

BILL NO. 6

1st READING 7/14/2021

PASSED _____

NO. , 2021

A N O R D I N A N C E

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 2021 IN THE MAXIMUM AGGREGATE PRINCIPAL OF \$13,000,000, AND (2) GUARANTEED HOST COMMUNITY REVENUE REFUNDING NOTES, SERIES B OF 2021 IN THE MAXIMUM AGGREGATE PRINCIPAL OF \$12,000,000, 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 2021 OBLIGATIONS; PLEDGING CERTAIN REVENUES FOR PAYMENT OF THE 2021 OBLIGATIONS; MAKING A FULL FAITH, CREDIT AND TAXING POWER GUARANTEE OF THE CITY FOR THE PROMPT AND FULL PAYMENT OF THE 2021 OBLIGATIONS IF SUCH REVENUES ARE NOT SUFFICIENT; SETTING FORTH THE SUBSTANTIAL FORMS OF THE 2021 OBLIGATIONS AND AUTHORIZING AN OFFICER OF THIS CITY TO APPROVE OTHER, FINAL TERMS OF SUCH OBLIGATIONS, WITHIN CERTAIN LIMITS; SETTING FORTH THE AMORTIZATION AND INTEREST RATES OF THE 2021 OBLIGATIONS; SETTING FORTH THE INTEREST PAYMENT DATES, PLACE OF PAYMENT AND OTHER DETAILS OF THE 2021 OBLIGATIONS; AUTHORIZING THE EXECUTION OF A TRUST INDENTURE UNDER WHICH THE 2021 OBLIGATIONS WILL BE ISSUED AND SECURED AND CONTAINING CERTAIN FURTHER AGREEMENTS; AUTHORIZING CERTAIN OTHER AGREEMENTS; FINDING THAT A PRIVATE NEGOTIATED SALE OF THE 2021 OBLIGATIONS IS IN THE BEST FINANCIAL INTEREST OF THE CITY AND ACCEPTING A PROPOSAL FOR THE PLACEMENT OF THE 2021 OBLIGATIONS PURSUANT TO A BOND PLACEMENT AGREEMENT; AUTHORIZING PREPARATION OF A DISCLOSURE DOCUMENT RELATING TO THE 2021 OBLIGATIONS; 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 \$9,535,000 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**”), of which \$6,525,000 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 2010A Note is currently outstanding in the aggregate principal amount of \$1,227,000; 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 “**2021A Refunding Project**”) consisting of the refunding of all the 2017A Bonds in accordance with the provisions of Section 8241(b)(1) 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 “**2021B Refunding Project**”) consisting of the refunding of all of the 2017B Bonds in order substitute notes for Bonds pursuant to Section 8241(b)(5) of the Act; and

WHEREAS, the City has determined to issue its: (i) Guaranteed Host Community Revenue Refunding Bonds, Series A of 2021 (the “**2021A Bonds**”) in an aggregate principal amount not to exceed \$13,000,000, to finance the 2021A Refunding Project, any required reserve fund, and the costs and expenses of issuing the 2021A Bonds (the “**2021A Project**”); and (ii) Guaranteed Host Community Revenue Refunding Notes, Series B of 2021 (the “**2021B Notes**,” and, together with the 2021A Bonds, the “**2021 Obligations**”) in an aggregate principal amount not to exceed \$12,000,000, to finance the 2021B Refunding Project, any required reserve fund,

and the costs and expenses of issuing the 2021B Notes (the “**2021B Project**” and, together with the 2021A Project, the “**Project**”); and

WHEREAS, the 2017 Bonds are secured pursuant to a Trust Indenture between U.S. Bank National Association, as trustee for the 2017 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 2021 Obligations 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 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 2021 Obligations (i) the Host Community Revenues, subject and subordinate to the pledge securing the 2010B Note, (ii) the Harrah’s Revenues, subject and subordinate to the pledge of the Harrah’s Revenues under the Contribution Agreement, (iii) all revenues 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 2021 Obligations 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 2021 Obligations (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 2021 Obligations, such methods of sale being at public sale or private sale by negotiation; 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 2021 Obligations 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 place the 2021 Obligations at a private negotiated sale and has received a proposal from Stifel, Nicolaus & Company, Incorporated (the "**Representative**") on its own behalf and as representative of Essex Securities LLC (collectively, the Representative and Essex Securities LLC are referred to herein as the "**Placement Agent**"), to effect delivery through a securities depository, for the sale of the 2021 Obligations pursuant to a bond placement agreement (the "**Placement Agreement**") (substantially in the form attached hereto as **Exhibit C**) to the Holder, and the City Council now desires to authorize the issuance of the 2021 Obligations for the purposes described above and to accept the proposal of the Placement Agent for such placement of the 2021 Obligations 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 2021 Obligations, pursuant to the Act, as described in Section 2 hereof.

