such mandatory sinking fund redemptions and final maturity.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$100,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which

is to be redeemed only in part shall be surrendered at the corporate trust operations office of the Trustee in St. Paul, Minnesota or such other office or location designated by the Trustee, together with a duly executed instrument of transfer in form satisfactory to the Trustee, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption, and upon deposit with the Trustee of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit of security hereunder, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Trustee not less than 30 or more than 60 days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Trustee. Such notice shall be given in the name of the City, shall identify the Bonds to be redeemed (and, in the case of a partial redemption, of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust operations office of the Trustee in St. Paul, Minnesota or such other office or location designated by the Trustee, and that from the date of redemption interest will cease to accrue. The Trustee shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and the reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

With respect to any optional redemption of the Bonds, if at the time of mailing such notice of redemption, the City shall not have deposited with the Trustee monies sufficient to redeem all the Bonds called for redemption, such, notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Trustee not later than the redemption date, and such notice shall be of no effect unless such monies are so deposited.

The City and the Trustee may treat the person in whose name this Bond is registered on the Bond register maintained by the Trustee as the absolute owner of this Bond for all purposes and neither the City nor the Trustee shall be affected by any notice to the contrary. The Bonds are being issued by means of a book-entry system, with actual bond certificates evidencing ownership of the Bonds immobilized at either DTC, New York, New York (the "Securities Depository"), or its successor as Securities Depository or with the Trustee, as custodian for DTC. Transfers of beneficial ownership of the Bonds shall be effected on the records of the Securities Depository and its participants pursuant to the rules and procedures established by the Securities Depository.

So long as the Bonds are issued in book-entry form, actual bond certificates are not available for distribution to the beneficial owners and the principal and interest on the Bonds are payable to Cede & Co., as nominee of the Securities Depository. Transfer of principal and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfers of principal and interest to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of beneficial owners. The City and the

Trustee are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants. If the Bonds are no longer registered to a Securities Depository or its nominee, the Bonds are transferable by the registered owners thereof, subject to payment of any required tax, fee or other governmental charge, upon presentation and surrender at the corporate trust operations office of the Trustee in, St. Paul, Minnesota or such other office or location designated by the Trustee, together with a duly executed instrument of transfer in form satisfactory to the Trustee. The Trustee shall not be required: (i) to issue, transfer or exchange any of the Bonds during a period beginning at the close of business on the fifth (5th) day next preceding the day of selection of Bonds to be redeemed and ending at the close of business on the day on which such notice is given, or (ii) to transfer or exchange any Bond selected for redemption in whole or in part.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon, against any supervisor, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City or through 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 City, officers or employees is released as a condition of and as consideration for the execution and issuance of this Bond.

Whenever the due date for payment of interest on or principal of this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in the jurisdiction in which the corporate trust or payment office of the Trustee is located are authorized or required by law or executive order to close (a "Holiday"), then the payment of such interest or principal need not be made on such date, but may be made on the succeeding day which is not a Holiday, with the same force and effect as if made on the due date for payment of principal or interest.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the City 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 City, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; that the City has established a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that, as described in the Ordinance, for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

This Bond shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Trustee by execution of the certificate endorsed hereon.

IN WITNESS WHEREOF, the City of Chester, Delaware County, Pennsylvania has caused this Bond to be signed in its name and on its behalf by the signature of the its Mayor or Deputy Mayor and its Controller and an impression of its corporate seal to be hereunto affixed, duly attested by the signature of the City Clerk.

CITY OF CHESTER

By: _____
Mayor

By: _____
Controller

Attest: _____
City Clerk

(SEAL)

AUTHENTICATION CERTIFICATE

This Bond is one of the City of Chester, Delaware County, Pennsylvania, Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020, described in the within mentioned Ordinance and Indenture.

DATE OF AUTHENTICATION:

U.S. BANK NATIONAL ASSOCIATION,
Trustee

By: _____
Authorized Representative

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
EMPLOYER IDENTIFICATION NUMBER OF
ASSIGNEE

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer said Bond on the
books of the within named Trustee, with full power of substitution in the premises.

Dated:

Signature Guaranteed by:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guaranteed program.

(Authorized Signature)

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

[END OF BOND FORM]

EXHIBIT B-1

DEBT SERVICE SCHEDULE FOR 2020A BONDS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	\$1,290,000	\$747,828.13	\$2,037,828.13
2022	1,380,000	657,593.75	2,037,593.75
2023	1,480,000	561,000.00	2,041,000.00
2024	1,580,000	457,531.25	2,037,531.25
2025	1,690,000	347,015.63	2,037,015.63
2026	1,810,000	228,765.63	2,038,765.63
2027	1,970,000	67,718.75	2,037,718.75

EXHIBIT B-2

DEBT SERVICE SCHEDULE FOR 2020B BONDS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021		\$696,437.50	\$696,437.50
2022		696,437.50	696,437.50
2023		696,437.50	696,437.50
2024		696,437.50	696,437.50
2025		696,437.50	696,437.50
2026		696,437.50	696,437.50
2027		696,437.50	696,437.50
2028	\$1,760,000	666,187.50	2,426,187.50
2029	1,885,000	543,125.00	2,428,125.00
2030	2,015,000	411,296.88	2,426,296.88
2031	2,160,000	270,187.50	2,430,187.50
2032	2,310,000	119,109.38	2,429,109.38

EXHIBIT C
**PLACEMENT
AGREEMENT**

**CITY OF CHESTER,
DELAWARE COUNTY, PENNSYLVANIA
GUARANTEED HOST COMMUNITY REVENUE REFUNDING BONDS
SERIES A OF 2020
and
GUARANTEED HOST COMMUNITY REVENUE REFUNDING BONDS
SERIES B OF 2020**

PLACEMENT AGREEMENT

August 5, 2020

City of Chester, Pennsylvania
Chester City Hall
1 E. Fourth Street
Chester, Pennsylvania 19013

Ladies and Gentlemen:

The undersigned, San Blas Securities, LLC, as placement agent of the Bonds as defined below (the “**Placement Agent**”), offers to enter into this Placement Agreement (this “**Placement Agreement**”) with the City of Chester, Delaware County, Pennsylvania (the “**City**”) which, upon the City’s written acceptance of this offer, will be legally binding upon the City and upon the Placement Agent. This offer is made subject to the City’s written acceptance of this Placement Agreement on or before midnight Philadelphia time on the date hereof, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered by the Placement Agent to the City at any time prior to the acceptance hereof by the City.

Capitalized terms and phrases used in this Placement Agreement shall have the meanings ascribed thereto in the further provisions of this Placement Agreement or, if not defined in this Placement Agreement, in the Ordinance or the Indenture to which reference is hereinafter made.

Placement and Sale of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Placement Agent hereby agrees to offer for sale and use its best efforts to arrange for the private placement of the Bonds to certain “qualified institutional buyers,” as defined in Rule 144A promulgated under the Securities Act of 1933 (“**Rule 144A**”) (“**Qualified Bond Purchasers**”), and the City hereby agrees to sell and deliver to such Qualified Bond Purchasers for such purpose, all of the City’s Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the “**2020A Bonds**”) and Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the “**2020B Bonds**” and together with the 2020A Bonds, the “**Bonds**”), having such terms and provisions as are set forth in the Ordinance and Indenture (each as hereinafter defined), any of which may be amended only by mutual written agreement of the City, the Placement Agent, and the Qualified Bond Purchaser(s). The Bonds, when issued and delivered to the Qualified Bond Purchaser(s), are to be dated, are to mature on

the dates and in the amounts, are to bear interest and are to be subject to redemption prior to maturity, in conformity with the authorizations contained in the Ordinance and as more specifically set forth in Schedule I attached hereto. The forgoing obligation of the Placement Agent to arrange for the private placement of the Bonds, in accordance with the terms hereof, is subject to the Placement Agent's ability to obtain enforceable commitments from investors for the purchase of all of the Bonds on terms acceptable to the Placement Agent and the City and the next succeeding paragraphs below.

The Placement Agent shall use its best efforts to offer for sale and solicit purchasers for private placement of all the Bonds. The Placement Agent will exercise reasonable care in arranging the private placement and sale of the Bonds to assure that each purchaser of the Bonds is a Qualified Bond Purchaser, in reliance on the representations, covenants and indemnities set forth herein.

The purchase price of the 2020A Bonds is \$10,920,000.00, reflecting the aggregate principal amount of the 2020A Bonds, less original issue discount of \$112,000.00, and less an Placement Agent's discount of \$168,000.00, which fee is equal to 1.5% of the principal amount of 2020A Bonds successfully placed by the Placement Agent with the Qualified Bond Purchasers. The purchase price of the 2020B Bonds is \$9,775,450.00, reflecting the aggregate principal amount of the 2020B Bonds, less original issue discount of \$202,600.00, and less an Placement Agent's discount of \$151,950.00, which fee is equal to 1.5% of the principal amount of 2020B Bonds successfully placed by the Placement Agent with the Qualified Bond Purchasers. Such discount shall include any and all expenses (including, without limitation, reasonable fees and expenses of counsel) of the Placement Agent.

The City acknowledges and confirms that it has engaged Sustainable Capital Advisors, LLC, an independent financial advisor (the "**Financial Advisor**"), as its financial advisor and fiduciary to represent or otherwise advise the City in connection with the issuance and placement of the Bonds.

The Bonds and the Financing.

The Bonds shall be dated as of the date of their delivery as set forth in Schedule I, or such other date as shall be mutually agreeable to the City and the Placement Agent (the "**Closing Date**") and shall be as described in the attached Schedule I. The Bonds shall be authorized, issued and secured pursuant to an ordinance enacted by the City on August 5, 2020 (the "**Ordinance**"), and shall be issued and secured pursuant to a Trust Indenture (the "**Indenture**") between the City and U.S. Bank National Association as trustee (the "**Trustee**"). The proceeds of the Bonds are being used to refinance all of the City's outstanding Guaranteed Revenue Bonds, Series A of 2017 (the "**2017A Bonds**") and Guaranteed Revenue Bonds, Series B of 2017. The issuance of the 2017A Bonds was authorized pursuant to an order of the Court of Common Pleas of the County of Delaware dated June 28, 2017 (the "**Order**") authorizing the City to incur the unfunded debt plus costs of issuance, any required reserve fund, interest on the debt and other related costs by the issuance of the 2017A Bonds.

