

TOWNSHIP OF MONROE,
Cumberland County, Pennsylvania

ORDINANCE NO. 2011-06

AN ORDINANCE

OF THE TOWNSHIP INCURRING NONELECTORAL DEBT TO BE EVIDENCED BY A SERIES OF GENERAL OBLIGATION BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$9,660,000, PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, FOR THE PURPOSES OF PROVIDING FUNDS FOR AND TOWARD (1) REFUNDING ALL OR A PORTION OF THE OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2003, GENERAL OBLIGATION BONDS, SERIES A OF 2003, AND GENERAL OBLIGATION BONDS, SERIES OF 2005, OF THE TOWNSHIP, (2) THE PAYMENT OF A CAPITAL CONTRIBUTION FOR AND TOWARDS THE COSTS OF PLANNING, DESIGNING, ACQUIRING AND CONSTRUCTING UPGRADES AND OTHER IMPROVEMENTS TO THE SOUTH MIDDLETON WASTEWATER TREATMENT PLANT AND RELATED FACILITIES THROUGH WHICH SEWAGE AND WASTES COLLECTED IN PORTIONS OF THE SANITARY SEWAGE COLLECTION SYSTEM OWNED BY MONROE TOWNSHIP MUNICIPAL AUTHORITY AND LEASED TO THE TOWNSHIP FOR OPERATION AND USE ARE TRANSPORTED AND TREATED, AND (3) TO PROVIDE FUNDS TO PAY RELATED COSTS AND EXPENSES, INCLUDING THE COSTS OF ISSUANCE OF SUCH BONDS; ACCEPTING A CERTAIN PROPOSAL FOR PURCHASE OF SUCH BONDS, AT PRIVATE SALE BY NEGOTIATION; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF SUCH BONDS AND AUTHORIZING AN OFFICER OF THE TOWNSHIP TO APPROVE OTHER, FINAL TERMS OF SUCH BONDS, WITHIN CERTAIN LIMITS; AUTHORIZING EXECUTION AND AUTHENTICATION OF SUCH BONDS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP IN SUPPORT OF SUCH BONDS; APPOINTING A PAYING AGENT AND A SINKING FUND DEPOSITORY IN CONNECTION WITH SUCH BONDS; SETTING FORTH CERTAIN REPRESENTATIONS AND COVENANTS RELATING TO THE FEDERAL INCOME TAX STATUS OF THE INTEREST TO BE PAID ON SUCH BONDS; AUTHORIZING APPROPRIATE OFFICERS OF THE TOWNSHIP TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AUTHORIZING THE REDEMPTION AND RETIREMENT

OF THE BONDS TO BE REFUNDED; AUTHORIZING EXECUTION AND DELIVERY OF A BOND RETIREMENT AGREEMENT WITH RESPECT TO TE REFUNDED BONDS, IF AND AS NECESSARY OR APPROPRIATE; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AMENDMENTS TO THE EXISTING LEASES BETWEEN THE TOWNSHIP AND MONROE TOWNSHIP MUNICIPAL AUTHORITY WITH RESPECT TO THE SANITARY SEWAGE SYSTEMS LEASED TO THE TOWNSHIP; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HERewith.

WHEREAS, The Township of Monroe, Cumberland County, Pennsylvania (the "Township"), is a political subdivision (a Township of the Second Class) of the Commonwealth of Pennsylvania (the "Commonwealth") and a "local government unit" within the meaning of the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), and is governed by its Board of Supervisors (the "Board of Supervisors"); and

WHEREAS, Monroe Township Municipal Authority (the "Authority") is a municipality authority existing under and governed by the Municipality Authorities Act, 53 Pa.C.S. Ch. 56, as amended and supplemented, from time to time, of the Commonwealth; and

WHEREAS, The Authority, with the approval and consent of the Township, heretofore acquired and/or constructed certain sanitary sewage collection, transmission and disposal system facilities required for rendering sanitary sewage service in and for a certain area of the Township known as the "Northern Service Area" (the "Northern Service Area Sewer System"), which Northern Service Area Sewer System has been leased to the Township for operation and use pursuant to an Agreement of Lease (Northern Service Area), dated as of July 1, 2005, as amended and supplemented (collectively, the "Northern Service Area Lease"); and

WHEREAS, The Authority, with the approval and consent of the Township, heretofore acquired and/or constructed certain sanitary sewage collection, transmission and disposal system facilities required for rendering sanitary sewage service in and for a certain area of the Township known as the "Southern Service Area" (the "Southern Service Area Sewer System"), which Southern Service Area Sewer System has been leased to the Township for operation and use pursuant to an Agreement of Lease (Southern Service Area), dated as of July 1, 2005, as amended and supplemented (collectively, the "Southern Service Area Lease"); and

WHEREAS, The Authority and the Township have determined that the Authority or the Township, as applicable and appropriate, is required, by the terms of an existing sewage treatment agreement with South Middleton Township Municipal Authority, to make a capital contribution toward the costs of planning, designing, acquiring and constructing upgrades and other improvements to the South Middleton Wastewater Treatment Plant and related facilities through which sewage and wasted collected in the Southern Service Area Sewer System are transported and treated (the "Capital Project"); and

WHEREAS, The Board of Supervisors of the Township has obtained realistic cost estimates for the costs of the Capital Project from a registered architect, a professional engineer or another person or persons qualified by experience and has determined that the share of the total cost of the Capital Project to be paid by the Authority or the Township, as applicable and appropriate, is not less than \$1,500,000; and