The terms of the 2021A Bonds (including the final maturity thereof) and the use of the proceeds thereof will be in compliance with the terms of the Order, Sections 8130 and 8142 of the Act.

It is hereby determined and stated that the 2021B Notes 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 2017 Capital Project and the 2017B Project.

It is hereby determined and stated that the purpose of (i) the 2021A Project is to reduce total debt service over the life of the series pursuant to Section 8241(b)(1) of the Act and (ii) the 2021B Project is to substitute notes for Bonds pursuant to Section 8241(b)(5) of the Act.

2. **Authorization of Issuance of the 2021 Obligations.** The City will issue, pursuant to the Act and this Ordinance: (a) the 2021A Bonds in an aggregate principal amount not to exceed \$13,000,000 in order to provide funds for and toward the costs of financing the 2021A Project, including the costs of issuing the 2021A Bonds; and (b) the 2021B Notes in an aggregate principal amount not to exceed \$12,000,000 in order to provide funds for and toward the costs of the 2021B Project, including the costs and expenses of issuing the 2021B Notes, both as authorized and provided in Section 1 hereof.

3. **Type of Indebtedness.** The indebtedness evidenced by the 2021 Obligations is nonelectoral debt.

4. **Execution of Debt Statement; 2021 Obligations 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 2021 Obligations 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 2021 Obligations. 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 2021 Obligations as subsidized debt or liquidating debt.

5. **Type of Bonds.** The 2021A Bonds when issued will be guaranteed host community revenue bonds and the 2021B Notes when issued will be guaranteed host community revenue notes.

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 2021 Obligations 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 2021 Obligations. 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 2021 Obligations, 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 2021 Obligations 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 2021 Obligations: (a) that the City will include in its budget for each fiscal year for the life of the 2021 Obligations, the amount of the debt service on the 2021 Obligations which will be payable in each such fiscal year so long as the 2021 Obligations 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 2021 Obligations; 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 2021 Obligations and the interest thereon on the dates and at the place and in the manner stated in the 2021 Obligations 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 will be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenants may not exceed those set forth in **Exhibit B** 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 2021A Bonds and the 2021B Notes will 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 2021 Obligations will 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 will be dated the date of issuance thereof. The 2021A Bonds will be issued in an aggregate principal amount not to exceed \$13,000,000, and mature on or before August 15, 2027. The 2021B Notes will be issued in an aggregate principal amount not to exceed \$12,000,000, and mature on or before August 15, 2029. The interest rate on the 2021A Bonds and the 2021B Notes may not exceed the rates set forth in **Exhibit B** attached hereto. The 2021 Obligations of each series will bear interest from the date thereof payable semiannually on February 15 and August 15 of each year (each an “***Interest Payment Date***”), commencing February 15, 2022 and will be subject to maturity or mandatory sinking fund redemption on February 15 and August 15 of each year, in principal amounts not exceeding the annual amounts thereof set forth in **Exhibit B**.

The Order permits the amortization of the 2021A Bonds as determined by the City. It is hereby determined that the amortization of the 2021A Bonds approved hereby will accomplish the payment of the 2021A Bonds without endangering the rendering of municipal services or requiring the levying of excessive taxes. The 2021 Obligations are being amortized on at least an approximately level annual debt service plan. The principal of the 2021 Obligations will 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 2021 Obligations will be payable in the manner provided in the forms of Bonds set forth herein and in the Indenture.

11. **Redemption of Bonds.** The 2021A Bonds will be subject to optional redemption prior to maturity in accordance with the terms of the Addendum (as defined in Section 14 hereof). The principal amount of 2021 Obligations annually scheduled to mature or to be subject to mandatory redemption, as the case may be and as set forth in the Addendum, may not exceed the principal amount on each date set forth in **Exhibit B** attached hereto.