The Bonds shall mature on the dates (subject to prior redemption as described in Schedule I hereto) and shall bear interest at the interest rates set forth in Schedule I hereto, and shall be

payable at the times and in the manner, and shall otherwise have the terms and provisions specified by the Ordinance consistent with the terms set forth in Schedule I.

The final purchase price, interest rates, issue prices and/or yields, maturity dates, annual mandatory sinking fund installments of the principal amount of any term maturity of the Bonds, redemption provisions (optional and mandatory), and any other appropriate terms and conditions applicable to the Bonds are set forth in Schedule I.

The Ordinance shall comply with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the “**Act**”) and the Order, as evidenced by the approval of the issuance of the Bonds by DCED (as hereinafter defined) and shall conform in all material respects with the City’s Municipalities Financial Recovery Plan for the City of Chester dated August 12, 2016 (the “**Act 47 Plan**”) and the City of Chester Act 47 Exit Plan dated August 20, 2018 (the “**Act 47 Exit Plan**” and, together with the Act 47 Plan, the “**Act 47 Documents**”). The Bonds are to be issued to finance the costs of the financings (the “**Financing**”) further described in the Ordinance and the Indenture.

Use of Documents; Certain Covenants and Agreements of the City.

The City hereby authorizes the use by the Placement Agent of the Ordinance, Indenture, and a Term Sheet between the City and Preston Hollow Capital, LLC setting forth certain terms and provisions of the Bonds attached hereto as Schedule IV (the “**Term Sheet**”), including any supplements or amendments thereto, and the information therein contained in connection with arranging the private placement and sale of the Bonds.

The City covenants and agrees:

To cause a disclosure document in form and substance set forth in the Disclosure Agreement (defined below) to be provided for distribution, at the expense of the City, no later than 90 days after the Closing Date;

To advise the Placement Agent immediately of receipt by the City of any written notification with respect to (A) the suspension of the qualification of the Bonds for sale in any jurisdiction or (B) the initiation or threat of any proceeding for that purpose;

To notify the Placement Agent in writing of any event that constitutes or may constitute a Change in Law (as herein defined) or casts doubt upon, or questions, the ability of the City to issue or deliver the Bonds on the Closing Date as provided in this Placement Agreement, promptly upon the City becoming aware of such event;

To notify the Placement Agent of the proposed issuance of any other bonds or notes or the incurrence of any other indebtedness prior to, or projected to be issued within 25 days after the Closing Date;

To obtain, and maintain in full force and effect, all consents of any governmental or regulatory authority that are required to be obtained by it with respect to this Placement Agreement and the authorization, sale, issuance, execution or delivery of the Bonds or the execution and delivery of any other agreements or documents contemplated by the Ordinance,

the Indenture, the Bonds, any custodial, subordination or intercreditor agreement relating to Pledged Revenues, this Placement Agreement, or any other documents or agreements executed and delivered by or on behalf of the City in connection with the authorization, sale, issuance and delivery of the Bonds (collectively, the “**Financing Documents**”), and shall use reasonable efforts to obtain any that may become necessary in the future; and

To comply in all material respects with all applicable laws and orders to which it may be subject if failure to comply would impair its ability to perform its obligations under the Financing Documents.

Representations and Warranties of the City.

The City hereby represents and warrants to the Placement Agent, which representations and warranties shall survive the private placement of the Bonds, as follows:

No Advisory or Fiduciary Role. The City acknowledges and agrees that: (i) the transactions contemplated by this Placement Agreement are an arm’s length, commercial transaction between the City and the Placement Agent in which the Placement Agent is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Placement Agent has not assumed any advisory or fiduciary responsibility to the City with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether any Placement Agent or its affiliates have provided other services or is currently providing other services to the City on other matters); (iii) the only obligations the Placement Agent has to the City with respect to the transactions contemplated hereby expressly are set forth in this Placement Agreement or in applicable law or regulation; and (iv) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

The City is a city duly organized and existing under the laws of the Commonwealth of Pennsylvania and, as such, has the power to issue the Bonds for the purposes described in the Ordinance and to consummate the transactions contemplated by this Placement Agreement, the Bonds, and the Term Sheet.

Prior to the Closing, the City will have duly authorized all necessary action to be taken by it for: (a) the enactment of the Ordinance, (b) the private placement of the Bonds upon the terms set forth herein and in the Term Sheet; and (c) the approval, execution and delivery or receipt, as appropriate, by it of the Bonds, the Indenture, this Placement Agreement, any other Financing Documents, the tax compliance agreement or certificate to be executed by the City simultaneously with the issuance of the Bonds (the “**Tax Certificate**”), the Ordinance, and all other documents in connection with the issuance of the Bonds as may be required to be executed and delivered or received by the City in order to carry out, give effect to, and consummate the transactions contemplated hereby (collectively, including the Bonds, the “**City Documents**”).

The Bonds, when issued, delivered and paid for, as provided herein and in the City Documents will have been duly authorized and issued and will constitute legal, valid and binding general obligations of the City entitled to the benefits and security of the Ordinance and the Indenture and will be enforceable in accordance with their terms, except to the extent that the

enforcement of remedies contained therein may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally.

The execution and delivery by the City of the City Documents do not, and compliance with the provisions thereof will not, conflict with or constitute on the part of the City a breach of or a default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage or lease by which the City is or may be bound.

The City has complied with, and as of the Closing Date will be in compliance with, the Act, the Ordinance, and the Act 47 Documents in all material respects, and as of the date hereof, the City has received written approval of the City's Commonwealth Court-appointed receiver (the "**Receiver**") approving the undertaking of the transaction described by the Indenture, the Ordinance and this Placement Agreement.

As of the Closing Date, the City Documents to which the City is a party will have been duly executed and delivered by the City and will constitute legal, valid, and binding obligations of the City.

All approvals and consents of any governmental authority, board, agency or commission including without limitation the Pennsylvania Department of Community and Economic Development, to the extent required precedent to the enactment of the Ordinance, execution of the Indenture, issuance of the Bonds or performance by the City of its obligations under the Act, the Indenture or the Ordinance will have been obtained prior to the Closing Date.

The City has disclosed to the Placement Agent as of the date hereof, and as of the Closing Date will have disclosed to the Placement Agent, all material information requested by the Placement Agent about the City and the application of the proceeds of the Bonds.

The City as of the date hereof is not, and upon issuance and delivery of the Bonds will not be, in breach of or in default under any agreement or other instrument to which the City is a party or by or to which it or its revenues, properties, assets or operations are bound or subject, or any administrative regulation, judgment, order, decree, ruling or other law by or to which it or its revenues, properties, assets or operations are bound or subject, except breaches or defaults that will not materially adversely affect the ability of the City to perform its obligations under the Ordinance, the Indenture, the Bonds or any other Financing Document, and as of the date hereof no event has occurred and is continuing, and upon issuance and delivery of the Bonds no event will have occurred and be continuing, that, with the passage of time or the giving of notice, or both, constitutes or will constitute, any such breach or default.

Except as disclosed in writing to the Placement Agent and the initial purchaser of the Bonds (the "**Initial Purchaser**"), no action, suit, proceeding or investigation, in equity or at law, before or by any court or governmental agency or body, is or will be pending or, to the best knowledge of the City, threatened (i) that reasonably might result in material liability on the part of the City or materially and adversely affect the Financing; or (ii) wherein an adverse decision, ruling or finding might adversely affect (A) the transactions contemplated by this Placement Agreement, the Ordinance, and the Indenture, (B) the validity or enforceability of any

agreement or instrument to which the City is a party and which is used or is contemplated for use in the consummation of the transactions contemplated hereby and by the Ordinance, the Indenture, and the Bonds, or (C) the issuance of the Bonds.

Since December 31, 2017, no material adverse change has occurred in the financial position of the City or in its results of operations, nor has the City, since such date, (i) incurred any material liabilities other than in the ordinary course of business, (ii) had litigation commenced against it that would have a material adverse effect on the City's ability to implement the actions required in the Act 47 Documents, or (iii) defaulted on any financial obligation or liability, including without limitation, failing to fund payroll in full when due, failure to pay any material operating expense when due and failure to comply with and implement the Act 47 plan or any requirements under the Act 47 Documents as anticipated (in each case, a "**Material Adverse Change**"), except as disclosed in writing to the Placement Agent and the Initial Purchaser.

Except as disclosed in writing to the Placement Agent and the Initial Purchaser, there will be and are no pledges, liens, charges or encumbrances of any nature whatsoever on the Pledged Revenues (as defined in the Indenture) and the City has not entered into and will not have entered into any contract or arrangement of any kind with respect thereto and there is and will be no existing, pending, threatened or anticipated event or circumstance that might give rise to any such pledge, lien, charge or encumbrance.

The City will not take or omit to take any action within its control which in any way will cause or result in the proceeds of the sale of the Bonds being applied in a manner other than as provided in the Ordinance and the Indenture.

The City will not take or omit to take any action within its control, which action or omission might in any way cause the interest on the Bonds to be includable in gross income of the holders thereof for federal income tax purposes.

The City does not currently contemplate taking any action that would adversely affect its ability to issue and deliver the Bonds as contemplated by this Placement Agreement or that would have a material adverse effect on either the market price or marketability of the Bonds.

The City acknowledges and agrees that (i) the Placement Agent has not performed due diligence with respect to the City or the Bonds on which the Initial Purchaser may rely or has relied and (ii) a written statement to such effect shall be made in an Investor Letter in the form attached hereto as Schedule III and in the legend on the Bonds. Further, any due diligence performed by the Placement Agent may be retained by the Placement Agent as needed for regulatory purposes.

The information regarding the City supplied to the Initial Purchaser as listed on Schedule V attached hereto is accurate in all material respects and no information has been knowingly omitted by the City that, in light of the circumstances under which that information was made available, would be material to the evaluation by the Initial Purchaser of the adequacy of the Pledged Revenues to the Trustee, and the general creditworthiness of the City.

