

BILL NO. 16-2020

**ORDINANCE 2020-\_\_\_\_\_**

AN ORDINANCE

OF THE COUNCIL OF THE CITY OF BETHLEHEM, LEHIGH AND NORTHAMPTON COUNTIES, PENNSYLVANIA, AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2020 (“2020 BONDS”) IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$ 8,500,000; PROVIDING THE PROCEEDS OF THE 2020 BONDS SHALL BE APPLIED TO CARRY OUT THE REFUNDING OF THE GUARANTEED REVENUE NOTE, SERIES OF 2012 (THE “2012 NOTE”) PURSUANT TO A REFUNDING PROGRAM; DETERMINING THAT SALE OF THE BONDS SHALL BE A PRIVATE SALE UNDER THE ACT, AND DETERMINING THAT THE BONDS SHALL BE NONELECTORAL DEBT OF THE CITY; FIXING THE INTEREST PAYMENT DATES, DENOMINATIONS AND REGISTRATION, TRANSFER AND EXCHANGE PRIVILEGES OF THE BONDS AND PROVIDING FOR BOOK ENTRY BONDS; SETTING FORTH THE MATURITY DATES, PRINCIPAL MATURITIES AND CURRENT INTEREST RATES OF THE BONDS AND ESTABLISHING A REQUIRED SCHEDULE OF PAYMENTS WITH RESPECT TO THE SINKING FUND, AS HEREINAFTER ESTABLISHED, IN ORDER TO AMORTIZE THE BONDS; ESTABLISHING THE REDEMPTION PROVISIONS OF THE BONDS; ACCEPTING A BID FOR PURCHASE OF THE BONDS AND AUTHORIZING EXECUTION OF THE BOND PURCHASE AGREEMENT; DESIGNATING A PAYING

AGENT AND REGISTRAR; DESIGNATING A PLACE AND METHOD OF PAYMENT OF THE BONDS AND INTEREST THEREON AND MAKING CERTAIN COVENANTS WITH RESPECT TO THE TAX FREE STATUS OF THE 2020 BONDS; ESTABLISHING THE SUBSTANTIAL FORMS OF THE BONDS; DESIGNATING A SINKING FUND DEPOSITORY; COVENANTING TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY TO SUCH PURPOSE; ESTABLISHING A SINKING FUND FOR THE BONDS AND AUTHORIZING AND DIRECTING PAYMENT THEREFROM; SETTING FORTH CERTAIN RIGHTS OF THE PAYING AGENT AND BONDHOLDERS IN THE EVENT OF DEFAULT AND OTHER RIGHTS OF THE PARTIES WITH RESPECT TO THE BONDS; PROVIDING FOR THE CIRCUMSTANCES UNDER WHICH THE ORDINANCE MAY BE AMENDED OR MODIFIED; PROVIDING FOR THE TERMS, CONDITIONS AND COVENANTS WITH RESPECT TO THE BOND INSURER, IF ANY, FOR THE BONDS; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY THE ACT UPON INCURRING OF SUCH DEBT BY THE CITY; AUTHORIZING AND DIRECTING PROPER OFFICERS OF THE CITY TO DELIVER THE BONDS UPON EXECUTION AND AUTHENTICATION THEREOF, UPON RECEIPT OF PROPER PAYMENT OF THE BALANCE DUE THEREFOR, AND ONLY AFTER SPECIFIED APPROVAL, AS REQUIRED, OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH CERTAIN COVENANTS RELATING TO THE FEDERAL TAX STATUS OF THE BONDS; PROVIDING FOR COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; COVENANTING TO PAY OVER AT SETTLEMENT SUFFICIENT MONIES TO PROVIDE FOR THE PAYMENT OF THE 2012 NOTE, (REFERRED TO AS "PRIOR NOTE") IN ACCORDANCE WITH THE REFUNDING PROGRAM AUTHORIZING AND DIRECTING CERTAIN OTHER ACTIONS AND APPROVING DOCUMENTATION WITH REGARD TO THE REFUNDING PROGRAM, PROVIDING FOR THE ISSUANCE OF IRREVOCABLE INSTRUCTIONS TO THE PAYING AGENT FOR THE PRIOR NOTE TO CALL SAID PRIOR NOTE FOR REDEMPTION, AND ESTABLISHING THE FORM OF SUCH IRREVOCABLE INSTRUCTIONS AND THE NOTICE OF REDEMPTION; PROVIDING FOR SEVERABILITY OF PROVISIONS OF THE ORDINANCE; PROVIDING FOR REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES SO FAR AS THE SAME SHALL BE INCONSISTENT; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the City of Bethlehem, Lehigh and Northampton Counties, Pennsylvania (the "City"), is a Local Government Unit, as defined in the Pennsylvania Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Act"); and

WHEREAS, the City did previously authorize, issue and sell a certain series of obligations, its Guaranteed Revenue Note, Series of 2012, dated as of April 4, 2012 in the original aggregate principal amount of \$ 9,429,730 (the “2012 Note”); and

WHEREAS, the 2012 Note having been issued to fund a project (the “2012 Project”); and

WHEREAS, the 2012 Note presently outstanding is subject to redemption at the option of the City upon proper notice to PennVest and upon payment of the principal amount, together with accrued interest to the date fixed for redemption; and

WHEREAS, the 2012 Note being refunded referred to as the “Prior Note”: and

WHEREAS, the Council of the City (“Council”), in order to effect a savings resulting from currently available interest rates, has determined to currently refund the outstanding Prior Note in accordance with the provisions of Section 8241(b)(1) of the Act, by providing for the payment of the interest to and principal at maturity or redemption on such Prior Note pursuant to the Refunding Program.