WHEREAS, The Board of Supervisors, by Ordinance duly enacted, in accordance with law, on June 12, 2003 (the "Series of 2003 Bonds Enabling Ordinance"), authorized and directed issuance of a series of bonds, in the original aggregate principal amount of \$2,835,000 and designated as the General Obligation Bonds, Series of 2003 (the "Series of 2003 Bonds"), to provide funds for and toward proper legal purposes which are set forth, in detail, in the Series of 2003 Bonds Enabling Ordinance; and

WHEREAS, The Department of Community and Economic Development (the "Department") of the Commonwealth approved the proceedings of the Township related to the increase of bonded indebtedness by issuance of the Series of 2003 Bonds; and

WHEREAS, The Board of Supervisors, by Ordinance duly enacted, in accordance with law, on July 10, 2003 (the "Series A of 2003 Bonds Enabling Ordinance"), authorized and directed issuance of a series of bonds, in the original aggregate principal amount of \$2,710,000 and designated as the General Obligation Bonds, Series A of 2003 (the "Series A of 2003 Bonds"), to provide funds for and toward proper legal purposes which are set forth, in detail, in the Series A of 2003 Bonds Enabling Ordinance; and

WHEREAS, The Department approved the proceedings of the Township related to the increase of bonded indebtedness by issuance of the Series A of 2003 Bonds; and

WHEREAS, The Board of Supervisors, by Ordinance duly enacted, in accordance with law, on December 5, 2005 (the "Series of 2005 Bonds Enabling Ordinance"), authorized and directed issuance of a series of bonds, in the original aggregate principal amount of \$3,500,000 and designated as the General Obligation Bonds, Series of 2005 (the "Series of 2005 Bonds"), to provide funds for and toward proper legal purposes which are set forth, in detail, in the Series of 2005 Bonds Enabling Ordinance; and

WHEREAS, The Department approved the proceedings of the Township related to the increase of bonded indebtedness by issuance of the Series of 2005 Bonds; and

WHEREAS, The Board of Supervisors of the Township now has determined that debt service savings may be obtained by refunding all or a portion of the Series of 2003 Bonds, the Series A of 2003 Bonds and the Series of 2005 Bonds which remain outstanding; and

WHEREAS, The Board of Supervisors of the Township has determined to refund (1) all or a portion of the outstanding Series of 2003 Bonds, (2) all or a portion of the outstanding Series A of 2003 Bonds, and (3) all or a portion of the outstanding Series of 2005 Bonds, all as shall be set forth in a final refunding report for the Township (the "Refunding Report") to be prepared by the Purchaser (hereinafter defined) and in the accepted Addendum to which reference is hereinafter made; and

WHEREAS, such undertaking is herein referred to as the "Refunding Project"; and

WHEREAS, The Board of Supervisors of the Township contemplates the authorization, sale, issuance and delivery of a series of bonds, in the maximum aggregate principal amount of Nine Million Six Hundred Sixty Thousand Dollars (\$9,660,000), to be known as the "General Obligation Bonds, Series of 2011" (or, if such bonds are to be issued in a calendar year after 2011, with substitution of the calendar year of issuance in the name of such bonds) (the "Bonds"), with the proceeds to be applied for and toward the Refunding Project, the Capital Project and the payment of related costs and expenses, including the costs and expenses of issuance of the Bonds (all of the foregoing, collectively, being referred to herein as the "Project"), all in accordance with applicable and appropriate provisions of the Debt Act; and

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

WHEREAS, The Board of Supervisors of the Township, in contemplation of authorization, sale, issuance and delivery of the Bonds, with the proceeds to be used for the aforesaid purposes, has determined that the Bonds: (a) shall be offered at private sale by negotiation; and (b) shall be offered for sale at a price of not less than 95% nor more than 110% of the final, aggregate principal amount, together with accrued interest, if any, from the date of the Bonds to the date of delivery thereof; and

WHEREAS, A Bond Purchase Proposal, dated October 13, 2011 (the "Proposal"), has been received from PNC Capital Markets LLC (the "Purchaser"), which has an office in Philadelphia, Pennsylvania, and such Proposal contains certain the financial parameters for, and conditions to, the underwriting and issuance of the Bonds, including maximum interest rates or yields and maximum principal maturity or mandatory sinking fund redemption amounts by fiscal year as set forth in Exhibit A attached hereto (the "Bond Parameters"), and is intended to be supplemented by an addendum containing the final terms and conditions of the sale of the Bonds consistent with the Bond Parameters; and

WHEREAS, The Board of Supervisors duly has opened, read and considered the Proposal; and

WHEREAS, The Board of Supervisors desires to accept the Proposal, to award the Bonds, to authorize issuance of nonelectoral debt, and to take appropriate action and to authorize proper things, all in connection with the Project, and all in accordance with and pursuant to provisions of the Act; and

WHEREAS, The Board of Supervisors has determined to appoint Manufacturers and Traders Trust Company (the "Paying Agent"), which has a corporate trust office in Harrisburg, Pennsylvania, as paying agent and sinking fund depository with respect to the Bonds, and has determined to provide that the principal of and interest on the Bonds shall be payable, when due, at such office of the Paying Agent or at its principal corporate trust office in Buffalo, New York; and

WHEREAS, The Board has determined to enter into a Third Supplemental Agreement of Lease (Northern Service Area), to be effective as of the date of delivery of the Bonds, between the Township and the Authority (the "Northern Service Area Supplemental Lease"), amending and supplementing the Northern Service Area Lease, if appropriate, which, among other things, will make provision for the payment of the debt service on such portion of the Bonds as is properly allocable to the refunding of those Series of 2003 Bonds, Series A of 2003 Bonds and Series of 2005 Bonds, as applicable, as were issued to finance or refinance assets constituting part of the Northern Service Area Sewer System; and

WHEREAS, The Board has determined to enter into a Third Supplemental Agreement of Lease (Southern Service Area), to be effective as of the date of delivery of the Bonds, between the Township and the Authority (the "Southern Service Area Supplemental Lease"), amending and supplementing the Southern Service Area Lease, which, among other things, will make provision for the payment of the debt service on such portion of the Bonds as is properly allocable to the Capital Project and the refunding of those Series of 2003 Bonds, Series A of 2003 Bonds and Series of 2005 Bonds, as applicable, as were issued to finance or refinance assets constituting part of the Southern Service Area Sewer System.