The City acknowledges that the Placement Agent has not determined or fixed the interest rate on the Bonds, and that the City, in consultation with its Financial Advisor, has determined that such interest rates represent the lowest rates achievable in the market at the offering prices for the Bonds.

Covenants of the Placement Agent.

The Placement Agent will not offer the Bonds for sale, or solicit any offers to buy the Bonds, unless the Placement Agent reasonably believes immediately prior to making any offer or sale that each bond purchaser solicited by the Placement Agent is a Qualified Bond Purchaser and that, in connection with each such sale, it will take reasonable steps to ensure that the purchaser of such Bonds (A) is aware that such sale is being made in reliance on Rule 144A and (B) has acknowledged and agreed that sales or other transfers of the Bonds will only be made to “qualified institutional buyers” under Rule 144A or pursuant to an exemption from registration under the Securities Act. The Placement Agent will not solicit offers for, or offer or sell, any Bonds by any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act). In addition, the Placement Agent will not offer the Bonds for sale, or solicit any offers to buy the Bonds, unless the Placement Agent reasonably believes immediately prior to making an offer that each Qualified Bond Purchaser, either along or with such Qualified Bond Purchaser’s investment advisor, if any, has such knowledge and experience in financial and business matters that each such Qualified Bond Purchaser is capable of evaluating the merits and risks of the prospective investment.

The Placement Agent will exercise reasonable care to assure that each Qualified Bond Purchaser is not an underwriter within the meaning of Section 2(11) of the Securities Act of 1933, as amended. In that connection, the Placement Agent will make reasonable inquiry to determine that each Qualified Bond Purchaser is acquiring the Bonds for such Qualified Bond Purchaser’s own account for investment purposes and not with a view to distribution of the Bonds.

Representations and Warranties of the Placement Agent.

The Placement Agent represents and warrants that it is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

The Placement Agent has full power and authority to execute and deliver this Placement Agreement and to carry out the terms hereof and, when executed and delivered by the Placement Agent, this Placement Agreement will have been duly authorized, executed and delivered by the Placement Agent and, assuming the due authorization, execution and delivery by the City, will be the legal, valid and binding obligation of the Placement Agent enforceable against the Placement Agent in accordance with its terms, as limited by bankruptcy, insolvency, liquidation, moratorium, readjustment of debt, reorganization or similar laws relating to the enforcement of creditors’ rights generally.

The Placement Agent is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the Municipal Securities Rulemaking Board

(the “MSRB”) as a municipal securities dealer or is otherwise registered with the necessary regulatory authorities required for it to serve as a Placement Agent for the Bonds under this Placement Agreement.

Closing.

At such time on the Closing Date as shall be mutually agreed upon by the City and the Placement Agent, the City will, subject to the terms and conditions hereof, deliver the Bonds to the Placement Agent, together with the other documents hereinafter mentioned, and the Placement Agent will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds in federal funds, or in other immediately available funds, by wire transfer to the Trustee for the account of the City (payment for the Bonds and the mutual delivery of the Bonds and the other documents, certificates and opinions required by this Placement Agreement to be made on the Closing Date is herein referred to as the “Closing”).

Delivery of the Bonds shall be made to the Placement Agent through the book-entry system of The Depository Trust Company (“DTC”), New York, New York. The Bonds shall be issued and delivered to DTC or its agent in fully registered form, without coupons, and shall bear assigned CUSIP numbers. One bond note (or such number of bonds as may then be required by DTC in accordance with its operational guidelines and procedures) shall be issued for each maturity and series of the Bonds and shall be registered in the name of CEDE & CO. or such other nominee of DTC as DTC shall require. Upon the Placement Agent’s prior written request, the Bonds shall be made available for inspection by the Placement Agent at least one business day before the Closing Date. Nothing in this subsection (b) shall prohibit the City or the Placement Agent from using some other method for delivery of the Bonds, including DTC’s “FAST” System.

Delivery of all other documents required to be delivered to the Placement Agent as of the Closing Date shall be made at the offices of Bond Counsel (as defined herein) or at such other place as shall have been mutually agreed upon by the City and the Placement Agent.

Pricing and Closing Conditions.

The Placement Agent has entered into this Placement Agreement in reliance upon the representations, warranties and agreements of the City contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the time of Closing and upon the performance by the City of all its obligations hereunder, as of the date hereof (the “Pricing Date”) and as of the Closing Date, in accordance with the provisions set forth below. Accordingly, the Placement Agent’s obligations under this Placement Agreement to place the Bonds, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the City of all its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and shall also be subject to the following additional conditions:

The representations and warranties of the City contained herein shall be true and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

At the time of the Closing, this Placement Agreement, the Indenture, the Ordinance and any other Financing Documents shall be in full force and effect and shall not have been amended, modified or supplemented.

At the time of the Closing, the Act 47 Documents, in form and substance acceptable to the Placement Agent, shall be in full force and effect, and shall not have been amended, modified or supplemented except in any such case as may have been agreed to by the Placement Agent and the City.

At the time of the Closing, all official actions of the City relating to this Placement Agreement, the Ordinance, the Bonds, the Indenture, and any other Financing Documents shall be in full force and effect and shall not have been amended, modified or supplemented; and the Placement Agent shall have received, in appropriate form, evidence thereof.

The issuance of the Bonds and the incurring of the related non-electoral indebtedness by the City shall have been approved in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania.

At the time of the Closing, the City's 2017 Audit shall have been prepared in final form by the City's auditor, shall have been accepted by the City and shall have been filed in accordance with the City's continuing disclosure requirements.

At the time of the Closing, there shall not have occurred any change, or any development involving a prospective change, in the status (as applicable) of required permits and approvals, or arrangements for the Financing, or in the condition, financial or otherwise, or in the earnings or operations, of the City, from that set forth in Schedule V which, in the judgment of the Placement Agent, is material and adverse and makes it, in the judgment of the Placement Agent, impracticable to market the Bonds on the terms and in the manner contemplated in the Term Sheet.

At or prior to the Pricing Date, the Placement Agent shall have received evidence to its satisfaction that the City has obtained all required consents from senior lenders.

At or prior to the Closing, the Placement Agent shall have received copies of each of the following documents:

The Ordinance, certified by an appropriate officer of the City as having been duly enacted by City Council and the Mayor of the City and as being in full force and effect as of the time of the Closing, with only such supplements or amendments as may have been agreed to by the Placement Agent;

The fully executed City Documents;

The most recent Act 47 Documents, certified by an appropriate officer of the City as having been duly approved and adopted by City Council of the City and as being in full force and effect as of the time of the Closing, with only such supplements or amendments as may have been agreed to by the Placement Agent;

A certificate, dated the date of the Closing, of an Authorized Representative of the City, in form and substance satisfactory to the Placement Agent and Bond Counsel stating, among other things, that (A) the signatures of the officers appearing upon the Bonds are true signatures and the seal affixed to the Bonds is the true corporate seal of the City; (B) the City is, on the Closing Date, a duly organized and validly existing third class city under the laws of the Commonwealth; (C) the City has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the closing on the Bonds as contained in this Placement Agreement, and the representations and warranties of the City contained in this Placement Agreement are true, complete and correct as of the Closing Date; (D) the Ordinance has not been amended, modified, repealed or rescinded, and is in full force and effect on the Closing Date; (E) the City has not received any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; (F) the City has not received any notice or has knowledge of any event that constitutes or may constitute a Change in Law (as herein defined) or casts doubt upon, or questions, the ability of the City to issue or deliver the Bonds on the Closing Date; (G) the City has not issued any other bonds or notes or the incurrence of any other indebtedness between the date hereof and the Closing Date; (H) each of the representations, warranties and covenants of the City set forth in this Placement Agreement remain true and correct and are re-affirmed as of the Closing Date; and (I) the issuance of the Bonds and the incurrence of the related non-electoral indebtedness by the City shall have been approved in accordance with the Act;

An opinion, dated the Closing Date, of Dilworth Paxson, LLP, Philadelphia, Pennsylvania, as bond counsel (“**Bond Counsel**”), in the form attached hereto as Schedule VI, to the effect that the Bonds have been duly authorized, issued, sold and delivered and are valid and binding general obligations of the City, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and the Bonds and the interest thereon are exempt from the Pennsylvania personal income tax and corporate net income tax, together with a reliance letter addressed to the Placement Agent;

A supplemental opinion, dated the Closing Date, of Bond Counsel, addressed to the City and the Placement Agent, in the form attached hereto as Schedule VII;

An opinion, dated the Closing Date, of Kenneth R. Schuster, Esquire, solicitor to the City, addressed to the City and the Placement Agent, in the form attached hereto as Schedule VIII;

An opinion, dated the Closing Date, of Placement Agent Counsel in form and substance satisfactory to the Placement Agent;

An investor letter, dated the Closing Date, executed by the Initial Purchaser of the Bonds, addressed to the City, the Trustee and the Placement Agent in substantially the form attached hereto as Schedule III (the “**Investor Letter**”);

A Tax Certificate or agreement signed by an authorized officer of the City in form and substance satisfactory to the Placement Agent and Bond Counsel;

A certificate or certificates of an authorized officer of the Trustee with respect to the due authorization, execution and delivery of the agreements relating to the Bonds to which the Trustee is a party, and with respect to the incumbency and signatures of the officers of the Trustee authenticating the Bonds and executing such agreements and in form and substance satisfactory to the Placement Agent and Bond Counsel;

A copy of an accepted Letter of Representations or Blanket Letter of Representations, as may be appropriate, from the City to DTC with respect to the applicability of the book-entry-only system to the Bonds;

A Continuing Disclosure Agreement (the “**Disclosure Agreement**”) in form substantially attached hereto as Schedule II, and reasonably acceptable to the Initial Purchaser, pursuant to which the City shall agree to provide or cause to be provided each year certain annual financial disclosures, accepted and approved by City Council no later than September 30 of each year following the end of each fiscal year, commencing fiscal year ending December 31, 2020, and notices of specified events as set forth in the Disclosure Agreement, and such other information as may be reasonably requested by the Initial Purchaser;

Written evidence satisfactory to the Placement Agent that the Department of Community and Economic Development of the Commonwealth of Pennsylvania (“**DCED**”) has approved or validated the issuance of the Bonds and the City’s incurrence of the related non-electoral indebtedness in an amount not less than the principal amount of the Bonds in accordance with the Act, together with copies of the related proceedings filed by the City with DCED under the Act;

Written evidence satisfactory to the Placement Agent that the Receiver has approved the issuance of the Bonds and the transactions contemplated herein; and

Such additional legal opinions, certificates, instruments and other documents as the Placement Agent may request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the City’s representations and warranties contained herein and the due performance or satisfaction by the City on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Placement Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Placement Agent.