WHEREAS, additionally and as part of the Refunding Program, as submitted to the City by the financial advisory firm of PFM Financial Advisors LLC, as financial advisor to the City (the “Financial Advisor”), the necessary funds will be deposited with Penn Vest , and are designed to be adequate as to amount and appropriate as to availability to pay the interest on and principal at maturity or redemption of the Prior Note; and

WHEREAS, the Council has determined to retire all or a portion of the Prior Note, in accordance with a refunding report prepared by the Financial Advisor, at such time as the present value of debt service savings resulting from the refunding of those Prior Note being refunded, net

of the costs and expenses of issuing bonds results in a savings that is in adherence with the City's debt policy (the "Required Savings"); and

WHEREAS, the Council has determined to implement the foregoing financing decision by the authorization, sale, issuance and delivery of a series of bonds, the City's General Obligation Bonds, Series of 2020 ("2020 Bonds" or "Bonds") with the proceeds to be used for the aforesaid purposes.; and

WHEREAS, Council has determined that the Bonds:

(a) Shall be offered at private sale by invitation pursuant to a Proposal as defined below;

(b) Shall be fixed rate bonds offered at a price of not less than 95% nor more than 125% of the principal amount together with accrued interest, if any, from the date thereof to the date of delivery thereof; and

(c) Shall be made pursuant to an addendum to the Proposal upon the terms and conditions and consistent with the Bond Parameters (defined below) and evidencing the Required Savings level required; and

WHEREAS, a "Proposal for the Purchase of the Bonds" dated July 21, 2020 (the "Proposal") has been received from \_\_\_\_\_ on behalf of itself as Senior Manager and as a representative of \_\_\_\_\_ as Co-Manager ("Underwriter" or "Investment Banker"). The Proposal is in substantial form appended hereto as Schedule "G". The Proposal contains certain financial parameters for, and conditions to, the underwriting and issuance of the Bonds (the "Bond Parameters"), which will be supplemented by an addendum to the Proposal containing the final terms and conditions of the Bonds, consistent with the Bond Parameters and Required Savings level and the provisions of the Act; and

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

WHEREAS, the Council desires to maximize the City's interest rate savings and as such, the President or Vice President of the Council or the Business Administrator of this City, which shall include their duly qualified successors in office, if applicable, are authorized and directed on such a date and time after this meeting in a manner consistent with the Act to execute the Proposal and any addendums thereto provided that the Required Savings level on the Prior Note being refunded is achieved; and

WHEREAS, the Council desires to award the Bonds to the Underwriter and their assignees at private sale by invitation and to accept their Proposal in the form submitted; to authorize issuance of non-electoral debt in the aggregate principal amount of the Bonds in connection with the Financing Study; and to take appropriate action and to authorize such action in connection with the Refunding Program, all in accordance with and pursuant to provisions of the Act.

NOW THEREFORE, BE IT ORDAINED, by the Council of this City, as follows:

Section 1. The Council of the City does authorize and direct the issuance of its General Obligation Bonds, Series of 2020 ("2020 Bonds" or "Bonds") or such series designation as may be agreed upon by the parties, pursuant to this Ordinance, in the maximum aggregate principal amount not to exceed \$ 8,500,000 for the purposes of carrying out the refunding of the Prior Note as per the Refunding Program in accordance with Section 8241(b)(1) of the Act. The Bonds will be general obligations of the City payable from the general revenues of the City.

Section 2. A brief description of the Refunding Program for which the debt to be incurred, of which the Bonds shall be evidence, is contained in the preamble hereof. The realistic estimated useful lives of the capital projects financed by the Prior Note and notes (“Prior Note”), which were “Projects” as defined in Section 8002 of the Act, were previously determined to be from 5 to 30 years in the case of the capital projects financed by the 2012 Note, and the amortization of the Prior Note was structured to fully amortize on a level or earlier basis each component of such projects before the expiration of their useful lives. The estimated useful life of projects financed by the 2012 Note expires in 22 years, in 2042. The useful lives of all such projects is not less than previously determined, and the portion of the Bonds, the proceeds of which are designated to the Refunding Program, as structured will fully amortize on a level or earlier basis each component of the Projects before the expiration of their useful lives.

Section 3. The Bonds shall be sold at private sale by invitation, which the Council of the City has determined to be in the best interests of the City and may be issued in one or more series. The Council of the City has determined that the debt, of which the Bonds shall be evidence, shall be non-electoral debt of the City. The Bonds may be issued in one or more series.

Section 4(a). The Bonds shall be dated as of the date of delivery (“Date of Delivery”), and shall bear interest payable semi-annually on April 1 and October 1 of each year, beginning October 1, 2020, or such other dates mutually agreed upon, to the registered owners thereof, at the rate per annum stated thereon, from the interest payment date next preceding the date of registration and authentication of a Bond, unless the Bond is registered and authenticated as of an interest payment date, in which event the Bond shall bear interest from such interest payment date, or unless the Bond is registered and authenticated prior to the Record Date next preceding October 1, 2020, in which event the Bond shall bear interest from the Date of Delivery, or

unless, as shown by the records of the Paying Agent (hereinafter identified), interest on the Bond shall be in default, in which event the Bond shall bear interest from the date on which interest was last paid on the Bond, until said principal sum is paid. Payment of interest on a Bond shall be made to the registered owner thereof whose name and address shall appear, at the close of business on the 15<sup>th</sup> day or last day of the month preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the City shall be in default in payment of interest due on such interest payment date. In the event of such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of the Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name the Bond is registered at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing.

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

(c) Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of each series, each in the

aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Bond owners or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

(d) DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the “DTC Participants”) and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers, and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the “Indirect Participants”).

(e) Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. Such DTC Participants and the persons for whom they acquire interests in the Bonds as nominees will not receive a bond certificate, but each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant’s interest in the Bonds, which will be confirmed in accordance with DTC’s standard procedures. Beneficial



owners of Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, unless use of the book-entry only system is discontinued as described below.

(f) Transfers of beneficial ownership interests in the Bonds which are registered in the name of Cede & Co., as nominee of DTC, will be accomplished by book entries made by DTC and in turn by the DTC Participants and Indirect Participants who act on behalf of the beneficial owners of Bonds. For every transfer and exchange of beneficial ownership in the Bonds, the beneficial owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

(g) For so long as the Bonds are registered in the name of DTC or its nominees, Cede & Co., the City and the Paying Agent will recognize only DTC or its nominee, Cede & Co., as the owner of the Bonds for all purposes, including notices and voting. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to beneficial owners of the Bonds, will be governed by arrangements among DTC, DTC Participants, Indirect Participants and beneficial owners, subject to any statutory and regulatory requirements as may be in effect from time to time.