12. **Sale of Bonds.** The 2021 Obligations shall be sold at a private negotiated sale as hereinafter set forth in Section 14. 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 2021 Obligations 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 2021” for the 2021 Obligations (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 2021 Obligations 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 2021 Obligations 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 2021 Obligations 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. **Award of Bonds.**

(a) The Council of the City hereby agrees to the sale of the 2021 Obligations, at private negotiated sale, to the Holder in accordance with the terms of the Placement Agreement and the Term Sheet delivered by the Holder (the “*Term Sheet*”). Notwithstanding the forgoing, the award and the delivery of the 2021 Obligations is subject to the execution and delivery of an addendum to the Placement Agreement (the “*Addendum*”) by the Representative and the City which will

provide that the Representative will place the 2021 Obligations with the Holder in accordance with certain terms specified therein. The Placement Agreement, as modified by the Addendum, is to be compliant with industry standards and contain final terms for the 2021 Obligations conforming to the further requirements of paragraph (c) to this Section 14. The acceptance of such Addendum by the proper officers and officials of the City is to be made in accordance to the following provisions of this Section 14.

(b) The Addendum must be submitted to the Mayor of the City for approval and acceptance, which Addendum must conform to the provisions of paragraph (c) of this Section 14. The Addendum must contain insertions as to final interest rates, principal amounts, maturity dates and redemption provisions and related matters, as the Mayor of the City, the Solicitor and Bond Counsel may approve, subject to conforming with the requirements of paragraph (c) of this Section 14. The execution and delivery of the Addendum by the appropriate officers of the City will constitute conclusive evidence of such approval.

(c) The Addendum must meet the following requirements:

(i) the aggregate principal amount of the 2021A Bonds may not exceed \$13,000,000 and the aggregate principal amount of the 2021B Notes may not exceed \$12,000,000,

(ii) the latest maturity date of the 2021A Bonds may not be later than August 15, 2027 and the latest maturity date of the 2021B Notes may not be later than August 15, 2029,

(iii) the semi-annual principal maturity or mandatory redemption amounts may not exceed the annual amounts thereof set forth in **Exhibit B**,

(iv) the interest rates of the 2021 Obligations may not exceed the rate set forth in **Exhibit B**,

(v) The aggregate purchase price for the 2021 Obligations to be purchased pursuant to such Addendum must not be less than the total of (A) not less than 95.0% nor more than 110% of the aggregate principal amount thereof (which amount will include a Placement Agent's fee in an amount not greater than \$17.50 per \$1,000 principal amount of 2021 Obligations issued), (B) reduced or increased by any net original issue discount or premium, if any, and (C) plus accrued interest, if any.

(vi) The refunding of the 2017A Bonds must result in a reduction in total debt service over the life of the 2021A Bonds pursuant to Section 8241(b)(1) of the Act.

(vii) The proceeds from the sale of the 2021 Obligations on terms consistent with the Addendum must provide funds sufficient to redeem all of the outstanding 2017 Bonds as of the proposed redemption date set forth in the Addendum.

(viii) The 2021 Obligations contemplated by the Placement Agreement, as supplemented by the Addendum must conform to the requirements of the Debt Act, including specifically the commencement date of principal payments and the structure of debt service payments.

(ix) The terms of the 2021 Obligations must conform to the requirements of Section 10 hereof.

(x) The Addendum may require that the 2021 Obligations be insured by a bond insurance policy identified in such Addendum; provided, however, that the bond insurance premium for such bond insurance policy is less than the present value savings projected to be realized by insuring the 2021 Obligations pursuant to such bond insurance policy, and that the bond insurance policy and bond insurance provider required by the Addendum results in the greatest potential present value savings of all such policies solicited by the Placement Agent.

(d) The execution and delivery of the Addendum and the Term Sheet by the appropriate officers of the City will constitute acceptance hereunder of the Addendum and the incorporation by reference of the terms thereof into this Ordinance as if set forth herein at length. The proper officers are authorized and directed to accept the Addendum and the Term Sheet by signing them, to return them to the Placement Agent and to file a copy of the same with the records of the City.

The City Clerk is hereby authorized and directed to deliver the 2021 Obligations to the Placement Agent and receive payment therefor on behalf of the City after sale of the same in the manner required by law and the terms of this Ordinance. The proper officers of the City are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the 2021 Obligations, to execute and deliver such certificates, orders, agreements and other documents, and to do all such other acts, upon advice of the Solicitor and/or Bond Counsel, as are reasonably necessary to ensure a satisfactory settlement of the sale of the 2021 Obligations, and a proper application of the proceeds thereof to the Project, including, without limitation, application and qualification for certain bond ratings and/or policies of bond insurance, establishment of bank accounts with authorized depositories for the deposit and management of 2021 Obligation proceeds and other funds, retention of professionals, and bond printing.

15. **Disclosure Document.** The City hereby authorizes the preparation by the appropriate officials of the City of a disclosure document for the 2021 Obligations setting forth certain information relating to the 2021 Obligations and certain financial and operating information of the City (the “*Disclosure Document*”), which will be executed by the Mayor or Deputy Mayor of the City. The Disclosure Document may be prepared subsequent to the issuance of the 2021 Obligations.

