

**COUNCIL
CITY OF JOHNSTOWN,
CAMBRIA COUNTY PENNSYLVANIA**

ORDINANCE NO. 5278

BILL NO. 40 OF 2019

INTRODUCED IN COUNCIL

NOVEMBER 13, 2019

A ORDINANCE OF THE CITY OF JOHNSTOWN, CAMBRIA COUNTY, PENNSYLVANIA, AUTHORIZING AND DIRECTING ISSUANCE OF ITS GENERAL OBLIGATION BONDS, SERIES OF 2019 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,250,000 PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, DETERMINING THAT SUCH DEBT WILL BE NONELECTORAL DEBT OF THE LOCAL GOVERNMENT UNIT; ACCEPTING A PROPOSAL FOR PURCHASE OF SUCH BONDS, AWARDING SUCH BONDS, AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SUCH GENERAL OBLIGATION BONDS, WHEN ISSUED, WILL BE GENERAL OBLIGATIONS OF THE LOCAL GOVERNMENT UNIT; FIXING THE SUBSTANTIAL FORM, DENOMINATIONS, NUMBERS, DATE, MATURITY DATES, INTEREST RATES, YIELDS, INTEREST PAYMENT DATES, REGISTRATION PROVISIONS, PLACE OF PAYMENT OF PRINCIPAL, MATURITY AMOUNT AND INTEREST; AUTHORIZING EXECUTION OF SUCH BONDS AND AUTHENTICATION THEREOF; PROVIDING COVENANTS RELATED TO PAYMENT OF DEBT SERVICE AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE LOCAL GOVERNMENT UNIT IN SUPPORT THEREOF; CREATING A SINKING FUND AND A CLEARING ACCOUNT; APPOINTING AGENTS AND PROFESSIONALS; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE LOCAL GOVERNMENT UNIT TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS AND THINGS; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING PAYMENT OF EXPENSES; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING APPROVAL OF THE FINAL OFFICIAL STATEMENT; PROVIDING COVENANTS RELATED TO CONTINUING DISCLOSURE AND COMPLIANCE WITH PROVISIONS OF THE INTERNAL REVENUE CODE; PROVIDING FOR THE REDEMPTION OF THE REFUNDED BONDS (AS DEFINED HEREIN); AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME WILL BE INCONSISTENT HERewith.

WHEREAS, the Council (the "*Governing Body*") of the City of Johnstown, Cambria County, Pennsylvania (the "*Local Government Unit*") desires to incur nonelectoral debt to be designated generally as "General Obligation Bonds, Series of 2019" (the "*Bonds*") to provide funds for and toward the costs of a project consisting of: (i) refunding the Local Government Unit's General Obligation Bonds, Series 2013 (the "*Refunded Bonds*"); and (ii) funding the costs and expenses related to the issuance of the Bonds (collectively, the "*Project*"), all in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act, Act of July 12, 1972, P.L. 781, No. 185, as amended and reenacted by Act No. 78-52, P.L. 124 (the "*Act*"); and

WHEREAS, the Governing Body has obtained realistic cost estimates of the Project; and

WHEREAS, the Local Government Unit is empowered to issue the Bonds within constitutional and statutory debt limitations in order to accomplish such purposes.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Local Government Unit, as follows:

SECTION 1. DEFINITIONS.

In addition to the terms defined in the Preamble and elsewhere in this Ordinance, the following defined terms will have the following meanings for purposes of this Ordinance.

"*Act*" has the meaning given to such term in the Preamble hereof.

"*Authorized Officer(s)*" means the Mayor and/or Deputy Mayor of the Local Government Unit and, if applicable, any successor acting by reason of an Authorized Officer's absence or other incapacity.

"*Beneficial Owner*" has the meaning given to such term in Section 9 hereof.

"*Bond Counsel*" has the meaning given to such term in Section 23 hereof.

"*Bond Insurance Policy*" means that standard policy of the Insurer, if any is acquired, to ensure timely payment of the scheduled principal of and interest on the Bonds to the owners thereof, upon satisfaction of all preconditions set forth in said policy, as specifically noted by a legend or other appropriate text hereby authorized to be printed on the Bonds.

"*Bond Register*" has the meaning given to such term in Section 9 hereof.

"*Bonds*" means the general obligation bonds authorized to be issued by the Local Government Unit pursuant to Section 3 hereof.

"*Business Day*" means any day other than a Saturday, Sunday or a day on which financial institutions in the Commonwealth are authorized by law to be closed.

"*Clearing Account*" has the meaning given to such term in Section 18 hereof.

"*Closing Receipt*" has the meaning given to such term in Section 18 hereof.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Commonwealth*" means the Commonwealth of Pennsylvania.

"*Dated Date*" means the date upon which interest will begin to accrue on the Bonds, as determined and fixed by the Local Government Unit and the Underwriter in the accepted Proposal.

"*Department*" has the meaning given to such term in Section 24 hereof.

"*Disclosure Agreement*" has the meaning given to such term in Section 28 hereof.

"*EMMA*" has the meaning given to such term in Section 28 hereof.

"*Escrow Agent*" has the meaning given to such term in Section 29 hereof.

"*Escrow Agreement*" has the meaning given to such term in Section 29 hereof.

“Fiscal Manager” means the Director of Finance of the Department of Finance of the Local Government Unit.

“First Interest Payment Date” means that date upon which interest on the Bonds is first payable, as determined and fixed by the Local Government Unit and the Underwriter in the accepted Proposal.

“Governing Body” has the meaning given to such term in the Preamble hereof.

“Interest Payment Date(s)” means, singularly or jointly, those dates upon which interest on the Bonds are payable, as determined and fixed by the Local Government Unit and the Underwriter in the accepted Proposal, commencing with the First Interest Payment Date.

“Local Government Unit” has the meaning given to such term in the Preamble hereof.

“Mandatory Redemption Date(s)” means the dates upon which Bonds will be mandatorily redeemed, as determined and fixed by the Local Government Unit and the Underwriter in the accepted Proposal.

“Maturity Date(s)” means the dates upon which Bonds will mature, as determined and fixed by the Local Government Unit and the Underwriter in the accepted Proposal.

“MSRB” has the meaning given to such term in Section 28 hereof.

“Optional Redemption Date” means the first date upon which outstanding Bonds are permitted to be redeemed, in whole or in part, at the option of the Local Government Unit, as determined and fixed by the Local Government Unit and the Underwriter in the accepted Proposal.

“Paying Agent” means 1st Summit Bank, Johnstown, Pennsylvania.

“Project” has the meaning given to such term in the Preamble hereof.

“Proposal” means the Bond Purchase Contract to be presented by the Underwriter to the Governing Body evidencing the obligation of the Underwriter to purchase all of the Bonds to be issued by the Local Government Unit and the obligation of the Local Government Unit to sell all of the Bonds to the Underwriter as provided in Section 5 hereof.

“Record Date” means, singularly or jointly, the 15th day of the month next preceding a respective Interest Payment Date if the Interest Payment Date is on the 1st day of the month, and the last day of the month next preceding a respective Interest Payment Date if the Interest Payment Date is on the 15th day of the month.

“Refunded Bonds” has the meaning given to such term in the Preamble hereof.