NOW, THEREFORE, BE IT ENACTED, by the Board of Supervisors, as follows:

Section 1. The Board of Supervisors does authorize and direct the issuance of the Bonds, pursuant to this Ordinance, in accordance with the Act, for purposes of the Project.

Section 2. The Board of Supervisors expresses its finding that it is in the best financial interests of the Township to sell the Bonds at private sale by negotiation and determines that the debt to be incurred pursuant to this Ordinance shall be nonelectoral debt.

Section 3. A brief description of the Refunding Project is set forth in the preamble hereof. The Board of Supervisors hereby declares that the Refunding Project is authorized and permitted under and pursuant to 53 Pa.C.S. §8241(b)(1) (relating to reduction of debt service over the life of the series).

The first stated maturity date of the Bonds shall be not more than two years from the date of issue thereof, as required by 53 Pa.C.S. §8142.

The final stated maturity date of the Bonds issued for the Refunding Project shall be in a fiscal year not later than the fiscal year in which the final stated maturity date of the Series of 2003 Bonds, the Series A of 2003 Bonds and/or the Series of 2005 Bonds to be refunded occurs.

The remaining useful life of the capital projects financed or refinanced by the Series of 2003 Bonds, the Series A Bonds and the Series of 2005 Bonds is not less than twenty-five (25) years.

Section 4. A brief description of the Capital Project is set forth in the preamble hereof.

The Board of Supervisors hereby finds and declares that the useful life of the Capital Project is not less than thirty (30) years.

The first stated maturity date of the Bonds issued for the Capital Project shall be not more than two years from the date of issue thereof, or not more than one year after the estimated completion of construction of the Capital Project, as required by 53 Pa.C.S. §8142. The Board of Supervisors has determined, based upon information provided by the South Middleton Township Municipal Authority, that the estimated date of completion of construction of the Capital Project is September 30, 2014.

Section 5. The Board of Supervisors of the Township shall and does accept the Proposal; and the Bonds shall be sold in accordance with terms and conditions of the Proposal, at a final purchase price (including underwriting discount and original issuance premium or discount) of not less than 95% nor more than 110% of the aggregate principal amount of the Bonds to be issued, plus accrued interest, if any, from the date thereof to the date of delivery thereof.

The Chairman or Vice Chairman of the Board of Supervisors of the Township is hereby authorized and directed to evidence the Township's acceptance of the Proposal by executing one or more counterparts of the Proposal, in the form submitted at this meeting.

The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by the Township with respect to such bid security, except as provided by the Act.

The Chairman or Vice Chairman of the Board of Supervisors or, if neither is available for such purposes, the Secretary of the Township, is hereby further authorized to execute and deliver on behalf of the Township an acceptance of a written addendum to the Proposal (the "Addendum") containing the final terms and conditions for issuance and sale of the Bonds, at such time as such Addendum is presented by the Purchaser, provided that (1) such final terms and conditions for sale and issuance of the Bonds under the Proposal as amended or supplemented by the Addendum, including the aggregate principal amount, maturity or mandatory sinking fund redemption amounts, interest rates or yields, final maturity date and purchase price, are within the Bond Parameters set forth herein, (2) the issuance and sale of the Bonds in accordance with the terms of the Proposal, as amended or supplemented by the Addendum, (a) will result in net debt service savings to the Township of not less than 2.875% of the outstanding aggregate principal amount of the Series of 2003 Bonds, the Series A of 2003 Bonds and the Series of 2005 Bonds to be refunded (net of a reasonable allocation of the total costs of issuance of the Bonds), determined in a manner consistent with the refunding analyses heretofore made by the Purchaser to the Township, and (b) will provide net proceeds of the Bonds in an amount not less than \$1,000,000 (net of a reasonable allocation of the total costs of issuance of the Bonds) for and toward the Capital Project.

The Board of Supervisors specifically authorizes proceeding with the refunding of less than all of outstanding aggregate principal amount of the Series of 2003 Bonds, the Series A of 2003 Bonds and the Series of 2005 Bonds, and the acceptance of an addendum to the Proposal providing for the refunding of less than all of such outstanding bonds, provided that the minimum

net debt service savings specified in the preceding paragraph, as a percentage of the bonds to be actually refunded, will be realized.

A copy of the Addendum so accepted by such official of the Township shall be filed with the Secretary of the Township and shall constitute part of the Proposal accepted by this Ordinance.

Section 6. The Bonds, when issued, will be general obligation bonds of the Township.

The Bonds shall be issuable as fully registered bonds, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof, and shall be dated as of the date of original issuance and delivery thereof or as of such other date specified in the Proposal or the Addendum (the "Dated Date of the Bonds").