16. **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 2021 Obligations will be issued and secured, and the Sinking Fund held. The Indenture may set forth any provisions regarding the 2021 Obligations 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.

17. **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 2021 Obligations, 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.

18. **Refunding Project; Payment of Outstanding Bonds.** 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 or optional redemption and payment of the 2017A Bonds and the 2017B Bonds as part of the Project.

19. **Execution and Authentication of Bonds.** As provided in Section 4, the 2021 Obligations 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 2021 Obligations shall cease to hold such office before the actual delivery date of the 2021 Obligations, 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 2021 Obligations. The 2021 Obligations shall be authenticated by the manual signature of an authorized representative of the Trustee.

20. **Application of Bond Proceeds.** The purchase price of each of the 2021 Obligations shall be deposited into one or more accounts created under the Indenture and applied to the purposes authorized hereby.

21. **Contract with Bond Owners.** This Ordinance constitutes a contract with the registered owners of the 2021 Obligations 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).

22. **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.

23. **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.

24. **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.

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

26. **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 14th day of July, 2021; 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 14th day of July, 2021.

City Clerk

[City Seal]

Candice Newsome

EXHIBIT A -1

[FORM OF SERIES 2021A 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 2021

No. _____ \$ _____

INTEREST RATE	ISSUE DATE	MATURITY DATE	CUSIP
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

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 February 15 and August 15 of each year, commencing February 15, 2022 (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 February 15, 2022 in which event it shall bear interest from the Issue Date set forth on the face of this Bond; 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.

Upon the occurrence of any default in the payment of principal of, redemption premium, if any, or interest on this Bond, and during the continuance thereof, this Bond shall bear interest at a rate per annum (based on a year of 360 days and twelve 30-day months) which shall be 5% in excess of the otherwise applicable interest rate under this Bond, but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered 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 2021, of the City in the aggregate principal amount of \$_____ (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 July 14, 2021 (the "Ordinance") and under a Trust Indenture (the "Indenture") between the City and

the Trustee dated as of August 1, 2021. 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 2021 (the “2021B Notes” and together with the Bonds, the “2021 Obligations”) in the aggregate principal amount of \$_____ 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 2021 Obligations, 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.

Optional Redemption. The Bonds maturing on and after August 15, 20__ are subject to redemption prior to maturity, at the option of the Local Government Unit, in whole or in part on _____, 20__, or on any date thereafter, in any order of maturity as selected by the Local Government Unit, in both cases upon payment of _____% of the principal amount of such Bonds together with interest accrued to the date set for redemption.

Mandatory Redemption. The Bonds stated to mature on August 15 of the years _____ are subject to mandatory sinking fund redemption by lot within the maturity on the dates and in the aggregate principal amounts set forth below at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

<u>Bonds Maturing</u> <u>August 15, 20__</u>	<u>Principal</u> <u>Amount</u>	<u>Bonds Maturing</u> <u>August 15, 20__</u>	<u>Principal</u> <u>Amount</u>
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*Final Maturities

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 2021, 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]

EXHIBIT A-2

[FORM OF SERIES 2021B NOTE]

THIS NOTE 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 NOTE, 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 NOTE 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 NOTE,
SERIES B OF 2021

No. _____ \$ _____

INTEREST RATE	ISSUE DATE	MATURITY DATE	CUSIP
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

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 Note 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 February 15 and August 15 of each, year, commencing February 15, 2022 (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 Note from the Interest Payment Date next preceding the authentication date of this Note, unless: (a) this Note is authenticated as of an

Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; (b) this Note 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 Note is registered and authenticated on or prior to the Regular Record Date preceding February 15, 2022 in which event it shall bear interest from the Issue Date set forth on the face of this Note; or (d) as shown by the records of the Trustee (defined below) interest on this Note shall be in default, in which event it shall bear interest from the date on which interest was last paid on this Note.

Upon the occurrence of any default in payment of principal of, redemption premium, if any, or interest on this Note, and during the continuance thereof, this Note shall bear interest at a rate per annum (based on a year of 360 days and twelve 30-day months) which shall be 5% in excess of the otherwise applicable interest rate under this Note, but not more than the maximum rate allowed bylaw (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note.

The principal of this Note 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 Note 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 Notes, 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 Note 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 Notes not less than 10 days prior to the Special Record Date. Such notice shall be mailed to the persons in whose names the Notes are registered at the close of business on the 5th day preceding the date of mailing. The principal of and interest on this Note are payable in lawful money of the United States of America.