“Registered Owner” or ***“Bondholder”*** when used with respect to a Bond or any Bonds, the person whose name appears in the records of the Paying Agent as such owner.

“Replacement Bonds” has the meaning given to such term in Section 9 hereof.

“Rule” has the meaning given to such term in Section 28 hereof.

“Securities Depository” has the meaning given to such term in Section 9 hereof.

“2013 Sinking Fund” has the meaning given to such term in Section 29 hereof.

“2019 Sinking Fund” has the meaning given to such term in Section 15 hereof.

“Solicitor” means the solicitor of the Local Government Unit.

“Underwriter” has the meaning given to such term in Section 5 hereof.

SECTION 2. THE PROJECT

The Local Government Unit hereby undertakes the Project as more fully described in the preamble hereof, which description is hereby incorporated into this Section by reference as if set out at length.

SECTION 3. INCURRENCE OF INDEBTEDNESS

For the purpose of providing funds for and toward the payment of costs, as such term is defined in the Act, of the Project, the incurrence of nonelectoral debt by the Local Government Unit in an aggregate principal amount not to exceed \$7,250,000 is hereby authorized. Such debt will be evidenced by the issuance of one series of General Obligation Bonds of the Local Government Unit to be generally designated as the Local Government Unit's "General Obligation Bonds, Series of 2019" (the "**Bonds**"), or such other name as is determined by the Local Government Unit, such series to be issued in such aggregate principal amount as is set forth in the Proposal, provided that the aggregate principal amount of bonds issued may not exceed \$7,250,000.

SECTION 4. APPROVAL OF PRIVATE SALE

The Governing Body expresses its finding that it is in the best financial interests of the Local Government Unit to sell the Bonds at a private sale by negotiation.

SECTION 5. AWARD OF BONDS

(a) The Governing Body, after due deliberation and investigation, has found that a private sale by negotiation is in the best financial interest of the Local Government Unit and based upon such finding the Governing Body of the Local Government Unit hereby awards the Bonds, at private negotiated sale, to Boening & Scattergood, Inc. (the "**Underwriter**"). Notwithstanding the forgoing, the award and the delivery of the Bonds to the Underwriter is subject to the delivery of a Proposal to the Local Government Unit which shall provide that the Underwriter shall pay to the Local Government Unit specified amounts at specified times and under conditions stated therein and the Local Government Unit agrees to sell and deliver the Bonds to the Underwriter under the conditions set forth in such Proposal. The Proposal shall be compliant with industry standards containing final terms for the Bonds conforming to the further requirements of paragraph (c) to this Section 5 and the acceptance of such Proposal by the proper officers and officials of the Governing Body in accordance to the following provisions of this Section 5.

(b) The Proposal must be submitted to the Mayor of the Local Government Unit for approval and acceptance, which Proposal must conform to the provisions of paragraph (c) of this Section 5. The Proposal is to contain insertions as to final interest rates, principal amounts, maturity dates and redemption provisions and related matters, as the Mayor of the Local Government Unit, the Solicitor and Bond Counsel may approve, subject to conforming with the requirements of paragraph (c) of this Section 5. The execution and delivery of the Proposal by the appropriate officers of the Governing Body will constitute conclusive evidence of such approval.

(c) The Proposal must meet the following requirements:

(i) the aggregate principal amount of the Bonds shall not exceed \$7,250,000,

(ii) the latest maturity date of the Bonds shall not be later than October 1, 2033,

(iii) the annual principal maturity or mandatory redemption amounts shall not exceed the annual amounts thereof set forth in Exhibit A,

(iv) the interest rates of the Bonds shall not exceed the rate set forth in Exhibit A,

(v) The aggregate purchase price for the Bonds to be purchased pursuant to such Proposal 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 an underwriter's discount in an amount not greater than 1%), (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 Refunded Bonds must result in a net present value debt service savings of one percent (1.0%) or better.

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

(viii) The Bonds contemplated by the Proposal and the Proposal 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 Bonds must conform to the requirements of Section 6 hereof.

(x) The Proposal may require that the Bonds be insured by a bond insurance policy identified in such Proposal; 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 bonds pursuant to such bond insurance policy, and that the bond insurance policy and bond insurance provider required by the Proposal results in the greatest potential present value savings of all such policies solicited by the Underwriter.

(d) The execution and delivery of the Proposal by the appropriate officers of the Governing Body will constitute acceptance hereunder of the Proposal 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 Proposal by signing each, to return each to the Underwriter and to file a copy of the same with the records of the Local Government Unit.

The City Clerk of the Governing Body is hereby authorized and directed to deliver the Bonds to the Underwriter and receive payment therefor on behalf of the Local Government Unit after sale of the same in the manner required by law and the terms of this Ordinance. The proper officers of the Local Government Unit are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the Bonds, to execute and deliver such 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 Bonds, 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 Bond proceeds and other funds, retention of professionals, and bond printing.

SECTION 6. MATURITY, YIELDS AND INTEREST RATES

The rate of interest per annum for each maturity of the Bonds may not exceed the rates set forth in Exhibit A attached hereto and incorporated herein; provided, that in the case of term Bonds the applicable rate of interest will be the rate set forth in Exhibit A for the relevant maturity date of such term Bonds. The principal amount of Bonds annually scheduled to mature or to be subject to mandatory redemption, as the case may be, may not exceed the principal amount on each date set forth in Exhibit A attached hereto.

SECTION 7. APPOINTMENT OF PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY

The Governing Body hereby appoints the Paying Agent to serve as paying agent and registrar with respect to the Bonds and as sinking fund depository for the 2019 Sinking Fund (hereinafter defined) created hereby. The proper officers of the Local Government Unit are hereby authorized and directed to contract with the Paying Agent for its services as paying agent, registrar and sinking fund depository at such initial and annual charges as are appropriate and reasonable for such services. The Local Government Unit may, by Ordinance, from time to time appoint a successor paying agent, registrar or sinking fund depository to fill a vacancy or for any other reason.

SECTION 8. FORM AND TERMS OF BONDS

The Bonds will be substantially in the form contained in Section 27 hereof. The Bonds are issuable as fully registered Bonds without coupons, in denominations of \$5,000 and any integral multiple

thereof, and will be numbered consecutively in the order of authentication, without regard to denomination or maturity.

The Bonds are being issued in fully registered form and will bear interest accruing from the Dated Date. The Bonds will bear interest payable on the Interest Payment Dates, commencing on the First Interest Payment Date. The Bonds will mature on the dates and in the amounts shown in the accepted Proposal. Each Bond will be dated as of the date of its authentication and will bear interest (computed on the basis of a 360 day year comprised of twelve months of 30 days) from the Interest Payment Date next preceding the date of authentication of such Bond, unless: (a) such Bond is authenticated as of an Interest Payment Date, in which event such Bond will bear interest from said Interest Payment Date; or (b) such Bond is authenticated prior to the First Interest Payment Date, in which event such Bond will bear interest from the Dated Date; or (c) such Bond is authenticated after a Record Date and before the next succeeding Interest Payment Date, in which event such Bond will bear interest from the next succeeding Interest Payment Date; or (d) as shown by the records of the Paying Agent, interest on such Bond is in default, in which event such Bond will bear interest from the date on which interest was last paid on such Bond.