If the City shall be unable to satisfy the conditions to the obligations of the Placement Agent to purchase, to accept delivery of and to pay for the Bonds contained in this Placement Agreement, or if the obligations of the Placement Agent to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Placement Agreement, this Placement Agreement shall terminate and neither the Placement Agent nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Placement Agent set forth in Section 10 hereof shall continue in full force and effect.

Termination. The Placement Agent may terminate this Placement Agreement by notification to the City if at any time at or prior to the Closing:

legislation having an effective date or dates at or prior to the Closing Date shall be enacted by the Congress of the United States or adopted by either House thereof or a decision by a Court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made with respect to federal taxation upon interest received on bonds or notes of the general character of the Bonds or which would have the effect of changing directly or indirectly the federal income tax consequences of interest on bonds or notes of the general character of the Bonds in the hands of the owners thereof, and which in the reasonable judgment of the Placement Agent materially and adversely affects the marketability of the Bonds, or

a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any governmental agency having jurisdiction shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds is in violation of any provisions of the Securities Act of 1933, as amended; or

there shall have occurred any other Change in Law, or

there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under any bankruptcy law by or against, any state of the United States or agency thereof or any city in the United States having a population of over one million, the effect of which on the financial markets in the United States being such as, in the reasonable judgment of the Placement Agent, would make it impracticable for the Placement Agent to market the Bonds or to enforce contracts for the sale of the Bonds, or

there shall be in force a general suspension of trading on the New York Stock Exchange, or

a general banking moratorium shall have been declared by federal, New York or Pennsylvania authorities having jurisdiction and be in force, or

the Comptroller of the Currency renders an opinion or issues a regulation which has the effect of prohibiting the Placement Agent from placing the Bonds with the Initial Purchaser;

an Initial Purchaser shall for any reason fail to perform its obligation to purchase the Bonds on the Closing Date in accordance with the terms hereof and the Term Sheet;

there occurs or exists any Material Adverse Change, other than as set forth or contemplated in writing to the Placement Agent, that in the reasonable judgment of the Placement Agent materially and adversely affects the marketability of the Bonds;

in the reasonable opinion of the Placement Agent, there shall have occurred any change, or any development involving a prospective change, regarding the arrangement for the financing and the issuance of the Bonds, or in the condition, financial or otherwise, or in the

earnings or operations, of the City, or the revenues pledged to payment of the Bonds, from that set forth in the documents provided to the Initial Purchaser set forth in Schedule V.

Expenses.

Payment from Proceeds of Bonds or the City. The Placement Agent shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the City's obligations hereunder, including, but not limited to, the cost of preparation and printing of the Bonds, the fees and disbursements of Bond Counsel and Placement Agent's counsel, the fees and expenses of the Trustee, the fees and disbursements of Sustainable Capital Advisors, LLC, financial advisor to the City (the "**Financial Agent**"), the fees and disbursements of Econsult Solutions and Fairmount Capital Advisors, Inc. as the City's Act 47 coordinators (together, the "**Act 47 Coordinators**"), the fees and expenses of the Dissemination Agent (as defined in the Disclosure Agreement), the fees and disbursements of the Trustee, and any engineers, accountants, financial advisors and other experts, consultants or advisers retained by the City, if any; and the fees, if any, for bond ratings.

Payment by Placement Agent. The Placement Agent shall pay (i) all advertising expenses in connection with the arranging of private placement of the Bonds; and (ii) all other expenses incurred by the Placement Agent in connection with the arranging for the private placement of the Bonds and not specifically excluded above.

Payment in Event Bonds Not Sold. In the event that the Bonds are not delivered by the City to the Placement Agent, then the City shall pay those expenses set forth in Section 10(a) hereof and the Placement Agent shall pay those expenses set forth in Section 10(b) hereof.

Blue Sky.

The Placement Agent shall, in its sole discretion, determine the jurisdictions in which the Bonds shall be offered and sold. The Placement Agent shall use its best efforts to qualify the Bonds for offer, sale and delivery under the securities or blue sky laws of each jurisdiction to the extent required. The City shall cooperate with the Placement Agent in its efforts to qualify the Bonds for such offer, sale and delivery under the securities or blue sky laws of such jurisdictions as the Placement Agent may require, but shall not be required to pay any related fees or expenses or to consent to service of process in any jurisdiction.

Reserved.

Notices.

Any notice or other communication to be given to the City under this Placement Agreement may be given by delivering the same in writing to the City at City Hall, One 4th Street, Chester, Pennsylvania 19013, Attention: Chief Financial Officer; and any notice or other communication to be given to the Placement Agent under this Placement Agreement may be given by delivering

the same in writing to San Blas Securities, LLC, 3424 Peachtree Road NE, Suite 2200, Atlanta, GA 30326.

Parties in Interest; Assignment.

This Placement Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Placement Agent (including successors or assigns of any Placement Agent) and no other person shall acquire or have any right hereunder or by virtue hereof.

Effectiveness.

This Placement Agreement shall become effective upon the acceptance hereof by the City and shall be valid and enforceable at the time of such acceptance.

Survival of Representations and Warranties.

All of the City's representations, warranties and agreements contained in this Placement Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Placement Agent; (ii) delivery of and payment for the Bonds pursuant to this Placement Agreement; and (iii) any termination of this Placement Agreement.

Choice of Law.

This Placement Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Pennsylvania.

Severability.

If any provision of this Placement Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Placement Agreement invalid, inoperative or unenforceable to any extent whatever.

Business Day.

For purposes of this Placement Agreement, "business day" means any day on which commercial banks in Chester, Pennsylvania, are not required or authorized to be closed, and the New York Stock Exchange is not closed.

Change in Law.

For purposes of this Placement Agreement, "**Change in Law**" means any event between the date of this Placement Agreement and the Closing Date which occurs as a result of the passage, promulgation, issuance or rendering of any legislation, regulation, ruling, order, release, court

decision or judgment or other action by a governmental body, regulatory agency or court the effect of which is any of the following:

Bond Counsel is or will be unable to deliver to the Placement Agent at Closing an approving opinion of bond counsel with the content required by this Placement Agreement;

The City does not have the power to levy an annual ad valorem tax on all taxable property located within the City for the purpose of paying the principal of and interest on the Bonds;

The offering or sale of the Bonds is subject to registration under Pennsylvania or Federal securities laws, or the Bonds or any document executed in connection therewith is subject to registration under Pennsylvania or Federal securities laws, or

In the reasonable judgment of the Placement Agent, the offering or sale of the Bonds would be or result in a violation of applicable Pennsylvania or Federal securities laws.

Section Headings.

Section and paragraph headings have been inserted in this Placement Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Placement Agreement and will not be used in the interpretation of any provisions of this Placement Agreement.

Counterparts.

This Placement Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document. The City may approve this Placement Agreement by delivering to the Placement Agent by the time and date herein provided a signed counterpart of this Placement Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

When signed and accepted, this Placement Agreement has been executed and delivered the day and year first written above.

Very truly yours,

SAN BLAS SECURITIES, LLC, as Placement Agent

By: _____
Name: Joseph Boyle
Title: Senior Vice President

Accepted and agreed to on the day and year first written above:

CITY OF CHESTER, PENNSYLVANIA

By: _____
Name: Thaddeus Kirkland
Title: Mayor

ATTEST

By: _____
Name: Candice Thompson
Title: City Clerk

SCHEDULE I
to
Placement Agreement

City of Chester,
Delaware County, Pennsylvania
Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020
Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020

Description of the Bonds

Dated Date: August 14, 2020.

Series A of 2020 Term Bond

\$11,200,000 6.875% maturing May 15, 2027, priced at 99.000% to yield 7.061%

Interest Payment Dates: Semi-annually each May 15 and November 15, commencing November 15, 2020.

Default Rate: 11.875% per annum.

Additional Fee: Upon expiration of any negotiated cure period, the City's (1) failure to deliver an annual operating budget in accordance with Section 7(a) of the Term Sheet, and (2) failure to comply with the Continuing Disclosure Agreement will result in the following additional fees:

+50 bps over the Interest Rate for the first year of noncompliance;

Additional +50 bps over the Interest Rate for the second year of noncompliance (total step up not to exceed an additional 100 bps); and

Additional +50 bps over the Interest Rate for the third year and each subsequent year of noncompliance (total step-up not to exceed an additional 150 bps).

Series B of 2020 Term Bond

\$10,130,000 6.875% maturing November 15, 2032, priced at 98.000% to yield 7.121%

(a) Interest Payment Dates: Semi-annually each May 15 and November 15, commencing November 15, 2020.

Default Rate: 11.875% per annum.

Additional Fee: Upon expiration of any negotiated cure period, the City's (1) failure to deliver an annual operating budget in accordance with Section 7(a) of the Term Sheet, and (2) failure to comply with the Continuing Disclosure Agreement will result in the following additional fees:

+50 bps over the Interest Rate for the first year of noncompliance;

Additional +50 bps over the Interest Rate for the second year of noncompliance (total step up not to exceed an additional 100 bps); and

Additional +50 bps over the Interest Rate for the third year and each subsequent year of noncompliance (total step-up not to exceed an additional 150 bps).

Redemption Provisions

Optional Redemption.

The 2020A Bonds are not subject to redemption at the option of the City prior to maturity.