Each of the Bonds shall bear interest from the interest payment date next preceding the date of registration and authentication of such bond, unless: (a) such bond is registered and authenticated as of an interest payment date, in which event such bond shall bear interest from said interest payment date; or (b) such bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such bond shall bear interest from such interest payment date; or (c) such bond is registered and authenticated on or prior to the Record Date (hereinafter defined) next preceding the first interest payment date, in which event such bond shall bear interest from the Dated Date of the Bonds; or (d) as shown by the records of the Paying Agent, interest on such bond shall be in default, in which event such bond shall bear interest from the date to which interest was last paid on such bond. Interest on each of the Bonds shall be payable initially on a date designated as one of the final terms and conditions for sale of the Bonds and thereafter semiannually, until the principal sum thereof is paid. Except as to distinguishing numbers, denominations, interest rates and maturity dates, the Bonds and the Paying Agent's certificates of authentication shall be substantially in the forms and shall 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 denominations and maturity dates.

Principal, redemption premium, if any, and interest with respect to the Bonds shall be payable in lawful money of the United States of America.

The principal of the Bonds and any redemption premium payable upon a redemption of Bonds shall be payable to the registered owners thereof or their transferees, upon presentation and surrender of the Bonds at the place or places set forth in the Bonds.

Section 7. Payment of interest on the Bonds shall be made by check mailed to the registered owners thereof whose names and addresses appear at the close of business on the fifteenth (15th) day next preceding each interest payment date (the "Record Date") on the registration books maintained by the Paying Agent on behalf of the Township, irrespective of any transfer or exchange of any Bonds subsequent to the Record Date and prior to such interest payment date, unless the Township shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall 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 Township to the registered owners of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day that is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required 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.

Section 8. The Township and the Paying Agent may deem and treat the persons in whose names the Bonds are registered as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but registration of a transfer of ownership may be made as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, to the extent of the sum or sums so paid, and neither the Township nor the Paying Agent shall be affected by any notice to the contrary.

Section 9. The Township shall cause to be kept, and the Paying Agent shall keep, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as Bonds shall remain outstanding. Such registrations, exchanges and transfers shall 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.

Section 10. Registration of the transfer or exchange of ownership of Bonds shall be made upon surrender of any of the Bonds to the Paying Agent, 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 shall enter any transfer of ownership or exchange of any of the Bonds in the registration books and shall authenticate and deliver, at the earliest practicable time 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 that the registered owner is entitled to receive.

Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate, upon surrender of the Bonds to be exchanged to the Paying Agent with appropriate written instructions..

Section 11. If Bonds shall be subject to optional redemption or mandatory redemption prior to stated maturity, the Township and the Paying Agent shall not be required to issue or to register the transfer of or exchange any of the Bonds 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 of mailing of the applicable notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any of the Bonds selected for redemption in whole or in part until after the redemption date.

Section 12. The Bonds shall be numbered consecutively, as issued, without regard to denomination or maturity, shall bear interest at a rate not to exceed 4.50% per annum, and shall mature or be payable upon mandatory redemption prior to stated maturity in annual amounts not exceeding those set forth in Exhibit A, which is attached hereto and made part hereof.

The final interest rates (or yields) on the Bonds and the annual stated maturities or mandatory redemptions of principal of the Bonds shall be as set forth in the Addendum accepted in accordance with Section 5 of this Ordinance, provided that the principal maturing or subject to mandatory redemption in any year shall not exceed the amount set forth in Exhibit A.

Section 13. The Bonds shall be subject to optional redemption by the Township prior to maturity on such date or dates and at such redemption price or prices as shall be set forth in the Addendum accepted in accordance with Section 5 of this Ordinance.

If the Addendum accepted in accordance with Section 5 of this Ordinance provides that any of the Bonds shall be term bonds, such Bonds (the "Term Bonds") shall be subject to mandatory redemption by the Township in such annual principal amounts and on such dates as are stated in the Addendum (but not in amounts greater than set forth in Exhibit A), at a redemption price equal to 100% of the principal amount redeemed together with accrued interest thereon to the date fixed for redemption. Any such redemption shall be upon application of money available for the purpose in a Mandatory Sinking Fund to be established within the Sinking Fund created in accordance with this Ordinance. In lieu of any such mandatory redemption, the Paying Agent, on behalf of the Township, may purchase from money in such Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the Township may tender to the Paying Agent, all or any part of the Term Bonds subject to being drawn for redemption on any such date.

In the case of any optional redemption in part of Term Bonds of any particular maturity, the Township shall be entitled to designate whether the amount to be redeemed shall be credited against the principal amount of such Term Bonds due at maturity or credited against the principal amount of such Term Bonds scheduled to be called for mandatory sinking fund redemption on any particular date or dates, in each case in an integral multiple of \$5,000 principal amount.

If any of the Bonds that are subject to redemption prior to stated maturity is of a denomination larger than \$5,000, a portion of such bond may be redeemed, but only in an integral multiple of \$5,000 principal amount. For the purpose of selecting any of the Bonds for redemption, each of the Bonds subject to redemption shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided 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 of the same series, maturity and interest rate and in aggregate principal amount equal to the unredeemed portion of the principal amount of such bond redeemed in part.

If Bonds shall be redeemable prior to stated maturity and are to be so redeemed, notice of redemption shall be deposited in first class mail not less than thirty (30) days prior to the date fixed for redemption and shall be addressed to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent as of the day such Bonds are selected for redemption. Such notice shall specify: (1) the series, maturity (and if Bonds having the same maturity date bear interest at different rate, the interest rate) and numbers of the Bonds or portions thereof so called for redemption; (2) the date fixed for redemption; (3) the redemption price or prices applicable to the Bonds or portions thereof to be redeemed; and (4) that on the date fixed for redemption the principal amount to be redeemed will be payable at a designated office of the Paying Agent and that after such date interest thereon shall cease to accrue. Failure to mail any such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

If at the time of mailing of a notice of redemption the Township shall not have deposited with the Paying Agent, as sinking fund depository, money sufficient to redeem all Bonds called for redemption, the notice of redemption shall state that it is conditional, i.e., that it is subject to the deposit of sufficient redemption money with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such money is so deposited. If the Bonds to be called for redemption shall have been refunded, money sufficient to redeem such Bonds shall be deemed to be on deposit with the Paying Agent for the purposes of this Section, and the notice of redemption need not state that it is conditional, if the redemption money has been deposited irrevocably with another bank or bank and trust company which shall have been given irrevocable instructions to transfer the same to the Paying Agent not later than the redemption date.