Except as to distinguishing numbers, denominations, interest rates, yields and maturity dates, the Bonds and the Paying Agent's certificates of authentication will be substantially in the forms and will be of the tenor and purport hereinafter set forth, with insertions and variations (including CUSIP numbers) approved by the Paying Agent, as may be appropriate for different series, denominations and maturity dates.

The principal of and premium, if any, on the Bonds will be payable to the Registered Owners thereof or their transferees upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent in lawful money of the United States of America and under the terms and conditions set forth in the Bonds. Payment of interest on the Bonds will be made by check or draft mailed by the Paying Agent to the registered owners thereof whose names and addresses appear at the close of business on the Record Date on the Bond Register (hereinafter defined), irrespective of any transfer or exchange of any Bonds subsequent to the Record Date and prior to such Interest Payment Date, unless the Local Government Unit is in default in payment of interest due on such Interest Payment Date. In the case of an interest payment to any registered owner of \$1,000,000 or more in aggregate principal amount of Bonds as of the close of business of the Paying Agent on the Record Date for a particular Interest Payment Date, such payment may be made by wire transfer to any designated account in a member bank of the Federal Reserve System as of the close of business on such Interest Payment Date upon written request from such registered owner, which written request is received by the Paying Agent not less than five days prior to such Record Date.

In the event of any default in payment of interest due on an Interest Payment Date, such defaulted interest will be payable to the persons in whose names the Bonds are 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 on behalf of the Local Government Unit to the registered owners of the Bonds not less than ten (10) days preceding such special record date. Such notice will be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of, premium, if any, or interest on the Bonds occurs on a day which is not a Business Day, the interest and/or principal due on such date will be payable on the next succeeding Business Day, and payment on such date will have the same force and effect as if made on the nominal date of payment.

SECTION 9. BOND REGISTER, REGISTRATIONS AND TRANSFERS

The Local Government Unit will cause to be kept, and the Paying Agent, as Registrar, is hereby directed to keep, at its principal corporate trust office, books for the registration, exchange and transfer of Bonds (the "*Bond Register*") in the manner provided herein and therein so long as Bonds remain outstanding. Such registrations, exchanges and transfers will be made without charge to Bondholders,

except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

The Bonds will be transferable or exchangeable by the registered owners thereof upon surrender thereof to the Paying Agent, at its designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent will enter any transfer of ownership of any of the Bonds in the Bond Register and 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 or yield for the aggregate amount which the registered owner is entitled to receive at the earliest practicable time. Bonds may be exchanged for a like aggregate principal or maturity amount of Bonds of other authorized denominations, of the same series, maturity and interest rate or yield.

The Local Government Unit and the Paying Agent will not be required: (a) to issue or transfer or exchange any Bond during a period beginning at the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date; or (b) to issue or transfer or exchange any Bond then considered for redemption during the period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day on which the notice of redemption is mailed; or (c) to transfer or exchange any portion of any Bond selected for redemption until after the redemption date.

The Local Government Unit and the Paying Agent may deem and treat the persons in whose names the Bonds will be registered as the absolute owners thereof for all purposes, whether such Bonds are overdue or not, and payment of the principal of the Bonds will be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein provided. All such payments will be valid and effectual to satisfy and discharge the liability upon Bonds, to the extent of the sum or sums so paid, and neither the Local Government Unit nor the Paying Agent will be affected by any notice to the contrary.

Book-Entry System.

(i) Anything in this Section 9 to the contrary notwithstanding, and except as provided in clause (iii) or clause (vi) of this Section 9, the Bonds will be issued in "Book-Entry-Only" form, registered in the name of, Cede & Co. as nominee of The Depository Trust Company, New York, New York (the "*Securities Depository*"). Payment of principal of, interest and amounts payable upon prior redemption of any of the Bonds registered as of each Record Date in the name of Cede & Co. will be made, by the Federal Reserve System wire transfer of immediately available funds or equivalent same day funds to the account of Cede & Co. on the payment date, as applicable, for the Bonds at the address for Cede & Co. indicated on the Bond Register.

(ii) The Paying Agent may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of, redemption price, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by the Bondholders and for all other purposes whatsoever, and the Paying Agent will not be affected by any notice to the contrary. The Paying Agent will not have any responsibility or obligation to any participant, any person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any participant, or any other person which is not shown on the registration books for the Bonds as being a Bondholder, with respect to the accuracy of any records maintained by the Securities Depository or any participant with respect to any beneficial ownership interest in the Bonds; the payment by the Securities Depository or any participant of any amount in respect of the principal of, redemption price or interest on the Bonds; any notice (or the timeliness thereof) which is permitted or required to be given to Bondholders under this Ordinance; the selection by the Securities Depository or any participant of any person to receive payment in the event of a

partial redemption of the Bonds; or any consent given by the Securities Depository as Bondholder. The Paying Agent will pay all principal of and interest on and amounts payable on redemption of the Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the Commonwealth) the Securities Depository, and all such payments will be valid and effective to fully satisfy and discharge the obligations of the Local Government Unit with respect to the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in (iii) and (vi) below, no person other than the Securities Depository will receive an authenticated or registered Bond (or other Bond for which a written request to utilize the book-entry system has been delivered) evidencing the obligation of the Local Government Unit to make payments pursuant to this Ordinance. Upon delivery by the Securities Depository to the Paying Agent of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Ordinance will refer to such new nominee of the Securities Depository.

(iii) At the written request of the Local Government Unit, the Paying Agent will notify the Securities Depository of the Local Government Unit's desire to discontinue the book-entry system, whereupon the Securities Depository will notify the Beneficial Owners of the availability through the Securities Depository of Bond certificates. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable prior written notice to the Paying Agent and discharging its responsibilities with respect thereto under applicable law. Under such circumstances Replacement Bonds will be issued pursuant to provisions below. If Replacement Bonds are so issued, the provisions of this Ordinance regarding the Paying Agent's duties as Bond Registrar and the Paying Agent's duties as paying agent will become applicable, including, but not limited to, the transfer and exchange of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

(iv) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal of and interest on and amounts payable on redemption of such Bonds and all notices with respect to such Bonds will be made and given, respectively, to the Securities Depository as provided in the DTC Blanket Representation Letter executed by the Local Government Unit.

(v) In connection with any notice or other communication to be provided to Bondholders pursuant to this Ordinance by the Paying Agent or with respect to any consent or other action to be taken by the Bondholders, the Paying Agent will establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Notice to the Securities Depository will be given only when the Securities Depository is the sole Bondholder.

(vi) Upon the written request of the Local Government Unit that the Paying Agent substitute another securities depository company (qualified to act as such under section 12(a) of the Securities Exchange Act of 1934) for the Securities Depository, or appoint a successor securities depository (qualified to act as such under section 12(a) of the Securities Exchange Act of 1934) upon the discontinuance of service by the Securities Depository, the Paying Agent will immediately request the Securities Depository to transfer its custodial records to the successor securities depository and the Bonds to the Paying Agent and to take all other actions deemed necessary or appropriate by the Paying Agent to effectuate the transfer of the services from the Securities Depository to another securities depository company.