The 2020B Bonds are subject to redemption prior to maturity at the option of the City as a whole or from time to time in part, on or after November 15, 2027 on the dates and at the redemption prices set forth below:

Redemption Date (November 15)	Redemption Price
November 15, 2027 through November 14, 2028	103%
November 15, 2028 through November 14, 2029	102%
November 15, 2029 through November 14, 2030	101%
November 15 and thereafter	100%

If less than an entire year's maturity of 2020A Bonds are to be redeemed at any particular time, such 2020A Bonds so to be called for redemption shall be chosen by lot by the Trustee.

Mandatory Sinking Fund Redemption.

The 2020A Bonds are subject to mandatory redemption prior to their stated maturity by lot by the City from monies to be deposited in the 2020 Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The City hereby covenants that it will cause the Trustee to select by lot, to give notice of redemption and to redeem 2020A Bonds at said price from monies deposited in the 2020 Sinking Fund sufficient to effect such redemption (to the extent that 2020A Bonds shall not have been previously purchased from said monies by the City as permitted under the Indenture) in the years, and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all 2020A Bonds which shall then be outstanding):

<u>May 15</u>	<u>Principal Amount</u>	<u>November 15</u>	<u>Principal Amount</u>
2021	\$ 645,000	2021	\$645,000
2022	690,000	2022	690,000
2023	740,000	2023	740,000
2024	790,000	2024	790,000
2025	845,000	2025	845,000
2026	905,000	2026	905,000
2027*	1,970,000		

* Maturity

The 2020B Bonds are subject to mandatory redemption prior to their stated maturity by lot by the City from monies to be deposited in the 2020 Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The City hereby covenants that it will cause the Trustee to select by lot, to give notice of redemption and to redeem 2020B Bonds at said price from monies deposited in the 2020 Sinking Fund sufficient to effect such redemption (to the extent that 2020B Bonds shall not have been previously purchased from said monies by the City as permitted under the Indenture) in the years, and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all 2020B Bonds which shall then be outstanding):

<u>May 15</u>	<u>Principal Amount</u>	<u>November 15</u>	<u>Principal Amount</u>
2028	\$ 880,000	2028	\$ 880,000
2029	940,000	2029	945,000
2030	1,005,000	2030	1,010,000
2031	1,080,000	2031	1,080,000
2032	1,155,000	2032*	1,155,000

*Maturity

SCHEDULE II
to
Placement Agreement

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is dated as of August 14, 2020, and is executed by the City of Chester, Delaware County, Pennsylvania, (the “City”) [and _____], as dissemination agent (the “Dissemination Agent”) in connection with the issuance by the City of its \$[_____] aggregate principal amount Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the “2020A Bonds”) and \$[_____] aggregate principal amount Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the “2020B Bonds” and, together with the 2020A Bonds, the “Bonds”) pursuant to an Ordinance adopted by the City on August 5, 2020 (the “Ordinance”) and a Trust Indenture (the “Indenture”) between the City and U.S. Bank National Association, as trustee (the “Trustee”). The City and the Dissemination Agent, covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the Bondholders.

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or elsewhere in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean each Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Bondholder**” shall mean the person or persons in whose name a Bond is registered on the books kept by the Trustee for that purpose in accordance with the Indenture and the Bonds. For so long as any Bond shall be registered in the name of the Securities Depository or its nominee, the term “Bondholder” shall also mean and include, for the purposes of this Disclosure Agreement, the owners of book-entry credits evidencing beneficial ownership interest in the Bonds; provided, however, that the Dissemination Agent shall have no obligation to determine the identity of beneficial owners of the Bonds.

“**Disclosure Representative**” shall mean the Director of Finance or Chief Financial Officer for the City, on behalf of the City, or such other person as the City shall designate in writing to the Trustee and the Dissemination Agent from time to time.

[“**Dissemination Agent**” shall mean _____], acting in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has accepted in writing and filed such designation with the City.]

“**EMMA**” shall mean the Electronic Municipal Market Access System.

“**Financial Obligation**” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board.

“**Placement Agent**” shall mean San Blas Securities, LLC, as placement agent.

“**Private Placement Memorandum**” means the Private Placement Memorandum dated August 28, 2017 delivered in connection with the issuance of the City’s Guaranteed Revenue Bonds Series A of 2017 and Series B of 2017.

“**Rule**” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**Securities Depository**” shall mean The Depository Trust Company, New York, NY, or its nominee, Cede & Co., or any successor thereto appointed pursuant to the Indenture.

“**State**” shall mean the Commonwealth of Pennsylvania.

“**Trustee**” shall mean the Trustee of the Bonds issued by the City, initially U.S. Bank National Association.

SECTION 3. Provision of Annual Financial Information and Disclosure Document.

(a) The City shall, not later than September 30 following the end of each fiscal year, commencing with the fiscal year ending December 31, 2020, provide or cause to be provided to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement, in an electronic format as prescribed by the MSRB. Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report to the Dissemination Agent. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

(b) The City shall, not later than November 12, 2020 provide or cause to be provided to EMMA a disclosure document (the “**Disclosure Document**”) including **[EXACT CONTENT TO BE CONFIRMED]**

(c) If by ten (10) Business Days prior to the date specified in subsection (a) for providing the Annual Report to EMMA, or the date specified in subsection (b) for providing the Disclosure Document, the Dissemination Agent has not received a copy of the Annual Report or the Disclosure Document, as applicable, the Dissemination Agent shall contact the Disclosure

Representative and request that the Annual Report or the Disclosure Document, as applicable, be provided.

(d) If the Dissemination Agent has not received the Annual Report and is unable to verify that an Annual Report has been provided to EMMA by the date required in subsection (a), or has not received the Disclosure Document and is unable to verify that the Disclosure Document has been provided to EMMA by the date required in subsection (b), the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Financial Information. Each Annual Report shall contain or incorporate by reference (i) the audited financial statements for the City, in accordance with generally accepted accounting principles (“GAAP”) if such statements are prepared, (ii) updates of the following information in Appendix A to the Private Placement Memorandum (to the extent not included in the submitted audited financial statements): [**CONFIRM**]

- (A) Table 8 – Adopted Budget
- (B) Table 16 – Pledged Revenues
- (C) Table 18 – Real Estate Taxes Levied and Collected
- (D) Table 20 – Annual Debt Service Requirements
- (E) Table 23 – Outstanding Pension Liabilities with Interest Thereon
- (F) Table 32 – Business Privilege Tax Rates

and (iii) any update, amendment or modification to the Recovery Plan of the City included as Appendix C to the Private Placement Memorandum of the Act 47 Exit Plan.

If the audited financial statements are not submitted as part of the Annual Report pursuant to this Section 4, the City may submit unaudited financial statements as part of the Annual Report, and shall provide such audited financial statements immediately when they are available to the City.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an “obligated person” (as defined in the Rule), which have been filed with EMMA. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document so incorporated by reference.

The City reserves the right to modify from time to time the specific types of information provided and the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided that the City agrees that any such modification will be done in the manner consistent with the Rule. The City may, at its option, satisfy this obligation by providing an official statement for one or more series of bonds or by specific

reference, in accordance with the Rule, to one or more official statements previously provided and available from the MSRB.

SECTION 5. Reporting of Significant Events.

(a) In a timely manner not in excess of ten business days after the occurrence of the event, the City shall file or cause to be filed with the MSRB notice of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of the Holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional bond trustee or the change of name of a bond trustee, if material;

(xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material;

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties; and

(xvii) Failure to provide annual financial information as required.

(b) The Dissemination Agent shall, within five (5) Business Days of the day on which the responsible corporate trust administrator with responsibility for the Bonds obtains actual knowledge of or receives written notice of the occurrence of any of the Listed Events (except events listed in clauses (a)(i), (viii) or (ix)) contact the Disclosure Representative and request that the Disclosure Representative promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Disclosure Representative shall as soon as possible determine if such event would constitute material information for Bondholders of Bonds.

(d) If the Disclosure Representative has determined that knowledge of the occurrence of a Listed Event would be material, the Disclosure Representative shall promptly notify the Dissemination Agent in writing. Such notice shall contain the text of any Listed Event that is to be included in the notice filed pursuant to subsection (f) and shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Disclosure Representative determines that the Listed Event would not be material, the Disclosure Representative shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Disclosure Representative to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Disclosure Representative. Notwithstanding the foregoing:

(i) Subject to the knowledge requirements of subsection (b) notice of the occurrence of a Listed Event described in subsections (a)(i), (viii) or (ix) shall be given by the Dissemination Agent;

(ii) Notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of affected Bonds pursuant to the Indenture; and

(iii) If the Disclosure Representative fails to give the Dissemination Agent notice pursuant to Section 5(d) or (e) with respect to a Listed Event other than as described in Subsections (a)(i), (viii), or (ix), the Dissemination Agent shall deliver the notices provided for in this Section 5(f).

(g) If the Dissemination Agent is also Trustee under the Indenture, nothing in this Disclosure Agreement is intended to modify or limit the right of the Dissemination Agent in its capacity as Trustee under the Indenture to provide notices and other information to Bondholders and such other parties as it deems appropriate in the performance of its duties as Trustee.

(h) Each notice of occurrence of a Listed Event filed pursuant to the first sentence of subsection (f) shall contain on the cover page in bold face type the following:

The information contained herein is being filed by the City of Chester, Delaware County, Pennsylvania, for the purpose of complying with its obligations hereunder. The information contained herein is as of the date set forth below. The Dissemination Agent has not participated in the preparation of this notice, has not examined its contents and makes no representation concerning the accuracy and completeness of the information contained herein.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate (1) upon the defeasance, prior redemption or payment in full of the Bonds, (2) upon repeal or rescission of Section (b)(5) of the Rule or (3) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable.

SECTION 7. Amendment; Waiver. The City and the Dissemination Agent may amend this Disclosure Agreement only in a manner which is consistent with the Rule, unless all Bondholders consent to such amendment in writing. Prior to executing any amendment, the City or the Dissemination Agent may request that an opinion be provided by counsel knowledgeable in Federal Securities laws and acceptable to the City and the Dissemination Agent. The Disclosure Representative shall provide notice of any amendment to the Dissemination Agent and the Dissemination Agent shall promptly file such notice with EMMA.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Bondholders' sole remedy shall be to institute an action against the City for specific performance of its obligations hereunder.