Notwithstanding the foregoing, so long as this Note is registered in the name of The Depository Trust Company ("DTC") or its nominee, Cede & Co., payment of principal and interest on this Note 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 Note is one of a duly authorized issue of Guaranteed Host Community Revenue Refunding Notes, Series B of 2021, of the City in the aggregate principal amount of \$_____ (the "Notes") 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 July 14, 2021 (the “Ordinance”) and under a Trust Indenture (the “Indenture”) between the City and the Trustee dated as of August 1, 2021. The Notes are issued for the purposes described in the Ordinance.

Concurrently with the issuance of the Notes, the City is issuing its Guaranteed Host Community Revenue Refunding Bonds, Series A of 2021 (the “2021A Bonds” and together with the Notes, the “2021 Obligations”) in the aggregate principal amount of \$ _____ under the Indenture.

Reference is made to the Indenture and to the Ordinance for a statement of the purposes for which the Notes are issued, and for provisions concerning, inter alia, the security for the 2021 Obligations, 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 Notes; amendments to the Indenture; events of default and remedies; deposit of certain pledged revenues; and certain other contractual provisions affecting the owners of the Notes. 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 Note 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 Note or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of this Note are subject to state and local taxation.

Optional Redemption. The Notes maturing on and after August 15, 20__ are subject to redemption prior to maturity, at the option of the City, in whole or in part on August 15, 20__, or on any date thereafter, in any order of maturity as selected by the City, in both cases upon payment of ____% of the principal amount of such Notes together with interest accrued to the date set for redemption.

Mandatory Redemption. The Notes stated to mature on August 15 of the years _____ are subject to mandatory sinking fund redemption by lot within the maturity on the dates and in the aggregate principal amounts set forth below at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

Notes Maturing	Principal	Notes Maturing	Principal
<u>August 15, 20__</u>	<u>Amount</u>	<u>August 15, 20__</u>	<u>Amount</u>

*

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*Maturity Date

In the event that a portion, but not all of the Notes are redeemed pursuant to optional redemption, then the principal amount of any remaining mandatory sinking fund redemptions and the final maturity applicable to the Notes shall be proportionately reduced (subject to the Trustee making such adjustments as it deems necessary to be able to affect future redemptions of such Notes 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 Notes for redemption, any Note of a denomination greater than \$100,000 shall be treated as representing such number of separate Notes, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Note by \$5,000. Any Note 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 Note shall receive, without service charge, a new Note or Notes, 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 Note 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 Notes called for redemption, interest on the Notes or portions thereof so called for redemption shall cease to accrue and the Notes or portions thereof so called for redemption shall cease to be entitled to any benefit of security hereunder, and registered owners of the Notes so called for redemption shall have no rights with respect to the Notes or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Notes 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 Notes at their addresses as they appear on the Note register maintained by the Trustee. Such notice shall be given in the name of the City, shall identify the Notes to be redeemed (and, in the case of a partial redemption, of any Notes, 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 Notes 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 Note 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 Notes or as contained in any notice of redemption and the reliance may be placed only on the identification numbers prefixed "R-" printed on the Notes. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Note shall not affect the validity of any proceeding for redemption of other Notes so called for redemption.

With respect to any optional redemption of the Notes, 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 Notes 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 Note is registered on the Note register maintained by the Trustee as the absolute owner of this Note for all purposes and neither the City nor the Trustee shall be affected by any notice to the contrary. The Notes are being issued by means of a book-entry system, with actual note certificates evidencing ownership of the Notes 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 Notes 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 Notes are issued in book-entry form, actual note certificates are not available for distribution to the beneficial owners and the principal and interest on the Notes 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 Notes 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 Notes are no longer registered to a Securities Depository or its nominee, the Notes 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 Notes during a period beginning at the close of business on the fifth (5th) day next preceding the day of selection of Notes 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 Note selected for redemption in whole or in part.

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

Whenever the due date for payment of interest on or principal of this Note 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 Note 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 Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the 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 Notes and shall deposit therein amounts sufficient to pay the principal of and interest on the Notes 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 Note, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

This Note shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Note 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 Note 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 Note is one of the City of Chester, Delaware County, Pennsylvania, Guaranteed Host Community Revenue Refunding Notes, Series B of 2021, 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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note 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 Note in every particular, without alteration or enlargement or any change whatever.

(Authorized Signature)

[END OF NOTE FORM]

EXHIBIT B

DEBT SERVICE SCHEDULE FOR 2021 OBLIGATIONS

EXHIBIT C

FORM OF PLACEMENT AGREEMENT