Replacement Bonds. If, pursuant to paragraph (iii), the Local Government Unit determines to discontinue the book-entry system, then the Paying Agent will notify the Securities Depository and request the Securities Depository to notify its participants of the Local Government Unit's determination and of the availability of certificates with respect to beneficial interests in the Bonds. The Paying Agent will cause certificates to be prepared, at the Local Government Unit's expense, for delivery to such beneficial owners (the "**Beneficial Owners**"), or their nominees, in appropriate amounts and in accordance with the Bond registry of the Securities Depository or custodial records of the Securities Depository, making such

adjustments and allowances as it may find necessary or appropriate as to the date of such certificates, accrued interest and previous calls for redemption.

In such event, all references to the Securities Depository herein will relate only to the period of time when the Securities Depository has possession of at least one Bond and will be applicable only to such Bond so held. Upon issuance of such replacement Bonds (the "**Replacement Bonds**"), all references herein to obligations imposed upon or to be performed by the Securities Depository will be deemed to be imposed upon and performed by the Paying Agent or alternate or successor transfer agent, to the extent applicable with respect to such Replacement Bonds.

In the event the Securities Depository resigns or the Local Government Unit makes the determination set forth in paragraph (vi) above and the Paying Agent or Beneficial Owners are unable to locate a qualified successor, then the Paying Agent will authenticate and cause delivery of Replacement Bonds with respect to the interests of the Beneficial Owners or certificates with respect to the respective interests of the Participants, or a combination of both, all at the option of the Participants.

Successor Securities Depository. In the event of a change in the identity of Securities Depository, the Paying Agent will request any successor Securities Depository to present to the Paying Agent and the Local Government Unit written evidence satisfactory to the Local Government Unit with respect to its ability to discharge its responsibilities. Any such successor Securities Depository must be a securities depository which is registered as such under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulations, and has done all things required thereby (or, if such requirements are not a requirement of applicable law with respect to the Bonds, the Local Government Unit may permit a successor Securities Depository with comparable qualifications, upon evidence satisfactory thereof being delivered to the Local Government Unit and the Paying Agent). The Paying Agent upon its receipt of a Bond certificate for cancellation will cause the authorization and delivery of Bond certificates to the successor Securities Depository (or its nominee) in appropriate denominations and form as authorized hereunder.

SECTION 10. EXECUTION

The Bonds will be executed in the name of and in behalf of the Local Government Unit by the manual or facsimile signature of an Authorized Officer of the Governing Body, and may have the manual or facsimile of the official seal of the Local Government Unit affixed thereto, duly attested by the manual or facsimile signature of the City Clerk of the Governing Body; and said officers are authorized to execute, to attest and to countersign the Bonds.

SECTION 11. AUTHENTICATION

No Bond constituting one of the Bonds will be entitled to any benefit under this Ordinance nor will it be valid, obligatory or enforceable for any purpose until such Bond will have been authenticated by the Certificate of Authentication endorsed thereon duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds, in accordance with the provisions hereof.

SECTION 12. GENERAL OBLIGATION COVENANT

The Bonds, when issued, will be general obligations of the Local Government Unit. The Local Government Unit covenants to and with Registered Owners, from time to time, of the Bonds which are outstanding, from time to time, pursuant to this Ordinance, that the Local Government Unit: (i) will include the amount of the debt service for the Bonds, for each fiscal year of the Local Government Unit in which such sums are payable, in its budget for that fiscal year, (ii) will appropriate such amounts from its general revenues for the payment of such debt service, and (iii) will duly and punctually pay or cause to be paid from its 2019 Sinking Fund (hereinafter identified) or any other of its revenues or funds the maturity (or accreted) amount of each of the Bonds at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Local Government Unit will and does pledge, irrevocably, its full faith, credit and taxing power.

As provided in the Act, the foregoing covenant of the Local Government Unit will be specifically enforceable.

The maximum amount of debt service which the Local Government Unit hereby covenants to pay on the Bonds in each year is shown on Exhibit A which is attached hereto and incorporated herein by reference as if set out here at length.

The Local Government Unit covenants to make payments out of the 2019 Sinking Fund, or out of any other of its revenues or funds, at such times and in such annual amounts, as will be sufficient for prompt and full payment of all obligations of the Bonds when due.

SECTION 13. BOND INSURANCE POLICY.

If requested in or required by the accepted Proposal, payment of the Bonds may be insured by a Bond Insurance Policy which is hereby authorized to be purchased upon the issuance and delivery of the Bonds (if so requested or required).

SECTION 14. REDEMPTION

(a) *Optional Redemption.* The Bonds will be subject to redemption prior to maturity, at the option of the Local Government Unit, in whole or in part (in any order of maturity as selected by the Local Government Unit) on or after the Optional Redemption Date and at the prices set forth in the accepted Proposal.

In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed will be drawn by lot by the Paying Agent on behalf of the Local Government Unit. Any such redemption will be upon payment of the principal amount thereof, premium, if any, plus accrued interest thereon.

(b) *Mandatory Redemption.* The Bonds may be subject to mandatory redemption, if at all, on the Mandatory Redemption Dates in the amounts as provided in the accepted Proposal, which mandatory redemption provisions are incorporated herein by reference as if set out here at length. The Local Government Unit covenants and directs the Paying Agent to redeem the specified aggregate principal amount of Bonds of the specified series and maturities on the respective Mandatory Redemption Dates set forth in the accepted Proposal.

(c) *Denominations; Notices of Redemption.* If any of the Bonds is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but such Bond will be redeemed only in \$5,000 portions of its denomination or any integral multiple thereof. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption will be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion thereof being subject to redemption. In the case of partial redemption of any of the Bonds, payment of the redemption price will be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate amount equal to the unredeemed portion thereof.

Notice of any redemption, as hereinbefore authorized, will be given by the Paying Agent in the name of the Local Government Unit by mailing a notice of any redemption of Bonds hereunder by first class mail, postage prepaid, to the holders of all Bonds to be redeemed at the registered addresses appearing in the Bond Register. Each such notice must (i) be mailed at least 30 days and not more than 60 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the redemption price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent, that from that date interest will cease to accrue on the Bonds, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. No defect affecting any Bond, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), will affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given.

If at the time of mailing of any notice of optional redemption the Local Government Unit has not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice must state that it 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 will be of no effect unless such monies are so deposited.

On the date designated for redemption, notice having been given as aforesaid, and money for payment of the principal, premium, if any, and accrued interest, as applicable, being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption will cease to accrue and the Bonds or portions thereof so called for redemption will cease to be entitled to any benefit or security under this Ordinance, and registered owners of the Bonds or portions thereof so called for redemption will have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any.

If the redemption date for any Bonds is a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such redemption will 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 will have the same force and effect as if made on the nominal day of redemption.

SECTION 15. SINKING FUND

(a) *Deposit.* There is hereby created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as "City of Johnstown, General Obligation Bonds, Series of 2019" (the "*2019 Sinking Fund*"). The 2019 Sinking Fund will be administered in accordance with applicable provisions of the Act. The Local Government Unit covenants, and the Treasurer of the Local Government Unit is hereby authorized and directed, to deposit into the 2019 Sinking Fund

(i) on or before the First Interest Payment Date and on or before each Interest Payment Date thereafter to and including the final Maturity Date of the Bonds, as set forth in the accepted Proposal, inclusive, amounts sufficient to pay, together with other available moneys in such 2019 Sinking Fund, including without limitation earnings on investments in such fund, the interest due on such dates on the Bonds then outstanding,

(ii) on or before each Mandatory Redemption Date and the Maturity Date to and including the final Maturity Date of the Bonds specified in the accepted Proposal, amounts sufficient, together with other available moneys in such 2019 Sinking Fund, including without limitation earnings on investments in such fund, to pay the outstanding principal of the Bonds maturing or subject to redemption on each such date.