On the date designated for redemption, notice having been provided as aforesaid and money for payment of the principal, redemption premium, if any, and accrued interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under this Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall 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 shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of the principal, premium, if any, and interest upon such redemption shall be the next succeeding day that is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

Section 14. The Township appoints the Paying Agent as the paying agent with respect to the Bonds and directs that the principal of and interest on the Bonds shall be payable, when due, at the corporate trust office of the Paying Agent located in Harrisburg, Pennsylvania, or

at its principal corporate trust office in Buffalo, New York, in lawful money of the United States of America.

Any corporation or association into which the Paying Agent, or any appointed successor to it, may be merged or converted or with which it, or any appointed successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or association to which the Paying Agent, or any appointed successor to it, sells or otherwise transfers all or substantially all of its corporate trust business, including its functions under this Ordinance, shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the Township, and thereafter references herein to the "Paying Agent" shall refer to such resulting corporation or association, or to such transferee, as the case may be.

If the Paying Agent at any time shall resign or shall be removed by the Township, the Board of Supervisors shall appoint a successor paying agent that is duly qualified in accordance with the Act to serve as paying agent for the Bonds and sinking fund depository with respect to the Sinking Fund created herein, and the principal of, redemption premium, if any, and interest on the Bonds shall be payable, when due, at a designated office of the successor paying agent located in the Commonwealth and at such additional payment offices as the successor paying agent shall designate. Upon acceptance of such appointment and the transfer by the Paying Agent to the successor paying agent of the appropriate documents, records, and funds, references herein to the "Paying Agent" shall thereafter refer to such successor paying agent.

Section 15. The form of the Bonds, including the form of Assignment and the form of the Paying Agent's Certificates shall be substantially as set forth in Exhibit B, which is attached hereto and hereby made a part hereof, with appropriate insertions, omissions and variations.

Section 16. The Bonds shall be executed in the name of and on behalf of the Township by the manual or facsimile signature of the Chairman or Vice Chairman of the Board of Supervisors of the Township; the official seal of the Township or a facsimile thereof shall be affixed thereto or imprinted thereon and the manual or facsimile signature of the Secretary or Assistant Secretary of the Township shall be affixed thereto in attestation thereof; and said officers are authorized to execute and to attest the Bonds.

Section 17. No bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such bond shall have been registered and 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 18. The Township covenants to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to this Ordinance, that the Township shall do the following: (i) include the amount of the debt service for the Bonds, for each fiscal year of the Township in which such sums are payable, in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of such debt service, and (iii) duly and punctually pay or cause to be paid from the Sinking Fund (hereinafter identified) 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 Township shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of the Township shall be specifically enforceable.

Section 19. There is created, pursuant to the requirements of the Act, a sinking fund for the Bonds, to be known as the "Sinking Fund - General Obligation Bonds, Series of 2011" (with substitution of the year of actual issuance of the Bonds, if the Bonds are issued after 2011) (the "Sinking Fund"), which Sinking Fund shall be administered in accordance with applicable provisions of the Act.

If any of the Bonds shall be Term Bonds, as specified in the Addendum accepted in accordance with Section 5, a separate fund or account shall be created within and as a part of the Sinking Fund and designated as the "Mandatory Sinking Fund." The Paying Agent, as the sinking fund depository, shall make deposits into the Mandatory Sinking Fund, from funds deposited by the Township into the Sinking Fund, in such amounts and on such dates as money shall be required for the payment upon stated maturity of the Term Bonds that shall be outstanding, if any, on their stated maturity date, and to mandatory redemption prior to stated maturity of such Term Bonds on such dates and in such amounts as are specified in the Addendum.

The Paying Agent, on the forty-fifth (45th) day next preceding any date on which Term Bonds are subject to mandatory sinking fund redemption as specified in the Addendum, so long as any Term Bonds shall remain outstanding, or as soon after such date as shall suit the convenience of the Paying Agent and shall allow sufficient time for mailing of the requisite notice of redemption, shall select or draw, by lot, in a fair and equitable manner, a principal amount of Term Bonds of the appropriate maturity equal to the amount then required to be redeemed. The Paying Agent shall, upon selection of Term Bonds of the appropriate maturity so to be called for redemption prior to maturity, mail the requisite notice of redemption on behalf of the Township. The Township covenants to assume and to pay all costs and expenses related to the mandatory redemption of such Term Bonds.

The amount required to be deposited in the Mandatory Sinking Fund on any given date shall be reduced by the principal amount of any Term Bonds of the appropriate maturity that shall have been purchased or tendered in lieu of mandatory redemption in the immediately preceding period, as provided in Section 13 hereof, and the amount of any Term Bonds of the appropriate maturity that have been called for earlier optional redemption which the Township has elected to credit against the amount of Term Bonds to be redeemed on such date, as provided in Section 13 hereof.

The principal amount of Term Bonds to be retired from money available in the Mandatory Sinking Fund shall be paid by the Paying Agent, as the sinking fund depository, in the usual and customary manner, from such money available in the Mandatory Sinking Fund.

Section 20. The Township appoints the Paying Agent as the sinking fund depository with respect to the Sinking Fund.

Section 21. The Township covenants to make payments out of the Sinking Fund, or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due.