(h) Payments made by the Paying Agent to DTC or its nominee shall satisfy the City's obligations with respect to the Bonds to the extent of the payments so made.

(i) Principal, redemption price and interest payments on the Bonds shall be made by the Paying Agent to DTC or to its nominee, Cede & Co., as registered owner of the Bonds. Disbursement of such payments to the beneficial owners shall be solely the responsibility of DTC, the DTC Participants and, where appropriate, Indirect Participants. Upon receipt of monies, DTC's current practice is to credit immediately the accounts of the DTC Participants in

accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to beneficial owners shall be governed by standing instructions of the beneficial owners and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in “street name”. Such payments shall be the sole responsibility of such DTC Participant or Indirect Participant and not of DTC, the City, or the Paying Agent, subject to any statutory and regulatory requirements as may be in effect from time to time.

(j) The City and the Paying Agent cannot and do not give any assurances that DTC, the DTC Participants or the Indirect Participants will distribute to the beneficial owners the Bonds (i) payments of principal or redemption price of or interest on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interests in Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission, and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

(k) Neither the City nor the Paying Agent will have any responsibility or obligation to any DTC Participant, Indirect Participant or beneficial owner or any other person with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any DTC Participant or Indirect Participant; (3) the payment by DTC or any DTC Participant or Indirect Participant of any amount due to any beneficial owner in respect of the principal or redemption price of or interest on the Bonds; (4) the delivery by DTC or any DTC Participant or Indirect Participant of

any notice to any beneficial owner which is required or permitted under the terms of this Resolution to be given to Bondholders; (5) the selection of the beneficial owners to receive payment in the event of any partial redemption of the bonds; or (6) any other action taken by DTC as Bondholder.

(l) DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In addition, the City may discontinue the book-entry only system for the Bonds at any time if it provides thirty (30) days' notice of such discontinuation to the Paying Agent and DTC that continuation of the book-entry only system is not in the best interests of the City. Upon the giving of such notice, the book-entry only system for the Bonds will be discontinued unless a successor securities depository is appointed by the City.

Section 5. The Bonds shall be issued in the aggregate principal amounts, shall be numbered consecutively within maturities, and shall mature on the dates, and in the amounts, and shall bear interest at the rates and require the amortization payments to the respective sinking fund hereinafter established, all as set forth in the schedules contained in the attached Schedule "A" of this Ordinance.

Section 6. The Bonds are subject to mandatory redemption prior to maturity from monies to be deposited in the respective sinking fund, upon payment of the principal amount together with interest to the date of such redemption, as set forth in Schedule "B" attached to this Ordinance.

Section 7. The Bonds shall be subject to redemption prior to maturity, at the option of the City, upon payment of the principal amount, together with accrued interest to the date fixed for redemption, as set forth in Schedule "C" attached to this Ordinance.

Section 8(a). Bonds subject to redemption and issued in denominations larger than \$5,000 may be deemed in part. For the purposes of redemption, such Bonds shall be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion of such Bonds being subject to redemption. In the case of partial redemption of such Bonds, payment of the redemption price shall be made only upon surrender of the Bond in exchange for Bonds of like form, series and maturity, of authorized denominations in aggregate amount equal to the unredeemed portion thereof.

(b) Any redemption of Bonds pursuant to Section 6 and 7 above shall be made after notice by mailing by first class mail a notice thereof to the registered owners of all Bonds to be redeemed and to any bond insurer then insuring the Bonds, not less than thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption, or after waivers of such notice executed by the registered owners of all Bonds to be redeemed shall have been filed with the Paying Agent. Failure to mail any notice or any defect therein or in the mailing thereof, with respect to any particular Bond, shall not affect the validity of the proceedings for redemption of any other Bond. Any notice of redemption mailed in accordance with these requirements shall be conclusively presumed to have been duly given, whether or not such registered holder actually receives the notice. Notice having been so given or waived, and provision having been made for redemption from funds on deposit with the Paying Agent, all interest on the Bonds called for redemption accruing after the date fixed for redemption shall cease, and the registered owners of the Bonds called for redemption shall have no security, benefit or lien under this Ordinance or

any right except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

(c) Any such notice shall be dated, shall be given in the name of the City, and shall state the following information:

(i) the identification numbers and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will be come due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent for the Bonds;

(d) In addition to the foregoing notice, further notice of any redemption of Bonds hereunder shall be given, at least two (2) business days in advance of the mailed notice to Bondholders, by first class mail to all agencies or depositories to which notice is required by the Continuing Disclosure Certificate (as hereinafter defined), and to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, and to one or more national information services that disseminate notices of

redemption of obligations such as the Bonds (such as Financial Information Inc.'s "Daily Called Bond Service", Kenny Information Services' "Called Bond Service", Moody's "Municipal and Government", and Standard & Poor's "Called Bond Record"). Such further notice shall contain the information required in the notice to Bondholders. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Bondholders as prescribed above.

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

(f) If at the time of mailing a notice of optional redemption the City shall not have deposited with the Paying Agent for the Bonds 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 Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such monies are so deposited.

Section 9. The Council shall and does authorize the acceptance of the Proposal of the Underwriter for purchase of the Bonds, which Bonds shall be and are awarded to the Purchasers, in accordance with the terms of the Proposal and an addendum thereto, at a price of not less than 95% nor more than 125% of the principal amount, together with accrued interest from the date thereof to the date of delivery thereof, the Purchasers covenanting to submit their Bond Purchase

Contract in accordance with provisions of the Act. The President or Vice President or Business Administrator of the Council are authorized and directed to execute the awarded Bond Purchase Contract and any addendum thereto provided that the terms of the Bond Purchase Contract are such that the Requested Savings level is achieved. In a manner consistent with this authorization the President or Vice President or Business Administrator may accept the recommendation of the Financial Advisor with regards to the selection of the Bond Insurer, if any, and any mandatory redemption or other redemption provisions or terms. The Financing Study as submitted by the Financial Advisor is hereby accepted, approved, and adopted. The Preliminary Official Statement in the form presented is hereby approved and distributed thereof and a final Official Statement when completed are hereby authorized.