Should the amounts covenanted to be paid into the 2019 Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of principal or interest then due, whether by reason of funds already on deposit in the 2019 Sinking Fund or by reason of the purchase of Bonds, or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

In the event that the accepted Proposal provides for the issuance of the Bonds in more than one series, separate accounts may be established in the 2019 Sinking Fund for each such series of the Bonds at the direction of the of Fiscal Manager.

(b) *Credit.* The Local Government Unit may satisfy any part of its obligations with respect to Section 15(a) above by delivering to the Paying Agent, as sinking fund depository, for cancellation, Bonds owned by it maturing on the date on which such deposit is required. Upon delivery of such Bonds, the Local Government Unit will receive a credit against such deposit in an amount equal to the face amount of the Bonds so delivered.

(c) *Application of Funds.* All sums in the 2019 Sinking Fund will be applied exclusively to the payment of the principal of and interest on the Bonds covenanted to be paid by Section

12 hereof as the same becomes due and payable. The balance of said moneys over and above the required sum will remain in the 2019 Sinking Fund, such balance to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and permitted by Section 16 hereof, to the extent that such investment or deposit can be made without causing the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code, which investments or deposits and the interest thereon will be held exclusively for the purposes of the 2019 Sinking Fund, as aforesaid. The Paying Agent, without further authorization other than as herein contained, will pay from the moneys in the 2019 Sinking Fund to the registered owners, the interest and premium, if any, on the Bonds, as and when due.

SECTION 16. INVESTMENT

Any moneys in the 2019 Sinking Fund created hereby not required for prompt expenditure may be invested upon the written direction of the Local Government Unit in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or a similar federal agency, they need not be secured. Otherwise, such deposits will be secured as public deposits, except that moneys held by the Paying Agent as sinking fund depositary may be secured as trust funds. Any such investments or deposits will mature or be subject to redemption at the option of the owner, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the registered owners.

SECTION 17. DISPOSITION OF PROCEEDS

All moneys derived from the sale of the Bonds will be deposited into the Clearing Account created pursuant to Section 18 hereof and will be and hereby are appropriated substantially to the payment of the costs of the Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the Bonds, and may not be used for any other purposes, except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys will promptly upon their determination be deposited in the 2019 Sinking Fund and used for the payment of interest on the Bonds.

SECTION 18. CLEARING ACCOUNT

The Local Government Unit hereby establishes with the Paying Agent a special fund to be known as the "City of Johnstown Series 2019 Clearing Account" (the "*Clearing Account*") which will be held as a trust fund for the benefit of the Local Government Unit until disbursed in accordance with the provisions hereof. The Local Government Unit will deliver the net proceeds (including accrued interest, if any) derived from the sale of the Bonds to the Paying Agent for deposit to the Clearing Account. Upon written directions from the Local Government Unit delivered in connection with the issuance and delivery of the Bonds (the "*Closing Receipt*"), signed by the proper officers of the Local Government Unit, the Paying Agent will pay, out of the Clearing Account, the costs and expenses of issuing the Bonds and will (i) transfer the amount of accrued interest, if any, to the 2019 Sinking Fund, (ii) transfer amounts required to refund the Refunded Bonds, in accordance with such Closing Receipt and Section 29 hereof and (iii) transfer amounts required to fund the costs of capital projects consisting of constructing, renovating, equipping, furnishing and improving various school facilities in the district, as directed in such Closing Receipt. The Closing Receipt of the Local Government Unit will state the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and will contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

After making provision for the payment of the costs of issuance, the transfer to the 2019 Sinking Fund and the other transfers required by such written directions given pursuant to this Section 18, the balance of the moneys held in the Clearing Account will be transferred, without further written direction,

to the 2019 Sinking Fund and used for the payment of interest on the Bonds. Following such transfer, the Clearing Account will be closed.

SECTION 19. PAYMENT OF EXPENSES

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

SECTION 20. INTERNAL REVENUE CODE COVENANTS

(a) *General.* The Local Government Unit hereby covenants that:

(i) it will at all times do and perform all acts and things necessary or desirable in order to assure that interest (including accruals of original issue discount treated as interest for federal income tax purposes) paid on the Bonds will, for purposes of federal income taxation, be and remain excludible from the gross income of the recipients thereof and that it will refrain from doing or performing any act or thing that will cause such interest (including accruals of original issue discount treated as interest for federal income tax purposes) not to be so excludible;

(ii) it will not make any investment or other use of the proceeds (as that term is defined in Section 148 of the Code and all applicable regulations promulgated thereunder) of the Bonds which would cause the Bonds to be "arbitrage bonds" (as that term is defined in Section 148 of the Code and all applicable regulations promulgated thereunder); and

(iii) it will comply with the requirements of such Code sections and regulations throughout the term of the Bonds.

(b) *Rebate.* The Local Government Unit hereby covenants that it will rebate to the United States Treasury Department, at the times, in the manner and in the amounts required by Section 148 of the Code, income derived from investing the proceeds of the Bonds at a yield in excess of the yield on the Bonds; provided, however, that it will not be required to rebate any excess earnings to the extent that one of the exceptions to rebate contained in Section 148(f) of the Code are satisfied.

(c) *Filing.* The Local Government Unit hereby covenants to file or to cause to be filed Internal Revenue Service Form 8038-G and any other forms or information required by the Code to be filed in order to permit the interest (including accruals of original issue discount treated as interest for federal income tax purposes) on the Bonds to be excluded from gross income for federal income tax purposes.

(d) *Compliance.* The proper officers of the Local Government Unit are hereby authorized, upon the advice of the Solicitor or Bond Counsel, to establish procedures and/or to contract for any services, as may be necessary or desirable to assist the Local Government Unit in complying with the covenants contained in this Section 20.

SECTION 21. COSTS AND REALISTIC USEFUL LIFE

Reasonable cost estimates have been obtained for the Project with the assistance of financial advisors and other persons qualified by experience. The cost of the Project is not less than the principal amount of the Bonds authorized to be issued hereunder. The useful lives of the projects underlying the Refunded Bonds expire no earlier than the final maturity date of the Bonds allocable to the refunding of the Refunded Bonds.

The first principal payment date for the Bonds is within two years from the date of issue of the Bonds in accordance with Section 8142(c) of the Act. The stated maturities, or principal installments subject to mandatory redemption, of the Bonds have been fixed either: (a) so as to amortize the Bonds on at least an approximately level debt service plan during the period specified for the payment of principal under Section 8142(b) of the Act; or (b) in the alternative, in the event that an exhibit has been properly completed and attached to this Ordinance and thereby incorporated by reference herein, so that the debt

service on outstanding debt of the Local Government Unit (being the Bonds, together with such other debt as has been identified on such Exhibit) will be brought more nearly into an overall level annual debt service plan.