Section 22. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary, respectively, of the Township, are authorized and directed, as required, necessary and/or appropriate: (a) to prepare, to certify and to file with the Department of Community and Economic Development of the Commonwealth (the "Department") the debt statement required by the Act; (b) to prepare and to file with the Department any statements required by the Act that are necessary to qualify all or any portion of the debt of the Township that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit of the Township 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, of which debt the Bonds, upon issuance, will be evidence, as required by 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 Board of Supervisors of the Township authorizes and directs that an appropriate borrowing base certificate be prepared for filing with the Department as required by the Act. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary of the Township are hereby authorized to prepare and to execute, or to authorize the auditors of the Township to prepare and to execute, such borrowing base certificate.

Section 23. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary, respectively, of the Township are authorized and directed to contract with the Paying Agent for its services as paying agent with respect to the Bonds and as sinking fund depository in connection with the Sinking Fund.

Section 24. It is declared that the debt to be incurred hereby, together with any other indebtedness of the Township, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Township.

Section 25. Proper officers of the Township are authorized and directed to deliver the Bonds and to authorize payment of all costs and expenses associated with issuance of the Bonds as provided for in the Proposal, but only after the Department has certified its approval pursuant to the provisions of the Act or at such time when the filing authorized to be submitted to the Department pursuant to this Ordinance shall be deemed to have been approved pursuant to applicable provisions of the Act.

Section 26. The Township covenants to and with purchasers of the Bonds that it will make no use of the proceeds of the Bonds, or of any other obligations deemed to be part of the same "issue" as the Bonds under applicable Federal tax regulations, that will cause the Bonds to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations implementing said Sections of the Code. The Township further covenants to and with purchasers of the Bonds that it will make no use of the proceeds of the Bonds, of the proceeds of any other

obligations deemed to be part of the same "issue" as the Bonds under applicable Federal tax regulations, or of any property or facilities financed with the proceeds of the Bonds or of any such other obligations deemed to be part of the same "issue" as the Bonds, that will cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the Treasury Regulations implementing said Section of the Code. The Township shall comply with all other requirements of the Code, if and to the extent applicable, to maintain continuously the Federal income tax exemption of interest on the Bonds.

The Chairman or Vice Chairman of the Board of Supervisors is authorized to represent, if appropriate, in a certificate delivered when the Bonds are issued, that the Township does not then reasonably expect to issue tax-exempt obligations that, together with all tax-exempt obligations reasonably expected to be issued by all entities that issue bonds on behalf of the Township and all "subordinate entities" (within the meaning of Section 265(b)(3)(E) of the Code) of the Township, in the aggregate, will exceed Ten Million Thousand Dollars (\$10,000,000) (or such other amount as may be applicable under the Code at the time of issuance of the Bonds) (excluding obligations issued to refund (other than to advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation) in the calendar year of issuance and, accordingly, to designate the Bonds (to the extent they are not "deemed designated" under Section 265(b)(3)(D)(ii) of the Code) as "qualified tax-exempt obligations," as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

Section 27. The Board of Supervisors of the Township authorizes and directs the purchase of municipal bond guaranty insurance with respect to the Bonds, if the purchase of such insurance is required by the terms of the accepted Proposal, including the accepted Addendum, and authorizes the proper officers of the Township to take and to authorize all required, necessary and/or appropriate action with respect to such insurance, including the payment of the premium for such insurance.

Section 28. The Board of Supervisors hereby declares that the net proceeds of sale of the Bonds being authorized for issuance for the Capital Project under the provisions of this Ordinance do not exceed the amount reasonably necessary for the payment of the share of the costs of the Capital Project payable by the Township and/or the Authority, taking into account the estimated total cost of the Capital Project, other funds that have been reserved, set aside, dedicated or earmarked for the payment of the share of the costs of the Capital Project payable by the Township and/or the Authority, and the proceeds of any other bonds, notes or other obligations heretofore issued by the Township that are available for payment of such share of costs.

The Board of Supervisors further hereby declares that (1) at least 85 percent of the net proceeds of sale of the Bonds issued for the Capital Project is expected to be allocated to payment of such share of the costs of the Capital Project by the end of the 3-year period beginning on the date of issuance of the Bonds; (2) the Township and/or the Authority has incurred, or expects to incur within 6 months following the date of issuance of the Bonds, a substantial, binding obligation to a third party to expend at least five (5) percent of the net proceeds of sale of such Bonds on the Capital Project; and (3) the Township expects that the Capital Project will proceed with due diligence to completion and the net proceeds of sale of such Bonds will be allocated to

payment of the share of the costs of the Capital Project payable by the Township and/or the Authority.

Section 29. The Board of Supervisors hereby authorizes and directs the establishment of a construction fund for the Capital Project (the "Construction Fund"), into which the net proceeds of the Bonds issued for the Capital Project, together with any portion of the proceeds of the Bonds budgeted but not expended for costs of issuance of the Bonds, shall be deposited and from which money may be withdrawn or disbursed from time to time for payment of the Township's share of the costs, as such term is defined in the Act, of the Capital Project, or from which money shall be made available to the Authority for the payment of its share of the costs of the Capital Project, as applicable and appropriate, or for any other lawful purpose, upon written authorization of the Board of Supervisors of the Township. Any money in the Construction Fund not required for prompt expenditure may be deposited or invested in accordance with 53 Pa.C.S. §8224 or other applicable provisions of law, and the Treasurer or other appropriate officer of the Township is hereby authorized and directed to arrange for investment of the money on deposit in the Construction Fund in appropriate, lawful investments.