SECTION 10. Duties, Immunities and Liabilities of Disclosure Representative and Dissemination Agent.

(a) The City hereby appoints [_____] to serve as Dissemination Agent under this Agreement. The City may discharge the Dissemination Agent, with or without appointing a successor to it. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. If at any time there is not a designated Dissemination Agent, the City shall perform all duties and obligations of the “Dissemination Agent” under this Agreement.

(b) The Dissemination Agent accepts and agrees to perform the duties imposed upon it by this Agreement, but only upon the terms and conditions set forth herein. If the Dissemination Agent is the Trustee under the Indenture, to the extent that the Dissemination Agent’s duties as Dissemination Agent conflict with its duties as Trustee under the Indenture, the duties as Trustee shall take precedence.

(c) The Disclosure Representative and the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The City releases the Dissemination Agent from any claim arising out of the discharge of any duties hereunder, and the City agrees, to the extent that it may lawfully do so, to indemnify and defend and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the City under this Section shall survive the resignation or removal of the Dissemination Agent and payment of the Bonds.

(d) The Dissemination Agent shall be under no obligation to institute any suit, or to take any proceeding under this Disclosure Agreement, or to enter any appearance or in any way defend in any suit in which it may be made a defendant, or to take any steps in the execution of the duties hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and expenses and other reasonable disbursements, and against all liability. The Dissemination Agent may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Dissemination Agent, without indemnity, and in such case the City shall reimburse the Dissemination Agent upon demand for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred and against all liabilities in connection therewith.

(e) If at any time it shall be necessary or desirable for the Dissemination Agent to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Dissemination Agent, and in any case in which this Disclosure Agreement provides for permitting or taking any action, the Dissemination Agent may rely upon any certificate required or permitted to be filed with it under the provisions of this Disclosure Agreement, and any such certificate shall be evidence of such fact to protect the Dissemination Agent in any action that it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Disclosure Agreement, any request, notice or other instrument from the City to the Dissemination Agent shall be deemed to have been signed by the proper party or parties if signed by the Mayor of the City Council, and the Dissemination

Agent may accept a certificate signed by an individual who represents to the Dissemination Agent in writing that he or she is an authorized officer of the City as to any action taken by the City.

(f) The Dissemination Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably believed by it to be in accordance with the terms of this Disclosure Agreement, or upon any resolution, order, notice, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Disclosure Agreement, or upon the written opinion of any attorney or accountant, and the Dissemination Agent shall be under no duty to make any investigation or inquiry as to statements contained or matters referred to in any such instrument or opinion, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Dissemination Agent may execute any of the powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of law and its duty hereunder, and the Dissemination Agent shall not be answerable for any act or omission of any such attorney, agent or employee selected by it with reasonable care. The Dissemination Agent shall not be answerable for the exercise of any discretion or power under this Disclosure Agreement or for anything whatever in connection with the performance of its duties hereunder, except only for its own willful misconduct or gross negligence. For purposes of this Disclosure Agreement, matters shall not be deemed to be known to the Dissemination Agent unless they are known by a responsible officer in the Dissemination Agent's corporate trust group with responsibility for the Bonds.

(g) The Dissemination Agent may resign and thereby become discharged from the duties as such under this Disclosure Agreement by notice in writing mailed, postage prepaid, to the City, such resignation to become effective on the tenth (10th) Business Day following the City's receipt of notice thereof (or at such different date and time as stated in such notice). Any such resignation shall take effect immediately upon the appointment of a new Dissemination Agent hereunder, if such new Dissemination Agent shall be appointed before the time stated in such notice (if any) and shall then accept the duties of Dissemination Agent hereunder.

SECTION 11. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an Original and all of which shall constitute but one and the same instrument.

SECTION 12. Notices. Any notice or communication to or among the parties to this Disclosure Agreement may be given as follows:

to the City:

City of Chester
City Hall
1 Fourth Street
Chester, Pennsylvania 19013

to the Dissemination Agent: [_____] [ADDRESS]

to the Disclosure Representative: Finance Director City of Chester City Hall
1 Fourth Street
Chester, Pennsylvania 19013

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Placement Agent and the Bondholders and shall create no rights in any other person or entity.

SECTION 14. Compensation of Dissemination Agent. The City shall pay or reimburse the Dissemination Agent (within 30 days of notice) for all reasonable expenses, charges and other disbursements including, without limitation, the reasonable fees and costs of its officers, directors, attorneys (including in-house counsel), agents and employees incurred in and about the administration and execution of the duties created by this Agreement and the performance of its powers and duties hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, we, the Undersigned, have hereunto set our signatures as of the date first written above.

CITY OF CHESTER

By: _____
Name:
Title:

ATTEST:

By: _____
Name:
Title:

[[_____], as Dissemination Agent

By:_____

Name:

Title:]

EXHIBIT A

**NOTICE TO EMMA OF POSSIBLE FAILURE TO FILE [ANNUAL
REPORT][DISCLOSURE DOCUMENT]**

Name of City: City of Chester, Delaware County, Pennsylvania

Name of Bond Issue: Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020
and Series B of 2020

Name of Obligated City: City of Chester, Pennsylvania

Date of Issuance: August 14, 2020

NOTICE IS HEREBY GIVEN that to the best of the knowledge of [_____] as Dissemination Agent, **City of Chester, Delaware County, Pennsylvania**, has not provided [an Annual Report][the Disclosure Document] with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement dated August 14, 2020, between the City and the Dissemination Agent.

Dated: _____

[_____] , as Dissemination Agent on behalf of the **City of Chester, Delaware County, Pennsylvania**.

cc: City of Chester

SCHEDULE III
to
Placement Agreement
FORM OF INVESTOR LETTER

[_____], 2020

San Blas Securities, LLC
3424 Peachtree Road, N.E., Suite 2200
Atlanta, Georgia 30326

City of Chester, Pennsylvania
Chester City Hall
1 E. Fourth Street
Chester, Pennsylvania 19013

U.S. Bank National Association
50 S. 16th Street
Philadelphia, Pennsylvania 19102

Re: \$[_____] *City of Chester Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 and Series B of 2020 (the “Bonds”)*

Ladies and Gentlemen:

This letter is written in connection with the sale of \$[_____] of the above-captioned Bonds to the undersigned purchaser (the “**Initial Purchaser**”). San Blas Securities, LLC, as Placement Agent (the “**Placement Agent**”), has been engaged by the City of Chester, Pennsylvania (the “**City**”) to facilitate the direct purchase of the Bonds issued by the City, all in accordance with the terms and conditions of a Placement Agreement dated August 5, 2020 to which the form of this letter is attached as Schedule III (the “**Placement Agreement**”), executed in connection with the issuance of the Bonds, at a purchase price of \$[_____].

The Bonds are being issued by the City pursuant to an Ordinance of the City enacted August 5, 2020 (the “**Ordinance**”) and a Trust Indenture (the “**Indenture**”) dated as of August 1, 2020 between the City and U.S. Bank National Association, as trustee (the “**Trustee**”), and in accordance with the Pennsylvania Local Government Unit Debt Act, as codified by the Act of December 19, 1996, P.L. 1158, No. 177, as amended (the “**Act**”). The Bonds are being issued for the purpose of refunding the City’s Guaranteed Revenue Bonds Series A and B of 2017 pursuant to the terms of the Ordinance, the Indenture and the Act. Capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Placement Agreement.

The Initial Purchaser acknowledges that the Bonds bear a legend restricting their transfer to “qualified institutional buyers” within the meaning of Rule 144A promulgated under the Securities Act (each, a “**QIB**”). The Initial Purchaser acknowledges that delivery and execution

of this letter is a condition precedent to the Placement Agent's placement of the Bonds with the Initial Purchaser. The Initial Purchaser hereby certifies that it is a QIB.

The Initial Purchaser understands that the Bonds are being offered in a transaction not involving any public offering within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**"), and that the Bonds have not been registered under the Securities Act.

In connection with its purchase of the Bonds, the Initial Purchaser hereby acknowledges, represents, warrants, and agrees with and to the above addressee as follows:

(a) The Initial Purchaser acknowledges that, as stated in the Bonds, principal of and interest on the Bonds are payable from and secured as set forth in the Ordinance, the Indenture and the Act to the extent provided by law.

(b) The Initial Purchaser acknowledges that it has received and read a copy of the Ordinance, the Indenture, the Term Sheet and the Placement Agreement and has received information from the City relating to: (i) the sources of repayment of the Bonds; (ii) the use of proceeds of the Bonds; (iii) the City; (iv) the City's Municipalities Financial Recovery Plan for the City of Chester dated August 12, 2016 and the City of Chester Act 47 Exit Plan dated August 20, 2018; (v) the information described on Schedule V to the Placement Agreement, (vi) and such other material matters relating to the City and the Bonds as the Initial Purchaser deemed relevant or material. The Initial Purchaser acknowledges that it had the opportunity to ask questions of, and request additional information from, the City regarding the information provided to it and any other matters that the Initial Purchaser considered to be relevant or material to the Initial Purchaser's decision to purchase the Bonds.

(c) No offering document of the character typically furnished in connection with the initial offering of municipal securities was prepared in connection with the direct purchase of the Bonds, and the Initial Purchaser's decision to purchase the Bonds was made in the absence of such traditional offering materials. The Initial Purchaser has not requested an offering document of the character typically furnished in connection with the initial offering of municipal securities in connection with its purchase of the Bonds.

(d) The Initial Purchaser acknowledges that the Trustee and the Placement Agent have not undertaken and will not undertake steps to ascertain the accuracy or completeness of the information furnished to the Initial Purchaser with respect to the Bonds. The Initial Purchaser has not relied, nor will rely, upon the Trustee or the Placement Agent in any way with regard to the accuracy or completeness of the information furnished to the Initial Purchaser in connection with its purchase of the Bonds, nor have any such parties made any representation to the Initial Purchaser with respect to that information.