The issuance of the Bonds to refund the Refunded Bonds is intended to level debt service of the Local Government Unit and will either reduce total debt service over the life of the series in compliance with Section 8241(b)(1) of the Act or will refund one or more maturities to a later date pursuant to Section 8241(b)(4) of the Act (subject to compliance with the limitation on extending maturities in Section 8243(b) of the Act).

SECTION 22. ADVERTISING

The action of the officers of the Local Government Unit in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers of the Local Government Unit, or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the Local Government Unit within fifteen (15) days after final enactment. The officers of the Local Government Unit, or any of them, are hereby directed to make a copy of this Ordinance available for inspection by any citizen during reasonable hours on regular business days of the Local Government Unit as provided in the above referenced notice.

SECTION 23. APPOINTMENT OF BOND COUNSEL

The Local Government Unit hereby appoints Buchanan Ingersoll & Rooney PC, as Bond Counsel ("*Bond Counsel*"), for the purpose of rendering any and all necessary opinions with respect to the Bonds.

SECTION 24. FILING WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

The officers and officials of the Local Government Unit, which will include their duly qualified successors in office, if applicable, are authorized and directed, as required, necessary and/or appropriate: (a) to prepare, verify, certify and file with the Department of Community and Economic Development (the "*Department*") the debt statement required by Section 8002 and 8110 of the Act; (b) to prepare and file with the Department any statements required by Chapter 81, Subchapter B of the Act that are necessary or desirable to qualify all or any portion of the debt of the Local Government Unit that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit of the Local Government Unit as self-liquidating or subsidized debt; (c) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings for the required approval relating to the debt evidenced by the Bonds, 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 in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

The Local Government Unit's Fiscal Manager is authorized and directed to prepare, to execute and to file the borrowing base certificate with the Department as required by Section 8110 of the Act.

Proper officials of the Local Government Unit are authorized and directed to deliver the Bonds, but only after the Department has certified its approval pursuant to Section 8204 of the Act or the Bond proceedings are deemed to be approved under Section 8206 of the Act.

SECTION 25. GENERAL AUTHORIZATION

The officers and officials of the Local Government Unit 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 26. OFFICIAL STATEMENTS

The Preliminary Official Statement prepared with respect to the Bonds is hereby approved. Additionally, the Local Government Unit deems the Preliminary Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information

which has been omitted in accordance with such rule and which will be supplied in the final Official Statement. The Mayor and the Deputy Mayor of the Local Government Unit are hereby authorized to execute and approve a final Official Statement relating to the Bonds provided that the form thereof has been approved by the Solicitor. The distribution of the Preliminary Official Statement is hereby ratified and the Underwriter is hereby authorized to use the Preliminary Official Statement and the final Official Statement in connection with the offer and sale of the Bonds.

SECTION 27. BOND FORM

The form of the Bonds, the form of the Paying Agent’s Certificates to be endorsed thereon and the form of Assignment will be respectively and substantially as follows, with appropriate insertions and variations:

UNITED STATES OF AMERICA
 COMMONWEALTH OF PENNSYLVANIA
 CITY OF JOHNSTOWN
 (Cambria County, Pennsylvania)
 GENERAL OBLIGATION BOND, SERIES OF 2019

No. _____ \$ _____

INTEREST RATE	ISSUE DATE	MATURITY DATE	CUSIP
---------------	------------	---------------	-------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The CITY OF JOHNSTOWN, CAMBRIA COUNTY, PENNSYLVANIA (the “*Local Government Unit*”), a political subdivision existing under laws of the Commonwealth of Pennsylvania (the “*Commonwealth*”), for value received, promises to pay to the registered owner named above, or registered assigns, on the maturity date stated above, upon presentation and surrender hereof, the principal amount specified hereon, and to pay semiannually on _____ and _____ of each year, beginning _____, 20__ (each an “*Interest Payment Date*”) to the registered owner hereof interest on said principal sum, at the rate per annum stated hereon (computed on the basis of a 360 day year comprised of twelve months of 30 days), from the Interest Payment Date next preceding the date of authentication of this Bond, unless (a) this Bond is authenticated as of an Interest Payment Date, in which event this Bond will bear interest from said Interest Payment Date; or (b) this Bond is authenticated prior to _____, 2019, in which event this Bond will bear interest from _____, 2019; or (c) this Bond is authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event this Bond will bear interest from the next succeeding Interest Payment Date; or (d) as shown by the records of the Paying Agent (hereinafter identified), interest on this Bond will be in default, in which event this Bond will bear interest from the date on which interest was last paid on, until said principal sum is paid.

The interest on this Bond, which is payable by check drawn on 1st Summit Bank (the “*Paying Agent*”), a corporate trust office of which is located in the City of Johnstown, Pennsylvania, as paying agent, or its successor, and the principal of this Bond, which is payable in lawful money of the United States of America upon surrender at the designated corporate trust office of the Paying Agent. Payment of the interest hereon will be made to the registered owner hereof whose name and address will appear, at the close of business on the _____ day (whether or not a business 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 Local Government Unit will be in default in payment of interest due on such Interest Payment Date. In the case of an interest payment to any registered owner of \$1,000,000 or

more in aggregate principal amount of Bonds as of the close of business of the Paying Agent on the Record Date for a particular Interest Payment Date, such payment may be made by wire transfer to any designated account in a member bank of the Federal Reserve System as of the close of business on such Interest Payment Date upon written request from such registered owner, which written request is received by the Paying Agent not less than five days prior to such Record Date. In the event of any default in payment of interest due on such Interest Payment Date, such defaulted interest will 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 ten (10) days preceding such special record date. Such notice will 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.

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

This Bond is one of a series of bonds of the Local Government Unit, known generally as "City of Johnstown, Pennsylvania General Obligation Bonds, Series of 2019" (the "**Bonds**"), with the Bonds stated to mature on _____ of each of the years 20__ through 20__ in the aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____).

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 a duly enacted Ordinance (the "**Ordinance**") of the Governing Body. The Act, as such will have been in effect when the Bonds were authorized, and the Ordinance will constitute a contract between the Local Government Unit and registered owners, from time to time, of the Bonds.

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

The Bonds are issuable only in the form of registered bonds, without coupons, in the denominations of \$5,000 principal or maturity amount or any integral multiple thereof. The Local Government Unit and the Paying Agent will not be required (a) to issue or transfer or exchange any Bond during a period beginning at the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on the Interest Payment Date; or (b) to issue or transfer or exchange any Bond then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed; or (c) to transfer or exchange any portion of any Bond selected for redemption until after the redemption date.

Bonds may be exchanged for a like aggregate principal or maturity amount of Bonds of other authorized denominations, of the same series, maturity and interest rate or yield.

This Bond may be transferred or exchanged by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its designated office, accompanied by a written instrument or instruments 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 will enter any transfer of ownership of this Bond in the books for the registration, exchange and transfer of Bonds (the "**Bond Register**") and 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 maturity and interest rate or yield for the aggregate amount which the registered owner is entitled to receive at the earliest practicable time. The Local Government Unit and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond will be overdue) for the purpose of receiving payment of or on account of principal or maturity (or accreted) value hereof, premium, if any, and interest due hereon and for all other purposes, and the Local Government Unit and the Paying Agent will not be affected by any notice to the contrary.

Optional Redemption. The Bonds maturing on and after _____, 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 _____ 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.