Section 10. The Council of the City does hereby designate, subject to its acceptance, The Bank of New York Mellon Trust Company, N.A., a banking institution having corporate trust offices in Pittsburgh, Pennsylvania, as the “Paying Agent” for purposes of the Bonds.

Section 11. The principal of and premium, if any, on the Bonds shall be payable at the corporate trust offices of The Bank of New York Mellon Trust Company, N.A., located in Pittsburgh, Pennsylvania, in its capacity as Paying Agent, and interest thereon is payable by check mailed to the registered owner at the address shown on the registration books as of the close of business on the Record Date set forth elsewhere herein and in the face of the Bonds, in lawful monies of the United States of America, without deduction of any tax or taxes now or hereafter levied or assessed thereon upon any present or future law of the Commonwealth of Pennsylvania (the “Commonwealth”), which tax or taxes this City assumes and agrees to pay; provided, however, that the foregoing shall not be applicable to gift, estate or inheritance taxes or to other taxes not levied or assessed directly on the Bonds or the interest paid thereon.

Section 12. The forms of the Bonds, and of the Paying Agent's Certificates of Authentication to be endorsed thereon, with appropriate insertions, omissions, and variations, shall be substantially as set forth in Schedule "D" attached to this Ordinance.

Section 13. The Bonds shall be executed in the name of and on behalf of this City by the facsimile signatures of the Mayor and the City Controller, respectively, and a facsimile of the official seal of this City shall be affixed thereunto. Bonds executed and bearing facsimile signatures as above provided may be issued and shall, upon request of the City, be authenticated by the Paying Agent, notwithstanding that one or more of the officers signing such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds. The Bank of New York Mellon Trust Company, N.A., in its capacity as Paying Agent, hereby is authorized, requested, and directed to authenticate the Bonds by execution of the Certificate of Authentication endorsed on the Bonds by a duly authorized officer. No Bonds shall be valid until the Certificate of Authentication shall have been duly executed by the Paying Agent, and such authentication shall be proof that the registered owner is entitled to the benefit of the Ordinance.

Section 14. The Bonds shall be issued only in registered form, without coupons, as provided, may be exchanged for a like aggregate principal amount of the same series and maturity of other authorized denominations, and the following conditions in addition to those set forth in the Bond forms themselves shall apply with respect thereto:

(a) The City shall keep, at a corporate trust office of the Paying Agent, books for the registration and transfer of the Bonds, and hereby appoints the Paying Agent its registrar and transfer agent to keep such books and make such registrations and transfers under such reasonable regulations of the City or the registrar and transfer agent may prescribe, and as



set forth in the forms of Bonds herein. Registrations and transfers shall be at the expense of the City, but the Bondholder shall pay any taxes or other governmental charges on all registrations and transfers and shall pay any costs of insuring Bonds during shipment.

(b) Bonds may be transferred upon the registration books upon delivery to the Paying Agent of such Bond, accompanied by a written instrument or instruments of transfer, in form and with guaranty of signature satisfactory to the Paying Agent, duly executed by the owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, and other information requested by the City pursuant to the Ordinance or by the Paying Agent in its regulations. No transfer of any Bond will be effective until entered on the registration books and until payment from the registered owner of all taxes and governmental charges incidental to such transfer is received.

(c) In all cases of the transfer of a Bond, the Paying Agent will enter the transfer of ownership in the registration books and, if requested, will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the other provisions of this Ordinance.

(d) The City and the Paying Agent will not be required to issue or transfer or exchange any Bonds during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business day on which the applicable notice of redemption is given, or to transfer

any Bonds which have been selected or called for redemption in whole or in part until after the redemption date.

(e) If any Bond shall become mutilated, the City shall execute and the Paying Agent shall thereupon authenticate and deliver a new Bond of like tenor and denomination in exchange and substitution for the Bond so mutilated, but only surrender to the Paying Agent of such mutilated Bond for cancellation, and the City and the Paying Agent may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the City and the Paying Agent; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the City shall execute, and thereupon the Paying Agent shall authenticate and deliver, a new Bond of like tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the City may, with the consent of the Paying Agent, pay to the owner the principal amount of and accrued interest on such Bond upon the maturity thereof and the compliance with the aforesaid conditions by such owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this subsection shall constitute an additional contractual obligation of the City, whether or not the Bond to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued thereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost

or stolen Bonds and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

(f) pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the City may issue and, upon its request, the Paying Agent shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds in denominations of \$5,000 and multiples thereof, of substantially the tenor recited above, in fully registered form. Upon request of the City, the Paying Agent shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same right, remedies, and security hereunder as definitive Bonds.

Section 15. The City covenants to and with holders or registered owners of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the City shall include the amount of the debt service, as set forth in the appropriate schedule annexed to Section 5 hereof, for each fiscal year of this City in which such sums are payable, in its budget for such fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid not later than the due date thereof to the sinking fund hereinafter established the principal of each of the Bonds and the interest thereon on the dates and place and in the manner stated therein according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this City shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this City shall be enforceable specifically.

Furthermore:

(a) There is created pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as the “Sinking Fund –General Obligation Bonds, Series of 2020” or the “2020 General Obligation Bonds Sinking Fund”.

(b) From the funds deposited in the sinking fund, the Paying Agent, without further action of the City, is hereby authorized and directed to pay the principal of and interest on the Bonds of each respective issue, and the City hereby covenants that such monies, to the extent required, will be applied to such purpose, as follows: The Paying Agent shall pay all interest on the Bonds as and when the same shall become due and payable and the principal on all Bonds, as and when such Bonds shall mature by their express terms, or by reason of selection by lot under any mandatory redemption provisions applicable thereto.

(c) The Paying Agent from time to time, may invest and/or deposit money which shall be in its possession hereunder and which shall not be required for application to payment of principal and/or interest with respect to the Bonds, in such manner as may be permitted by applicable laws of the Commonwealth of Pennsylvania, for such period of time as will not affect adversely the availability of such money as and when required for application to payment of principal and/or interest with respect to the Bonds for the account and benefit of the City; provided, however, that no such investment and/or deposit shall be made which, in any manner: (1) may impair the principal amount thereof; or (2) may cause the Bonds issued by the City under this Ordinance to be “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended, including applicable regulations promulgated, from time to time, in connection therewith and pursuant thereto.