Section 30. The Township does determine to provide for retirement of those Series of 2003 Bonds to be refunded as part of the Refunding Project, as provided in the Addendum and the Refunding Report (the "Refunded Series of 2003 Bonds"), upon optional redemption thereof prior to stated maturities, and does hereby authorize the exercise of the Township's option to redeem such Refunded Series of 2003 Bonds, in accordance with the right and privilege reserved to the Township in the Series of 2003 Bonds and in the Series of 2003 Bonds Enabling Ordinance. Such right of redemption shall be deemed to have been exercised, conditionally, as hereinafter provided in this Section, upon the issuance of written directions to the Refunded Series of 2003 Bonds Paying Agent, as such phrase is hereinafter defined, to issue an appropriate notice of redemption with respect to the Refunded Series of 2003 Bonds

The Refunded Series of 2003 Bonds shall be redeemed and retired on a date to be specified in the accepted Addendum and the Refunding Report, which shall be not more than 90 days after the date of issuance of the Bonds, subject, however, to the further provisions of this Section. Such redemption of the Refunded Series of 2003 Bonds shall be accomplished in the manner, upon terms and conditions and with the effect provided in the Series of 2003 Bonds and in the Series of 2003 Bonds Enabling Ordinance.

Promptly following the acceptance of the Addendum, the Chairman or Vice Chairman of the Board of Supervisors or the Secretary or Assistant Secretary of the Township (a) shall give notice to Manufacturers and Traders Trust Company, as paying agent and registrar for the Series of 2003 Bonds, or its successor as paying agent and registrar for the Series of 2003 Bonds, if applicable (the "Refunded Series of 2003 Bonds Paying Agent"), of the Township's exercise of the right to redeem the Refunded Series of 2003 Bonds, and (b) shall authorize and instruct the Refunded Series of 2003 Bonds Paying Agent to issue a proper notice of redemption to effect the redemption of the Refunded Series of 2003 Bonds on the appropriate redemption date, which notice of redemption shall be conditional, unless funds sufficient to provide for such redemption shall be on deposit with the Refunded Series of 2003 Bonds Paying Agent and available for such purpose at the time such notice is given. Such instructions may be embodied in

an appropriate bond retirement agreement with respect to the Refunded Series of 2003 Bonds, as hereinafter authorized.

In the event the sale and issuance of the Bonds is not consummated in accordance with the Proposal, including the Addendum accepted in accordance with Section 5, the exercise of the Township's right to redeem Series of 2003 Bonds in accordance with this Ordinance shall be null and void.

Section 31. The Township does determine to provide for retirement of those Series A of 2003 Bonds to be refunded as part of the Refunding Project, as provided in the Addendum and the Refunding Report (the "Refunded Series A of 2003 Bonds"), upon optional redemption thereof prior to stated maturities, and does hereby authorize the exercise of the Township's option to redeem such Refunded Series A of 2003 Bonds, in accordance with the right and privilege reserved to the Township in the Series A of 2003 Bonds and in the Series A of 2003 Bonds Enabling Ordinance. Such right of redemption shall be deemed to have been exercised, conditionally, as hereinafter provided in this Section, upon the issuance of written directions to the Refunded Series A of 2003 Bonds Paying Agent, as such phrase is hereinafter defined, to issue an appropriate notice of redemption with respect to the Refunded Series A of 2003 Bonds

The Refunded Series A of 2003 Bonds shall be redeemed and retired on a date to be specified in the accepted Addendum and the Refunding Report, which shall be not more than 90 days after the date of issuance of the Bonds, subject, however, to the further provisions of this Section. Such redemption of the Refunded Series A of 2003 Bonds shall be accomplished in the manner, upon terms and conditions and with the effect provided in the Series A of 2003 Bonds and in the Series A of 2003 Bonds Enabling Ordinance.

Promptly following the acceptance of the Addendum, the Chairman or Vice Chairman of the Board of Supervisors or the Secretary or Assistant Secretary of the Township (a) shall give notice to Manufacturers and Traders Trust Company, as paying agent and registrar for the Series A of 2003 Bonds, or its successor as paying agent and registrar for the Series A of 2003 Bonds, if applicable (the "Refunded Series A of 2003 Bonds Paying Agent"), of the Township's exercise of the right to redeem the Refunded Series A of 2003 Bonds, and (b) shall authorize and instruct the Refunded Series A of 2003 Bonds Paying Agent to issue a proper notice of redemption to effect the redemption of the Refunded Series A of 2003 Bonds on the appropriate redemption date, which notice of redemption shall be conditional, unless funds sufficient to provide for such redemption shall be on deposit with the Refunded Series A of 2003 Bonds Paying Agent and available for such purpose at the time such notice is given. Such instructions may be embodied in an appropriate bond retirement agreement with respect to the Refunded Series A of 2003 Bonds, as hereinafter authorized.

In the event the sale and issuance of the Bonds is not consummated in accordance with the Proposal, including the Addendum accepted in accordance with Section 5, the exercise of the Township's right to redeem Series A of 2003 Bonds in accordance with this Ordinance shall be null and void.

Section 32. The Township does determine to provide for retirement of those Series of 2005 Bonds to be refunded as part of the Refunding Project, as provided in the

Addendum and the Refunding Report (the "Refunded Series of 2005 Bonds"), upon optional redemption thereof prior to stated maturities, and does hereby authorize the exercise of the Township's option to redeem such Refunded Series of 2005 Bonds, in accordance with the right and privilege reserved to the Township in the Series of 2005 Bonds and in the Series of 2005 Bonds Enabling Ordinance. Such right of redemption shall be deemed to have been exercised, conditionally, as hereinafter provided in this Section, upon the issuance of written directions to the Refunded Series of 2005 Bonds Paying Agent, as such phrase is hereinafter defined, to issue an appropriate notice of redemption with respect to the Refunded Series of 2005 Bonds

The Refunded Series of 2005 Bonds shall be redeemed and retired on a date to be specified in the accepted Addendum and the Refunding Report, which shall be not more than 90 days after the date of issuance of the Bonds, subject, however, to the further provisions of this Section. Such redemption of the Refunded Series of 2005 Bonds shall be accomplished in the manner, upon terms and conditions and with the effect provided in the Series of 2005 Bonds and in the Series of 2005 Bonds Enabling Ordinance.