Bonds Maturing _____, 20__	Principal <u>Amount</u>	Bonds Maturing _____, 20__	Principal <u>Amount</u>
-------------------------------	----------------------------	-------------------------------	----------------------------

*

*

***Final Maturities**

In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed will be drawn by lot by the Paying Agent on behalf of the Local Government Unit. Any such redemption will be upon payment of the principal amount thereof, premium, if any, plus accrued interest thereon.

If any of the Bonds is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but such Bond will be redeemed only in \$5,000 portions of its denomination or any integral multiple thereof. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption will be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion thereof being subject to redemption. In the case of partial redemption of any of the Bonds, payment of the redemption price will be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate amount equal to the unredeemed portion thereof.

Notice of any redemption, as hereinbefore authorized, will be given by the Paying Agent in the name of the Local Government Unit by mailing a notice of any redemption of Bonds hereunder by first class mail, postage prepaid, to the holders of all Bonds to be redeemed at the registered addresses

If at the time of mailing of any notice of optional redemption the Local Government Unit will not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice will state that it 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 will be of no effect unless such monies are so deposited.

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 Local Government Unit, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Local Government Unit.

The Local Government Unit, in the Ordinance, has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the maturity (or accreted) value of the Bonds will be deposited not later than the date fixed for the disbursement thereof. The Local Government Unit has covenanted, in the Ordinance, to make payments from such sinking fund or from any other of its revenues or funds, at such times and in such annual amounts, as will be sufficient for prompt and full payment of all obligations of this Bond.

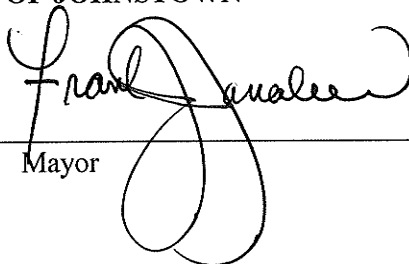
This Bond will not be entitled to any benefit under the Ordinance nor will it be valid, obligatory or enforceable for any purpose until this Bond will have been authenticated by the Paying Agent.

IN WITNESS WHEREOF, the Local Government Unit has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the Local Government Unit, and the manual or facsimile signature of the City Clerk of the Local Government Unit to be affixed hereto in attestation thereof, all as of the initial issuance date listed hereon.

ATTEST:

CITY OF JOHNSTOWN


City Clerk

By: 
Mayor

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Ordinance. The text of the Opinion printed upon this Bond is a true and correct copy of the text of the opinion issued by Buchanan Ingersoll & Rooney PC, dated and delivered on the date of the original delivery of and payment for such Bonds, an executed counterpart of which is on file with the undersigned.

1st SUMMIT BANK, Paying Agent

By: _____
Authorized Representative

Date of Authentication:

[TEXT OF OPINION OF BOND COUNSEL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Ordinance. The text of the Opinion printed upon this Bond is a true and correct copy of the text of the opinion issued by Buchanan Ingersoll & Rooney PC, dated and delivered on the date of the original delivery of and payment for such Bonds, an executed counterpart of which is on file with the undersigned.

1st SUMMIT BANK, Paying Agent

By: _____
Authorized Representative

Date of Authentication:

[TEXT OF OPINION OF BOND COUNSEL]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (please print or typewrite name, address and social security number or taxpayer identification number of transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Bond on the books kept for registration of substitution in the premises.

Assignor(s)

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

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a major stock exchange or a commercial bank or trust company.

SECTION 28. DISCLOSURE COVENANTS

In accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "**Rule**"), the Local Government Unit hereby covenants to provide, and to enter into a written continuing disclosure undertaking evidencing such covenant (the "**Disclosure Agreement**"), to the Electronic Municipal Market Access ("**EMMA**") established by the Municipal Securities Rulemaking Board ("**MSRB**") annual audited financial statements presented in conformity with generally accepted accounting principles, summary of the budget for the then current fiscal year, together with such other information as is required to be provided pursuant to the terms of the Proposal, commencing with the financial statements for the fiscal year ending December 31, 2019. Such financial statements and information will be provided not later than October 1 of each year for

the fiscal year ending the previous December 31. If such financial statements are not audited, the Local Government Unit will also provide audited General Purpose Financial Statements when and if available. In addition, the Local Government Unit hereby covenants (and the Disclosure Agreement will also include a covenant) to provide, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds to EMMA:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserve reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definite agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

The Securities and Exchange Commission requires the listing of (1) through (16) although some of such events may not be applicable to the Bonds.

The Disclosure Agreement will provide Bondholders with certain enforcement rights in the event of a failure by the Local Government Unit to comply with the terms thereof; however, a default under the Disclosure Agreement does not constitute a default under the Ordinance.

The Ordinance and the Disclosure Agreement may be revised from time to time as permitted or required by applicable law, without the consent of the Bondholders, and may be terminated as to Bonds upon the economic defeasance of all outstanding Bonds, or other arrangement, whereby the Local Government Unit is released from any further obligation with respect to the Bonds. Covenants in the Ordinance and the Disclosure Agreement may also be terminated, without the consent of the Bondholders, at such time as continuing disclosure is no longer required by applicable law. The Local Government Unit will promptly notify EMMA as provided at <http://www.emma.msrb.org>, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time, if any, of any revision or termination of the disclosure covenants. The sole remedy for a breach by the Local Government Unit of its covenants to provide notices of material events will be an action to compel performance of such covenants. Under no circumstances may monetary damage be assessed or

recovered, nor will any such breach constitute a default under the Bonds or a failure to comply with any provision of the Bonds for purposes of the Act.

SECTION 29. ESCROW AGREEMENT AND APPOINTMENT OF ESCROW AGENT

In the event that the Refunded Bonds cannot be redeemed on the settlement date for the Bonds, the Local Government Unit hereby authorizes (a) the deposit of Bond proceeds in an amount sufficient to redeem the Refunded Bonds in the sinking fund established in the ordinance authorizing the issuance of the Refunded Bonds (the “*2013 Sinking Fund*”), or (b) at the recommendation of Bond Counsel, the execution of an Escrow Deposit Agreement (the “*Escrow Agreement*”) with the paying agent for the Refunded Bonds, as escrow agent (the “*Escrow Agent*”), establishing a fund to be held in trust for the benefit of the Refunded Bonds identified in the Proposal into which is to be deposited that portion of the proceeds of the Bonds necessary to redeem such Refunded Bonds. Proceeds of the Bonds held in either the 2013 Sinking Fund or the Escrow Agreement to effect the refunding of the Refunded Bonds will, to the extent required and as set forth in the Proposal, be applied to purchase of investments or escrow securities pending the payment of the redemption price of the Refunded Bonds. It is the intent of the Local Government Unit that, simultaneously with the delivery of the Bonds, the purchase of any required escrow securities, as detailed in the Proposal, and the execution of the Escrow Agreement or the deposit into the 2013 Sinking Fund for the Refunded Bonds, the nonelectoral debt evidenced by the Refunded Bonds will no longer be deemed to be outstanding for the purpose of determining the net debt of the Local Government Unit.

The Escrow Agreement, if any, will be in the form and with the content satisfactory to the Solicitor and the officers of the Local Government Unit executing and delivering the same, the approval thereof to be conclusively evidenced by the execution thereof and appropriate to give effect to then known facts, figures and circumstances at the time of execution and delivery thereof. The proper officers of the Local Government Unit are authorized and directed to execute, to attest and to seal, as appropriate, and to deliver the Escrow Agreement.