(d) If at any time the Paying Agent shall hold in the Bonds Sinking Fund the Bond monies which are in excess of those required to provide for the payment of interest previously due, and principal on Bonds, of each respective, already matured though not yet presented, and such excess monies shall not be required within thirty (30) days to meet the payment of interest on, and principal of Bonds, next maturing or to be called for mandatory redemption; and the City shall not otherwise be in default hereunder; then in that event the Paying Agent shall, upon direction from the City, utilize such excess funds for the purchase of any of the Bonds, as shall be available for purchase, at the lowest available price, but in no case at more than par, with accrued interest to the date of the purchase.

(e) All monies deposited in the sinking fund, for the payment of the Bonds and interest thereon, which have not been claimed by the owners thereof after two (2) years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the City. Nothing contained herein shall relieve the City of its liability to the holders of unrepresented Bonds.

Section 16. The City appoints The Bank of New York Mellon Trust Company, N.A. as the Sinking Fund Depository with respect to the 2020 Bonds Sinking Fund created pursuant to Section 15 of this Ordinance.

Section 17. The following additional terms and conditions shall apply, as appropriate, to the Bonds:

(a) Should the City fail to provide the Paying Agent with sufficient funds, payable to the appropriate sinking fund, at appropriate intervals, so as to enable the Paying Agent to pay the principal and interest on the Bonds as and when due, or should the City,

through the Paying Agent, fail to make such payments as and when due, or should the City fail to perform any other covenant or condition contained in this Ordinance and running to the benefit of the holders or registered owners of the Bonds, or contained in the Act as applicable to the Bonds, such failure shall constitute a default by the City, and the registered owners of the Bonds shall be entitled to all the rights and remedies provided by the Act in the event of default. If any such default occurs, the Paying Agent may, and upon written request of the owner of twenty-five percent (25%) of the aggregate principal amount of the Bonds then outstanding accompanied by indemnity in such form and in such amount as the Paying Agent shall designate or a Court of competent jurisdiction shall set and establish, shall bring suit upon the Bonds, or by other appropriate legal or equitable action restrain or enjoin any acts by the City which may be unlawful or in violation of the rights of the owners of the Bonds.

(b) With respect to the Bonds hereunder, all such Bonds which shall be paid purchased or redeemed by the City or the Paying Agent pursuant to the terms and provisions of this Ordinance shall be canceled and cremated or otherwise destroyed by the Paying Agent, which shall then furnish the City with a Certificate of Cremation or Destruction.

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

(d) With respect to the Bonds hereunder, the City may from time to time and at any time, adopt a supplemental ordinance in order to: (1) cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance or (2) grant to or confer upon the owners of the Bonds any additional rights, remedies, powers, authority, or security that may be lawfully granted to or conferred upon them. This Ordinance may also be

amended or modified from time to time, except with respect to the principal or interest payable upon the Bonds, or with respect to the dates of maturity or redemption provisions of the Bonds, and in the case of any such permitted amendment or modification, a certified copy of the same shall be filed with the Paying Agent, following approval in writing by the owners of not less than fifty-one percent (51%) in principal amount of the Bonds then outstanding, other than Bonds provision for payment or redemption of which has been made prior to the effective date thereof as provided in subsection (c) above, and the written consent of any municipal bond insurance company then insuring the Bonds.

(e) So long as the Bonds shall be insured as to payment to any extent by the bond insurer (the “Bond Insurer”) set forth in Exhibit “E” hereof, any terms, conditions and covenants set forth in Schedule “E” shall apply.

Section 18. The Mayor, the City Controller, the City Clerk, and the City Treasurer, respectively, of this City, which shall include their duly qualified successors in office, if applicable, are authorized and directed as appropriate; (a) to prepare, to certify and to file the debt statement required by Section 8110 of the Act; (b) to prepare and file, as required with the Department of Community and Economic Development (the “Department”) of the Commonwealth, statements required by Section 8024, 8025 or 8026 of the Act, which are necessary to qualify certain non-electoral and lease rental debt of this City and, if necessary, the debt which will be evidenced by the bonds to be issued hereunder; (c) to prepare, execute and to file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or to cause to be paid to the

Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required necessary and/or appropriate action.

Section 19. The officers and officials of this City including the Mayor, the City Controller, the City Treasurer, the President of the Council and the City Clerk, are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 20. The Mayor of this City and/or the Business Administrator is authorized and directed to contract with The Bank of New York Mellon Trust Company, N.A., for its services as Sinking Fund Depository and as Paying Agent in connection with the Bonds, and to sign a commitment letter with the bond insurer (the “Bond Insurer”) designated in the attached Schedule “E”, if any, and are authorized and directed to execute on behalf of the City at the appropriate time, a Paying Agent Agreement with The Bank of New York Mellon Trust Company, N.A., as Paying Agent for the Bonds, a Continuing Disclosure Certificate, and a commitment to purchase bond insurance from the Bond Insurer. The Mayor and the Business Administrator are authorized to approve payment by the Paying Agent at settlement on the sale of the Bonds of all costs and expenses incidental to such issuance and sale including the bond insurance premium due any Bond Insurer.

Section 21. It is declared that the debt to be incurred by the issuance of the Bonds hereby, together with any other indebtedness of the City, is not in excess of any limitation imposed by the Act upon the incurring of non-electoral debt by the City.

Section 22. Proper officers of the City are authorized and directed to deliver the Bonds upon execution and authentication thereof as provided for herein, to the Underwriter, but only



upon receipt of proper payment of the balance due therefore, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 23. (a) The City hereby covenants with the registered owners, from time to time, of the Bonds that no part of the proceeds of the Bonds or of any monies on deposit with the Paying Agent and Sinking Fund Depository hereunder will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986 (the “Code”) and the Regulations thereunder (the “Regulations”) proposed or in effect at the time of such use and applicable to the Bonds, and that it will comply with the requirements of that section of the Code and the Regulations throughout the term of the Bonds.