(e) The Initial Purchaser expressly acknowledges that in its purchase of the Bonds, it has not relied upon any information furnished by the Placement Agent, and that the Placement Agent has not undertaken and will not undertake steps to ascertain the accuracy or completeness of the information furnished to the Initial Purchaser with respect

to the Bonds, and further acknowledges that such information is not guaranteed by the Placement Agent as to its accuracy or completeness, and is not to be construed as a representation by the Placement Agent.

(f) The Initial Purchaser has made its own inquiry and analysis with respect to the Bonds, the security therefor, the use of proceeds of the Bonds, and other material factors affecting the security and payment of the Bonds, and has not relied upon any statement, advice or recommendation of the Trustee, the City (other than the information provided by the City as described in paragraph (b)), the City's financial advisors and legal counsel, the Placement Agent or Placement Agent's counsel in connection with such inquiry and analysis or in connection with the purchase of the Bonds.

(g) The Initial Purchaser acknowledges that it has had the opportunity to negotiate the interest rates and initial offering prices and all other terms and conditions of the Bonds with the City, and that the Placement Agent has served only as agent for the City in order to facilitate such negotiations. The Initial Purchaser further acknowledges that, at the request of the City, the Placement Agent solicited interest from a limited number of QIBs regarding the purchase of the Bonds, and that the placement of the Bonds has been conducted on a private, and not public, basis.

(h) The Initial Purchaser acknowledges that the Bonds are a speculative investment; that there is a high degree of risk in investing in the Bonds; and that the Initial Purchaser is capable of suffering a loss of the entirety of its investment which is represented by the Bonds. The Initial Purchaser acknowledges that it can bear the economic risk associated with a purchase of high-risk securities such as the Bonds and that it has such knowledge and experience in business and financial matters so as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of its information and review described herein.

(i) The Initial Purchaser understands that the Bonds (i) are not being registered under the Securities Act and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating from any rating service.

(j) The Initial Purchaser is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any planned distribution, resale, fractionalization, subdivision or other transfer or disposition thereof; *provided, however*, that nothing herein shall preclude the Initial Purchaser from pledging the Bonds as collateral for financing arrangements of the Initial Purchaser. The Initial Purchaser acknowledges that, and will inform any transferee or pledgee that, the Bonds are not transferable except to a QIB. The undersigned Initial Purchaser hereby attests that it does not presently intend to distribute, resell, or otherwise dispose of the Bonds to any third party and will not transfer the Bonds to any person or entity that is not a QIB.

(k) The City and the Placement Agent are relying on the representations and warranties of the Initial Purchaser contained herein to qualify for the private placement

exemption set forth in Section (d)(1) of Rule 15c2-12 adopted by the SEC pursuant to the Securities Exchange Act of 1934, as amended.

(l) The Initial Purchaser acknowledges that it negotiated the interest rate and initial offering price and all terms and conditions of the Bonds with the City, and that the Placement Agent served only as agent for the City to facilitate such negotiations and had no involvement in determining the interest rate or price or terms and conditions at which the Initial Purchaser will purchase the Bonds from the City pursuant to the Placement Agreement.

(m) The undersigned is duly authorized to execute this letter on behalf of the Initial Purchaser.

[Signature page follows]

The Initial Purchaser acknowledges and understands that you are relying and will continue to rely on the statements made herein.

Very truly yours,

[INITIAL PURCHASER]

By: _____

Name:

Title:

SCHEDULE IV
to
Placement Agreement

TERM SHEET

SCHEDULE V
to
Placement Agreement

INFORMATION PROVIDED TO INITIAL PURCHASER [UPDATE WITH ANY
ADDITIONAL DOCUMENTS ADDED TO DATA ROOM]

- I. Background Documents
 - (a) City Home Rule Charter
 - (b) Act 47 Exit Plan (8/20/18)
 - (c) Annual Act 47 Financial Recovery Reports
 - 1. July 15, 2016
 - 2. August 12, 2016
 - 3. September 17, 2018
 - (d) Private Placement Memorandum for 2017 Bonds

- II. Financial Information
 - (a) Audited Financial Statements
 - 1. FY2014
 - 2. FY2015
 - 3. FY2016
 - 4. FY2017
 - (b) Unaudited Budget vs. Actual Results
 - 1. FY2018
 - 2. FY2019
 - (c) Budgets
 - 1. FY2019
 - 2. FY 2020
 - (d) Cash Flow Projections
 - 1. Covanta Host Fee Revenue
 - 2. Harrah's Revenues

- III. Statutes
 - A. PA Local Government Unit Debt Act
 - B. PA Act 205
 - C. Casino Host Community Fee Law

- IV. Principal Financing Documents
 - A. Ordinance
 - B. Indenture
 - C. Current Covanta Agreement
 - D. Direction Letters
 - 1. Covanta Host Fee Revenue
 - 2. Act 205 Revenue
 - E. DCED Validation
 - F. Placement Agreement

G. Continuing Disclosure Agreement

SCHEDULE VI
to
Placement Agreement

FORM OF OPINION OF BOND COUNSEL

_____, 2020

The Initial Purchasers of the Bonds
San Blas Securities, LLC
3424 Peachtree Road NE, Suite 2200
Atlanta, GA 30326

Re: City of Chester, Delaware County, Commonwealth of Pennsylvania
\$_____ Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020
and \$_____ Guaranteed Host Community Revenue Refunding Bonds, Series B of
2020

Ladies and Gentlemen:

We have acted as bond counsel to the City of Chester, Delaware County, Commonwealth of Pennsylvania (the “City”) in connection with the issuance of its \$_____ Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the “Series 2020A Bonds”), and \$_____ Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”), dated the date hereof.

The issuance of the Bonds was authorized by (i) the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the “Act”), and (ii) an ordinance of the City Council of the City enacted on August 5, 2020 (the “Ordinance”). The Bonds were issued pursuant to a Trust Indenture dated as of August 1, 2020 between the City and U.S. Bank National Association, as trustee for the Bonds (the “Indenture”). Pursuant to a Placement Agreement (the “Placement Agreement”) between the City and San Blas Securities LLC, as placement agent (the “Placement Agent”), the Placement Agent agrees to use its best efforts to place the Bonds with one or more initial purchasers of the Bonds (the “Initial Purchaser”), and the Initial Purchaser will purchase the Bonds from the City.

The Bonds are being issued to refinance all of the City’s outstanding Guaranteed Revenue Bonds, Series A of 2017 and Guaranteed Revenue Bonds, Series B of 2017, any required reserve funds and the cost and expenses of issuing the Bonds (the “Project”).

In rendering this opinion, we have examined (a) such constitutional provisions and statutes of the Commonwealth, (b) the transcript of proceedings filed with the Pennsylvania Department of Community and Economic Development (the “Department”), and (c) such certificates, opinions, receipts and other documents, including original counterparts or certified copies of the Ordinance, the Indenture, and certificates executed and delivered in connection with the issuance of the Bonds (collectively, the “Bond Documents”).

For the purposes of the opinions set forth below, we have assumed that the City will comply with the covenants set forth in the Ordinance and the Indenture, and that the proceeds of the Bonds will be expended as required by and described in the Ordinance, the Indenture and the other Bond Documents. In making the aforesaid examinations, we have assumed and relied upon the truth, completeness, authenticity and due authorization of all documents and certificates examined and of the authenticity of all the signatures thereon and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation. In addition, we have assumed that all documents submitted to us as copies conform to the originals thereof. We have also assumed that the documents referred to herein have been duly authorized by all parties thereto other than the City and are, where appropriate, legally binding obligations of, and enforceable in accordance with their terms against all parties, except the City, and that the actions required to be taken with consent required to be obtained by such parties, have or will be taken or obtained.

In rendering this opinion, we have also assumed that the parties to the documents referred to herein, other than the City, have acted in full compliance with the terms of applicable laws, regulations and orders. We have relied upon the opinion of the City Solicitor, dated the date hereof, with respect to all matters stated therein, including the due adoption by the City of the Ordinance in accordance with applicable laws.

We have assumed that each party to the Bond Documents will carry out all obligations imposed on such party by the Bond Documents in accordance with the terms thereof and that all representations and certifications contained in the Bond Documents are accurate, true and complete.

On the basis of the foregoing and subject to the qualifications stated herein, we are of the opinion that, under existing law, as presently enacted and construed:

(i) The City is authorized under the laws of the Commonwealth of Pennsylvania, including the Act, to issue the Bonds for the purposes above set forth, and the City has authorized the issuance thereof.

The Bonds have been duly authorized and executed by the City and are valid and binding on the City, and are enforceable against the City in accordance with the terms thereof.

The Indenture has been duly authorized, executed and delivered by the City and the obligations of the City under the Indenture constitute binding obligations of the City, enforceable against the City in accordance with its terms.

Assuming the accuracy of the certifications of the City and its continuing compliance with the requirements of the Code, interest on the Bonds is excludable from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date hereof. Interest on the Bonds is not an item of tax preference for purposes of federal alternative minimum tax imposed on individuals.

Under existing laws of the Commonwealth of Pennsylvania (the "Commonwealth"), the interest on the Bonds is free from Pennsylvania personal income taxation

and Pennsylvania corporate net income taxation, but such exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

In providing this opinion, we advise you that it may be determined in the future that interest on the Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the Bonds for federal income tax purposes if certain requirements of the Code are not met. The City has covenanted in the Indenture to comply with such requirements.

The purchasers of the Bonds should consult their own tax advisors as to collateral state or federal income tax consequences. We express no opinion regarding federal or state tax consequences arising with respect to the Bonds other than as expressly set forth in paragraphs 4 and 5 above.

We express no opinion herein with respect to the perfection or priority of any lien or security interest or any other matter not set forth herein. The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, receivership, moratorium, and other laws affecting creditors' rights, and by equitable principles, whether considered at law or in equity, and by the exercise of judicial discretion in accordance with general principles of equity. We express no opinion as to the availability of specific performance or other equitable relief.

These opinions are rendered on the basis of federal law and the laws of the Commonwealth as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs above and make no representation that we have independently verified any such information.