SECTION 30. PAYMENT AND REDEMPTION OF THE REFUNDED BONDS.

The Local Government Unit hereby irrevocably calls for redemption all of the Refunded Bonds on the date specified in the Proposal and directs the paying agent for the Refunded Bonds to timely send all required notices of redemption. The Local Government Unit covenants that the Bonds will not be delivered to the Underwriter unless and until the Local Government Unit, concurrent with such delivery, shall have taken or shall take, as appropriate, all action as shall be necessary and/or appropriate to implement provisions for the redemption of the Refunded Bonds. The intent and purpose of the foregoing is to ensure that the Local Government Unit will take such action and will do such things, prior to or concurrent with delivery of the Bonds to the Underwriter, as will be necessary and/or appropriate to implement and effectuate provisions for the aforesaid redemption of the Refunded Bonds, so that simultaneously with delivery of the Bonds to the Underwriter, for all purposes of the Act, the Refunded Bonds and the outstanding debt evidenced thereby no longer will be considered to be outstanding and the Local Government Unit will be deemed to have made appropriate irrevocable provisions for the redemption of the outstanding debt which is evidenced by the Refunded Bonds.

SECTION 31. PURCHASE OF ESCROW INVESTMENTS.

The Local Government Unit hereby authorizes and directs the appropriate officers or officials of the Local Government Unit or the sinking fund depository for the Refunded Bonds to subscribe for or purchase, as applicable, on behalf of, and as agent for, the Local Government Unit those investments specified in the Escrow Agreement and in the Closing Receipt executed in connection with the delivery of the Bonds at closing to effectuate the refunding of the Refunded Bonds. Such officers or officials of the Local Government Unit are hereby authorized to make any certifications required in connection with the acquisition of such securities. Such escrow securities shall be held in the Escrow Account established under the Escrow Agreement or in the 2013 Sinking Fund as security for the Refunded Bonds.

SECTION 32. SEVERABILITY

In the event any provision, section, sentence, clause or part of this Ordinance will be held to be invalid, such invalidity will not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Local Government Unit that such remainder will be and will remain in full force and effect.

SECTION 33. REPEALER

All Ordinances or parts of Ordinances, insofar as the same will be inconsistent herewith, will be and the same expressly are repealed.

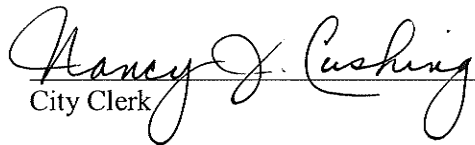
**City of Johnstown, Pennsylvania
General Obligation Bonds, Series of 2019**

CERTIFICATE

I, the undersigned, City Clerk of the City of Johnstown, Cambria County, Pennsylvania (the “**Local Government Unit**”), hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly enacted at a meeting of the Governing Body of the Local Government Unit held on November 20, 2019, at which a quorum was present and acting throughout, after due notice to the members of the Governing Body and to the public and which was at all times open to the public; that the same was duly recorded in the Local Government Unit’s Ordinance Book and that a summary thereof was published as required by law in a newspaper of general circulation in the Local Government Unit. I further certify that the total number of members of the Governing Body is seven and that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body and that the members of the Governing Body voted in the manner following:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Frank Janakovic, Mayor	<u>X</u>	___	___	___
Marie Mock	<u>X</u>	___	___	___
Richard Britt	___	___	___	<u>X</u>
Rev. Sylvia King	<u>X</u>	___	___	___
Charlene Stanton	___	___	___	<u>X</u>
David Vitovich	<u>X</u>	___	___	___
Jack Williams	___	___	___	<u>X</u>

WITNESS my hand and seal of the City of Johnstown this 20th day of Nov., 2019.



City Clerk

[SEAL]

EXHIBIT A

**CITY OF JOHNSTOWN
(CAMBRIA COUNTY, PENNSYLVANIA)
GENERAL OBLIGATION BONDS, SERIES OF 2019**

**SCHEDULE OF MAXIMUM INTEREST RATES, MAXIMUM MATURITIES
AND/OR
MANDATORY SINKING FUND REDEMPTIONS
AND
MAXIMUM DEBT SERVICE REQUIREMENTS ON THE BONDS**

**City of Johnstown
General Obligation Bonds, Series of 2019**

NTE Schedule - General Obligation Bonds, Series of 2019

Date	Principal	Coupon	Interest	Semi-Annual Debt Service	Annual Debt Service
4/1/2020			217,500.00	217,500.00	
10/1/2020	60,000.00	6.00%	217,500.00	277,500.00	495,000.00
4/1/2021			215,700.00	215,700.00	
10/1/2021	55,000.00	6.00%	215,700.00	270,700.00	486,400.00
4/1/2022			214,050.00	214,050.00	
10/1/2022	60,000.00	6.00%	214,050.00	274,050.00	488,100.00
4/1/2023			212,250.00	212,250.00	
10/1/2023	140,000.00	6.00%	212,250.00	352,250.00	564,500.00
4/1/2024			208,050.00	208,050.00	
10/1/2024	140,000.00	6.00%	208,050.00	348,050.00	556,100.00
4/1/2025			203,850.00	203,850.00	
10/1/2025	145,000.00	6.00%	203,850.00	348,850.00	552,700.00
4/1/2026			199,500.00	199,500.00	
10/1/2026	245,000.00	6.00%	199,500.00	444,500.00	644,000.00
4/1/2027			192,150.00	192,150.00	
10/1/2027	965,000.00	6.00%	192,150.00	1,157,150.00	1,349,300.00
4/1/2028			163,200.00	163,200.00	
10/1/2028	985,000.00	6.00%	163,200.00	1,148,200.00	1,311,400.00
4/1/2029			133,650.00	133,650.00	
10/1/2029	1,010,000.00	6.00%	133,650.00	1,143,650.00	1,277,300.00
4/1/2030			103,350.00	103,350.00	
10/1/2030	1,035,000.00	6.00%	103,350.00	1,138,350.00	1,241,700.00
4/1/2031			72,300.00	72,300.00	
10/1/2031	1,065,000.00	6.00%	72,300.00	1,137,300.00	1,209,600.00
4/1/2032			40,350.00	40,350.00	
10/1/2032	1,095,000.00	6.00%	40,350.00	1,135,350.00	1,175,700.00
4/1/2033			7,500.00	7,500.00	
10/1/2033	250,000.00	6.00%	7,500.00	257,500.00	265,000.00
4/1/2034			-	-	
10/1/2034			-	-	-
4/1/2035			-	-	
10/1/2035			-	-	-
4/1/2036			-	-	
10/1/2036			-	-	-
Total	7,250,000.00		4,366,800.00	11,616,800.00	11,616,800.00

Resolved and enacted into law by the Governing Body of the City of Johnstown, Cambria County, Pennsylvania, in lawful session assembled on the 26th day of ~~December~~, 2019.
November / HJC

ATTEST:

CITY OF JOHNSTOWN

Nancy J. Cushing

Nancy J. Cushing, City Clerk

By *Frank J. Janakovic*

Frank J. Janakovic, Mayor

[SEAL]