(b) If the gross proceeds of the Bonds are invested at a yield greater than the applicable yield on the bonds and are not expended within six months from the date of issuance, or within eighteen (18) months therefrom if Section 1.148-7(d) of the Regulations shall be applicable, or within two (2) years therefrom if Section 148(f)(4)(B)(iv)(II) of the Code shall be applicable, the City covenants that it will “Rebate” to the U.S. Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Tax Exempt Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Bonds at a yield not in excess of the yield on the Bonds. Provided however, that the Mayor and the Business Administrator are hereby authorized on behalf of the City to exercise an election to pay, in lieu of Rebate, a penalty pursuant to Section 148(f)(4)(B)(iv)(V) of the Code, which election, if made in their discretion, shall be contained in the City’s Non-Arbitrage Certificate with respect to the Bonds issued at closing

thereon, and shall thereupon become binding upon the City, in which case the City shall pay the appropriate penalties, as applicable, as and when due, in lieu of Rebate.

Section 24. The City does hereby covenant and agree, for the benefit of the holders of the Bonds from time to time, that it will comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (“SEC”) with respect to municipal securities disclosure, and will execute and comply with an appropriate Continuing Disclosure Certificate as approved by counsel as long as the Bonds are outstanding.

Section 25. (a) The City covenants that, concurrently with the delivery of the Bonds to the Investment Bankers, there will be paid over to and for the account of the respective Paying Agent for the Prior Note (“Prior Bond Paying Agent”) by the City an amount of money which, together with other available monies, will be sufficient to provide necessary funds to enable the Prior Note Paying Agent to provide necessary funds to pay the interest and principal at redemption on the Redemption Date for those Prior Note being refunded and for the costs of retirement on such date of the Prior Note then outstanding and being refunded in accordance with the Refunding Program.

(b) The City further covenants that the Bonds will not be delivered to the Underwriter unless and until the City prior to or concurrently with such delivery, shall have taken or shall take all action as shall be necessary and/or appropriate to implement and effectuate provisions for the aforesaid defeasance the Prior Note being refunded pursuant to the Refunding Program. The intent and purpose of the foregoing is to ensure that the City will take such action and will cause such action to be taken and will do such things and will cause the Prior Note Paying Agent to do such things, prior to or concurrently with delivery of the refunding of the Prior Note, as shall be necessary and/or appropriate to implement and effectuate provision of the

aforesaid defeasance of the Prior Note so that simultaneously with delivery of the refunding of the Bonds to the Investment Bankers, for purposes of the Act, such Prior Note no longer shall be considered to be outstanding, and the City shall be deemed to have made appropriate provisions for the retirement of the outstanding non-electoral debt which was evidenced thereby.

(c) To the extent, necessary, the City shall enter into any appropriate Escrow Agreement with the 2012 Note Paying Agent or such other banking institution designated by the parties, (“Escrow Agent”), to cause and require the Escrow Agent to take actions necessary in order to carry out the Refunding Program.

(d) There is created pursuant to Section 8221 of the Act, a sinking fund for the 2012 Note, (collectively referred to as the “ Escrowed Note”) to be refunded under an escrow agreement or Agreement (“ Escrow Agreement”) to be known as the “ Escrow Fund”, which sinking fund shall be administered in accordance with the Act. The City may enter into any further escrow agreement to be known as “Escrow Fund” as necessary and appropriate;

(e) The Paying Agent for the Escrowed Note or its successors is hereby designated as Escrow Agent under each respective Escrow Agreement and as Sinking Fund Depository for the Escrow Fund under the Escrow Agreement;

(f) The President or Vice President of the Council and/or the Business Administrator, which shall include their duly qualified succession office, or any representative of the Underwriter are authorized and directed to execute any required subscriptions or other orders for the purchase of the Investments to be purchased pursuant to the Refunding Program under the Escrow Agreement, or otherwise and to cause such orders, or subscriptions to be delivered promptly to the Federal Reserve Bank or other issuer or supplier.

Section 26. The City hereby covenants that the proceeds of the Bonds allocated to the Refunding Program shall, after the payment of costs and expenses with respect to the issuance of the Bonds, be deposited with the Escrow Agent for the Escrowed Note under the Escrow Agreement between the City and the Escrow Agent, respectively, to provide the appropriate and required funds, to refund the Escrowed Note being refunded pursuant to the Refunding Program. The City further covenants that the principal amount of such funds so deposited, and the interest to be earned thereby, together with any other available funds deposited thereunder, shall be adequate with respect to the Escrowed Note to make all payments of interest as due, and principal at maturity or redemption, according to the Refunding Program. The City further covenants that the amounts so deposited with said Escrowed Note Paying Agent/Escrow Agent as aforesaid or as otherwise paid to the Paying Agent/Escrow Agent shall also be adequate to pay all fees for the services to be performed by the Escrowed Note Paying Agent/Escrow Agent, including the retirement of the Escrowed Note when called for redemption or the City will pay such costs and any other incidental costs and expenses.

Section 27. The City covenants that any Escrow Agreement to be entered into between the City and the Escrow Agent shall require the Escrow Agent to utilize the proceeds and any other funds available, and any other funds to be deposited thereunder for the purpose, and that such total funds will be adequate, to purchase the Investments as set forth in the schedules attached to the Financing Study and/or the Refunding Program of the Financial Advisor accepted under this Ordinance, and as attached to the Escrow Agreement. The Escrow Agreement shall provide that the Escrow Agent will, without further direction from the City, pay from the Refunding Investment Revenues derived by way of interest to and principal at maturity on the

Investments and other available monies, as above required, the interest due and principal at maturity or at redemption on the Escrowed Note, to the extent of the funds available.

Section 28. To the extent required, the City does hereby authorize and direct the issuance of irrevocable instructions (the “Irrevocable Instructions”) to the Paying Agent for the Prior Note, calling for the redemption of the Prior Note being called pursuant to the Refunding Program, notification to the bondholders in question, and the redemption of such bonds with such Irrevocable Instructions and the notice of redemption to be given thereby to be substantially in the forms set forth in Schedule “F” hereof or in such other manner agreed to by the parties.

Section 29. In the event that any provision, section, sentence, clause or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City that such remainder shall be and shall remain in full force and effect.

Section 30. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 31. This Ordinance shall be effective in accordance with Section 8003 of the Act.