This opinion is limited to the matters expressly stated herein. No implied opinions are to be inferred to extend this opinion beyond the matters expressly stated herein. This opinion is expressed as of the date hereof, and we express no opinion as to any matter not set forth in the numbered paragraphs herein. We do not assume any obligation to update or supplement this opinion to reflect, or otherwise advise you of, any facts or circumstances which may hereafter come to our attention or any changes in facts, circumstances or law which may hereafter occur. This opinion is rendered solely for your benefit and may be relied upon by you solely in connection with the transaction contemplated hereby and may not be relied upon by you for any other purpose, or by any other person for any purpose, in each case without our written consent.

Very truly yours,

DILWORTH PAXSON LLP

SCHEDULE VII
to
Placement Agreement

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2020

San Blas Securities, LLC
3424 Peachtree Road NE, Suite 2200
Atlanta, GA 30326

RE: City of Chester, Delaware County, Commonwealth of Pennsylvania
\$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020
and \$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series B of
2020

Ladies and Gentlemen:

We have acted as bond counsel to the City of Chester, Delaware County, Commonwealth of Pennsylvania (the "City") in connection with the issuance of its \$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the "Series 2020A Bonds"), and \$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Bonds"), dated the date hereof, as authorized by an ordinance of the City Council of the City enacted on August 5, 2020 (the "Ordinance"). The Bonds were issued pursuant to a Trust Indenture dated as of August 1, 2020 between the City and U.S. Bank National Association, as trustee for the Bonds (the "Indenture").

Pursuant to a Placement Agreement (the "Placement Agreement") between the City and San Blas Securities LLC, as placement agent (the "Placement Agent"), the Placement Agent agrees to use its best efforts to place the Bonds with one or more initial purchasers of the Bonds (the "Initial Purchaser"), and the Initial Purchaser will purchase the Bonds from the City.

In our capacity as bond counsel, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. We have also relied upon the opinion of the City's Solicitor dated the date hereof regarding the Bonds and the Placement Agreement. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with originals of all documents submitted to us as copies and the authenticity of certificates of public officials.

Based upon the foregoing and subject to the qualifications set forth below, we are of the opinion that:

1. The Placement Agreement has been duly authorized, executed and delivered by the City and constitutes the legal, valid and binding agreement of the City enforceable against the City in accordance with its terms, except as such enforcement may be limited by laws relating to bankruptcy, insolvency, reorganization, receivership, arrangement, moratorium and other laws affecting creditors' rights, by equitable principles, whether at law or in equity, and by the exercise of judicial discretion in accordance with general principles of equity.

2. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended (the "1933 Act"), and the Indenture is exempt from qualification as an indenture pursuant to the Indenture Act of 1939, as amended (the "Indenture Act").

Our opinions are subject to the following qualifications:

This opinion is limited to Federal securities laws and the laws of the Commonwealth of Pennsylvania as in effect on the date hereof, and we express no opinion with respect to the laws of any other state or jurisdiction. We express no opinion as to the validity or enforceability of any provision which relates to choice of law or which purports to require that provisions of an agreement may be amended or waived only in writing. We express no opinion as to the availability of specific performance or other equitable relief.

This opinion is limited to the matters expressly stated herein. No implied opinions are to be inferred to extend this opinion beyond the matters expressly stated herein. This opinion is expressed as of the date hereof, and we express no opinion as to any matter not set forth in the numbered paragraphs herein. We do not assume any obligation to update or supplement this opinion to reflect, or otherwise advise you of, any facts or circumstances which may hereafter come to our attention or any changes in facts, circumstances or law which may hereafter occur. This opinion is rendered solely for your benefit, may be relied upon by you solely in connection with the transaction contemplated hereby and may not be relied upon by you for any other purpose, or by any other person for any purpose, in each case without our written consent.

Very truly yours,

SCHEDULE VIII
to
Placement Agreement

FORM OF CITY SOLICITOR'S OPINION

_____, 2020

The Initial Purchasers of the Bonds
San Blas Securities, LLC
3424 Peachtree Road NE, Suite 2200
Atlanta, GA 30326

U.S. Bank National Association,
as Paying Agent
Philadelphia, Pennsylvania

Dilworth Paxson LLP
Philadelphia, Pennsylvania

Re: City of Chester, Delaware County, Commonwealth of Pennsylvania
\$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020
and \$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series B of
2020

Ladies and Gentlemen:

The City of Chester, Delaware County, Commonwealth of Pennsylvania (the "City") has authorized the issuance of its \$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series A of 2020 (the "Series 2020A Bonds"), and \$ _____ Guaranteed Host Community Revenue Refunding Bonds, Series B of 2020 (the "Series 2020B Bonds" and, together with the Series 2020A Bonds, the "Bonds"), dated the date hereof.

The Bonds are issued as nonelectoral debt pursuant to (i) the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Act"), (ii) an Ordinance of the City Council of the City that was enacted on August 5, 2020 (the "Ordinance"), and (iii) a Trust Indenture dated as of August 1, 2020 between the City and U.S. Bank National Association, as trustee (the "Trustee") for the Bonds (the "Indenture").

The Bonds are being issued to refinance all of the City's outstanding Guaranteed Revenue Bonds, Series A of 2017 and Guaranteed Revenue Bonds, Series B of 2017 (the "Project").

In connection with the sale of the Bonds, the City has entered into a Placement Agreement (the "Placement Agreement") between the City and San Blas Securities LLC, as placement agent (the "Placement Agent"), pursuant to which the Placement Agent agrees to use its best efforts to place the Bonds with one or more initial purchasers of the Bonds (the "Initial Purchaser"), and the Initial Purchaser will purchase the Bonds from the City.

I am the Solicitor for the City and in that capacity I have examined, among other things: (a) evidence of the existence of the City; (b) the Home Rule Charter of the City; (b) a certified copy of the Ordinance; (c) copies of the Indenture, the Placement Agreement, the Term Sheet, a continuing disclosure undertaking by the City, and such other agreement, instruments, and certificates executed and delivered in connection with the issuance of the Bonds; (d) notices and minutes of the August 5, 2020 meeting of the City Council; (e) certificates signed by officers of the City; and (f) such other documents as I have deemed necessary to issue this opinion (collectively, the “City Documents”).

I have assumed and relied upon the truth, completeness, authority and accuracy of all documents, certificates and instruments examined and the authenticity of all signatures thereon. I have also assumed that all parties other than the City have acted in full compliance with the terms of all applicable laws, regulations and orders.

I have not made any independent investigation in rendering this opinion other than the examination described herein. My opinion is therefore qualified in all respects by the scope of that examination and subject to the limitations, assumptions, qualifications and exceptions set forth herein.

From my examination of the foregoing, I am of the opinion that:

1) The City is a duly constituted political subdivision of the Commonwealth of Pennsylvania duly organized and validly existing under the laws of the Commonwealth of Pennsylvania and has the right and power under the Constitution and laws of the Commonwealth of Pennsylvania to enact the Ordinance, to issue the Bonds, and to execute and deliver the City Documents.

2) The City Documents have been duly authorized, executed and delivered by the City and constitute valid, binding and enforceable obligations of the City.

3) The Ordinance has been duly and lawfully enacted by the City Council in accordance with all applicable laws at a duly convened and properly advertised and conducted meeting of the City Council, and the Ordinance has not been amended, modified or repealed since the date of its enactment and is in full force and effect on the date hereof.

4) The Bonds have been duly authorized, executed and delivered by the City and are valid, binding and enforceable obligations of the City and are entitled to the benefits of the Ordinance and the Constitution and laws of the Commonwealth of Pennsylvania.

5) No litigation or other proceedings are pending or, to my knowledge, threatened in any court or other tribunal of competent jurisdiction, state or federal, (a) to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, (b) in any way contesting the power or the authority of the City for the issuance or delivery or the validity or enforceability of the Bonds, (c) in any way contesting the existence or powers of the City relating to the issuance of the Bonds, (d) that is not fully covered by insurance, or which, to the extent not covered by insurance, if adversely determined as to the City would in the aggregate materially adversely affect the City's ability to pay debt service on the Bonds as and when the same becomes due and payable, or (e) challenging in any way the right of any official of the City, the Bonds, the

City Documents, or any other document delivered in connection with the closing to hold his or her respective office or the respective powers of such office.

6) The members of the City Council have been duly elected or appointed and are serving in full compliance with the laws of the Commonwealth of Pennsylvania.

The opinions expressed herein are subject in all respects to the following qualifications: (a) no opinion is rendered as to the availability of equitable remedies including, but not limited to, specific performance and injunctive relief, whether enforceability is considered in a proceeding in equity or at law; (b) no opinion is rendered as to the effect of bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and other similar laws or legal or equitable principles affecting creditors' rights or remedies; (c) no opinion is rendered as to the creation, perfection or priority of any lien or security interest; (d) no opinion is rendered with respect to any "blue sky" or other securities laws of the Commonwealth of Pennsylvania (the "Commonwealth") or of other jurisdictions; and (e) no opinion is rendered with regard to any federal income tax law or regulation or any state tax law or regulation of the Commonwealth or of other jurisdictions.

No opinion is expressed as to the validity or enforceability of any provisions of the Bonds, the Ordinance or the City Documents: (a) allowing any person or entity to institute judicial or non-judicial proceedings or to exercise any other rights, without notice to the person or entity against whom enforcement is sought; (b) waiving any right or defense of any person or entity; (c) providing or implying the availability of self-help in any particular event or circumstances; (d) relating to court costs or legal fees which may be properly chargeable or recoverable in any judicial proceedings; (e) relating to indemnification; and (f) relating to confession of judgment.

My opinions are specifically limited to the present internal laws of the Commonwealth and present federal law and no opinion is expressed as to the effect the laws of any other jurisdiction might have upon the subject matter of the opinions expressed herein under conflict of laws principles or otherwise.

This opinion is provided to you for your benefit only. No other person may rely hereon, nor shall this opinion be disseminated to others in whole or in part without my express prior written consent.

Very truly yours,

Kenneth R. Schuster, Solicitor, City of Chester