Sponsored by \_\_\_\_\_  
\_\_\_\_\_

PASSED finally in Council on the 21<sup>st</sup> day of July 2020.

\_\_\_\_\_  
President of Council

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

This Ordinance approved this 21st day of July 2020.

\_\_\_\_\_  
Mayor

Examined and approved by me this 21st day of July 2020.

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Mayor of the City of Bethlehem  
Lehigh and Northampton Counties,  
Pennsylvania

I hereby certify that the foregoing Ordinance was passed by the City Council and signed by his Honor the Mayor on July 21, 2020.

---

City Clerk

\$ 8,500,000  
CITY OF BETHLEHEM  
GENERAL OBLIGATION BONDS, SERIES OF 2020

MAXIMUM DEBT SERVICE SCHEDULE

SCHEDULE A



## MANDATORY REDEMPTION

Mandatory redemption provisions, if any, shall be agreed upon by the parties.

## SCHEDULE B

## OPTIONAL REDEMPTION

Optional redemption provisions, if any, shall be agreed upon by the parties.

## SCHEDULE C

REGISTERED

REGISTERED

NUMBER

\$ \_\_\_\_\_

GO-1

UNITED STATES OF AMERICA  
 COMMONWEALTH OF PENNSYLVANIA  
 CITY OF BETHLEHEM  
 GENERAL OBLIGATION BONDS, SERIES OF 2020

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date of Series</u>	<u>Cusip</u>
_____ %	_/_/____	_____	_____

The CITY OF BETHLEHEM, Lehigh and Northampton Counties, Pennsylvania (the "City"), a body corporate and politic existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises to pay to the order of Cede & Co. or registered assigns, on the maturity date stated hereon, upon presentation and surrender hereof, the sum of

DOLLARS

and to pay semiannually on April 1 and October 1 of each year, beginning October 1, 2020, to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to \_\_\_\_\_, 2020, in which event this Bond shall bear interest from \_\_\_\_\_, or unless, as shown by the records of the Paying Agent (hereinafter identified), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid on this Bond, until said principal sum is paid.

This Bond is one of a series of Bonds of the City, known generally as "Tax Exempt General Obligation Bonds, Series of 2020" (the "Bonds"), stated to mature in \_\_\_\_ through \_\_\_\_ both inclusive, in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), authorized pursuant to an ordinance (the "Ordinance") of the City enacted July 21, 2020.

The proceeds of sale of the Bonds will be utilized to fund the Refunding Program as defined in the Ordinance.

The Bonds constitute general obligations of the City payable from its general revenues. The City has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, that the City: (i) shall include the amount of the debt service for such Bonds, for each fiscal year of the City in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established with the Paying Agent under the Ordinance (the "Sinking Fund") or any other of its revenues or funds, the principal of each of such Bonds and the interest thereon on the dates and at the place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the City has pledged and does pledge, irrevocably, its full faith, credit and taxing power. The Paying Agent is required to pay from the Sinking Fund the principal of and interest on the Bonds as the same shall become due and payable.

Bonds maturing on or after \_\_\_\_\_ are subject to redemption prior to maturity, at the option of the City, as a whole series on \_\_\_\_\_, or on any date thereafter, or, in part on \_\_\_\_\_, or on any date thereafter, as directed by the City, and by lot within a maturity, allowing sufficient time for notice as required hereafter, unless waived, in each case upon payment of the principal amount, together with accrued interest to the date fixed for redemption.

The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth and by virtue of the Ordinance. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the City and registered owners, from time to time, of the Bonds.

The interest on this Bond, which is payable by check drawn on The Bank of New York Mellon Trust Company, N.A., as paying agent, or its successors (the "Paying Agent"), and the principal of and premium, if any, on this Bond, which are payable upon surrender, are payable in lawful money of the United States of America, at the corporate trust office of the Paying Agent in Pittsburgh, Pennsylvania. Payment of the interest hereon shall be made to the registered owner hereof whose name and address shall appear, at the close of business on the \_\_\_\_\_ day of the month next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the City shall be in default in payment of interest due on such interest payment date. In the event of such default,

such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of this Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name this Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

The Bonds are issuable only in the form of registered Bonds, without coupons, in the denominations of \$5,000 principal amount or any integral multiple thereof. Bonds may be exchanged for like aggregate principal amount of Bonds of other authorized denominations, of the same series and maturity. This Bond may be transferred or exchanged by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its corporate trust office in Pittsburgh Pennsylvania, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series and maturity and form for the aggregate amount which the registered owner is entitled to receive at the earliest practicable time. The City and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof,

premium, if any, and interest due hereon and for all other purposes, and the City and the Paying Agent shall not be affected by any notice to the contrary.

If this Bond is of a denomination larger than \$5,000, a portion of this Bond may be redeemed. For the purposes of redemption, this Bond shall be treated as representing that number of Bonds which is obtained by dividing the denomination hereof by \$5,000, each \$5,000 portion of this Bond being subject to redemption. In the case of partial redemption of this Bond, payment of the redemption price shall be made only upon surrender of this Bond in exchange for Bonds of like form, series and maturity, of authorized denominations in aggregate amount equal to the unredeemed portion hereof.

Any redemption shall be made only after notice by mailing by first class mail a notice thereof to the registered owners of all Bonds to be redeemed and to any Bond insurer then insuring the Bonds, not more than forty-five (45) days nor less than thirty (30) days prior to the date fixed for redemption, at the address shown on the registration books, or after waivers of such notice executed by the registered owners of all Bonds to be redeemed shall have been filed with the Paying Agent, all as provided for in the Ordinance. Failure to mail any notice or any defect therein or in the mailing thereof, with respect to any particular Bond, shall not affect validity of the proceedings for redemption of any other Bond.

Any notice of redemption mailed in accordance with these requirements shall be conclusively presumed to have been duly given, whether or not such registered holder actually receives the notice. Notice having been so given or waived, and provision

having been made for redemption from funds on deposit with the Paying Agent, all interest on the Bonds called for redemption accruing after the date fixed for redemption shall cease, and the registered owners of the Bonds called for redemption shall have no security, benefit or lien under the Ordinance or any right except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

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

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory, or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.



IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the signature of the President of the Council of the City, and its seal to be affixed hereto, attested by the facsimile signature of the City Clerk, all as of \_\_\_\_\_, 2020.

ATTEST:

CITY OF BETHLEHEM

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
(Vice) President of Council

(SEAL)

CERTIFICATE OF AUTHENTICATION AND  
CERTIFICATE AS TO OPINION AND  
CERTIFICATE AS TO STATEMENT OF INSURANCE

It is certified that:

- (i) This Bond is one of the Bonds described in the within mentioned Ordinance;
- (ii) The text of the Opinion attached to this Bond is a true and correct copy of the text of an original Opinion issued by King, Spry, Herman, Freund & Faul, LLC dated and delivered on the date of the original delivery of, and payment for, such Bonds that is on file at our corporate trust office in Pittsburgh, Pennsylvania where the same may be inspected; and
- (iii) The original or a copy of the municipal bond insurance policy referred to in the statement of insurance attached to this Bond is on file at our corporate trust office in Pittsburgh, Pennsylvania where the same may be inspected.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Paying Agent

BY: \_\_\_\_\_  
Authorized Representative

Authentication Date

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, \_\_\_\_\_ (the "Transferor"),  
hereby sells, assigns, and transfers unto

\_\_\_\_\_(the "Transferee")

Name

Address

Social Security or Federal Employer Identification No. \_\_\_\_\_ the within  
Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

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

Date:

NOTICE: No transfer will be made in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name(s) appearing upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Numbers and date of the trust and the name of the trustee shall be supplied.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

STATEMENT OF INSURANCE

Insurance provisions, if any, shall be mutually agreed upon by the parties.

SCHEDULE E

CITY OF BETHLEHEM  
LEHIGH AND NORTHAMPTON COUNTIES, PENNSYLVANIA

IN RE:

REFUNDING OF                                 :                         CONDITIONAL CALL INSTRUCTIONS  
2012 NOTE                                     :                         TO CALL FOR REDEMPTION

TO: \_\_\_\_\_

CITY OF BETHLEHEM (the "City"), on July 21, 2020, duly enacted at final reading a Resolution (the "Resolution"), a copy of which has been delivered to you, authorizing these irrevocable instructions to be issued to you, to take certain steps necessary to bring about the retirement of the City 's remaining outstanding Guaranteed Revenue Note, Series of 2012 (the "Note" or "2012 Note"). As you are aware, you are the Paying Agent ("Payee") and Original Purchaser ("Lender") of this Note. In accordance with the Resolution and the Refunding Program incorporated therein, it is the intent and purpose of the City to call for redemption of the Note on \_\_\_\_\_, \_\_\_\_\_. Redemption of the 2012 Note on \_\_\_\_\_, \_\_\_\_ pursuant to the Refunding Program is specifically contingent upon issuance, sale and settlement on the City's General Obligation Bonds, Series of 2020 on or before \_\_\_\_\_, 2020, providing sufficient funds available on said date to pay the interest to and principal at redemption on such portion of the 2012 Note being redeemed on such date pursuant to the Refunding Program.

Therefore, under and pursuant to the Resolution and in compliance therewith:

- A. You are hereby notified by the City of its intention to make payment of the 2012 Note

B. You are requested to provide confirmation of the payoff amount for the 2012 Note in accordance with any and all terms of the 2012 Note.

C. To the extent necessary, you are hereby instructed to take such other action by way of notice or publication of the Notice of Redemption with respect to the redemption of the Note so called for redemption as you may deem appropriate, if any, to bring about the orderly and efficient redemption of the Note then outstanding, including publication with the Electronic Municipal Market Access System.

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

CITY OF BETHLEHEM

BY: \_\_\_\_\_  
(Vice) President

ATTEST:

\_\_\_\_\_  
Secretary

RECEIPT AND ACKNOWLEDGEMENT

Receipt of the foregoing instructions, duly executed by the appropriate officers of the City, and a copy of the Resolution of the City referred to therein, and copies of the Notice of Redemption, is hereby acknowledged. It is further acknowledged that the Conditional Call Instructions contained in the foregoing are satisfactory to the Lender/Payee.

Signed, sealed, and dated this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
as Paying Agent

BY: \_\_\_\_\_  
Authorized Officer



CONDITIONAL NOTICE OF REDEMPTION

TO: REGISTERED OWNERS OF GUARANTEED REVENUE NOTE, SERIES OF 2012, OF CITY OF BETHLEHEM, DATED AS OF \_\_\_\_\_, 2012

NOTICE is given by the CITY (the "City ") that the City , by appropriate Resolution, has exercised its option to call for redemption and does call for redemption, as of \_\_\_\_\_, 2012, the Note designated generally as its "General Obligation Note, Series of 2012", dated as of \_\_\_\_\_, 2012 (the "Note" or "Refunded Note"), issued under and secured by an Resolution (the "2012 Resolution"), in accordance with the right and privilege reserved to the City in the Note and under the Resolution.

The date fixed for redemption of the Note, is \_\_\_\_\_, 2020 (the "Redemption Date"); and on the Redemption Date will become and will be due and payable at the corporate trust office of the Paying Agent, First Citizens Community Bank, New Tripoli, Pennsylvania and from and after the Redemption Date interest on such Note will cease to accrue, irrespective of whether such Note is presented and surrendered to the Paying Agent. Redemption of the 2012 Note on \_\_\_\_\_, 2020 pursuant to the Refunding Program is specifically contingent upon issuance sale and settlement on the City's General Obligation Bonds, Series of 2020 on or before \_\_\_\_\_, 2020, providing sufficient funds available on said date to pay the interest to and principal at a redemption on the 2012 Note being redeemed on such date pursuant to the Refunding Program.

The principal amount of the Refunded Note, together with accrued interest to the Redemption Date, will become and will be due and payable at the corporate trust office of the Paying Agent and will be paid upon presentation and surrender of the Refunded Note, in registered form, as provided in the 2012 Resolution. The balance due and owing on the 2012

Note so called for redemption is as follows:

2012 Note <u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$_____	\$_____	\$_____

This Notice of Redemption is given in accordance with requirements of the 2012 Note to be redeemed and the Resolution. By Order of the CITY OF BETHLEHEM.