Promptly following the acceptance of the Addendum, the Chairman or Vice Chairman of the Board of Supervisors or the Secretary or Assistant Secretary of the Township (a) shall give notice to Manufacturers and Traders Trust Company, as paying agent and registrar for the Series of 2005 Bonds, or its successor as paying agent and registrar for the Series of 2005 Bonds, if applicable (the "Refunded Series of 2005 Bonds Paying Agent"), of the Township's exercise of the right to redeem the Refunded Series of 2005 Bonds, and (b) shall authorize and instruct the Refunded Series of 2005 Bonds Paying Agent to issue a proper notice of redemption to effect the redemption of the Refunded Series of 2005 Bonds on the appropriate redemption date, which notice of redemption shall be conditional, unless funds sufficient to provide for such redemption shall be on deposit with the Refunded Series of 2005 Bonds Paying Agent and available for such purpose at the time such notice is given. Such instructions may be embodied in an appropriate bond retirement agreement with respect to the Refunded Series of 2005 Bonds, as hereinafter authorized.

In the event the sale and issuance of the Bonds is not consummated in accordance with the Proposal, including the Addendum accepted in accordance with Section 5, the exercise of the Township's right to redeem Series of 2005 Bonds in accordance with this Ordinance shall be null and void.

Section 33. If deemed necessary or appropriate by the Purchaser, by Bond Counsel to the Township or by the issuer of any municipal bond insurance policy being purchased by the Township in accordance with the terms of the Proposal, including the terms of the accepted Addendum, the Township, simultaneously with delivery of the Bonds to the Purchaser, shall enter into a refunding escrow agreement with respect to the Refunded Series of 2003 Bonds, the Refunded Series A of 2003 Bonds and/or the Refunded Series of 2005 Bonds, as applicable and appropriate (the "Bond Retirement Agreement"), with Manufacturers and Traders Trust Company (the "Escrow Agent"), as escrow agent, which shall provide for a deposit of a portion of the proceeds of the Bonds into escrow with the Escrow Agent, for the investment of such deposit, and for the application of such proceeds to retirement of Refunded Series of 2003 Bonds, the Refunded

Series A of 2003 Bonds and/or the Refunded Series of 2005 Bonds, as applicable and appropriate, as set forth in the Refunding Report and this Ordinance.

The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary, respectively, of the Township are authorized and directed to execute, to attest and to seal, as appropriate, and to deliver the Bond Retirement Agreement, simultaneously with such delivery of the Bonds.

The Township does authorize and approve any such Bond Retirement Agreement in such form as is satisfactory to the Solicitor of the Township and as shall be approved by the officer of the Board of Supervisors of the Township executing the same. Such approval of such officer shall be conclusively presumed to have been given by such officer's execution of the Bond Retirement Agreement.

Section 34. Each of the Chairman of the Board of Supervisors, the Vice Chairman of the Board of Supervisors and the Secretary of the Township is hereby authorized and directed to execute and deliver agreements, orders or subscriptions for purchase of United States Treasury Certificates of Indebtedness, Notes or Bonds, State and Local Government Series ("SLGS"), other securities of the United States of America or other investments satisfying the requirements of 53 Pa. C.S. §8250, if and as described in the Refunding Report, from the proceeds of the Bonds, and, if applicable, other funds to be deposited under the Bond Retirement Agreement, and to do, to take and to authorize such other acts as shall be necessary or appropriate to provide for the payment of principal and interest on the bonds being refunded, as described in the Refunding Report and this Ordinance.

Any orders or subscriptions for SLGs or other securities or investments satisfying the requirements of 53 Pa.C.S. §8250 made by or on behalf of this Local Government Unit by the Purchaser prior to the enactment of this Ordinance and for the purposes contemplated by the Refunding Report are hereby accepted, approved, ratified and confirmed.

Section 35. The Township shall enter into, and hereby authorizes and directs the Chairman or Vice Chairman of the Board of Supervisors of the Township to execute a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of the Township on or before the date of issuance and delivery of the Bonds to the Purchaser. The Continuing Disclosure Certificate shall be executed and delivered to satisfy the terms and conditions of the accepted Proposal for sale of the Bonds and United States Securities and Exchange Commission Rule 15c2-12, and shall be in form and substance satisfactory to the Purchaser, to legal counsel to the Township and to the officer of the Township executing the same, whose approval shall be deemed conclusively to have been given upon execution and delivery thereof.

The Township hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the Township to comply with the Continuing Disclosure Certificate shall not be considered an event of default with respect to the Bonds; however, any registered owner or beneficial owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Township to comply with its obligations under this Section and the Continuing Disclosure Certificate.

Section 36. The Board of Supervisors, acting on behalf of the Township, hereby approves the Preliminary Official Statement for the Bonds in the form presented at this meeting; deems the same to have been final as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12 (the "Rule"), except for the omission of information whose omission therefrom is permitted by the Rule; and authorizes the Chairman or the Vice Chairman of the Board of Supervisors to approve an Official Statement with respect to the Bonds, dated as of the date of enactment of this Ordinance and substantially in the form and with the content of such Preliminary Official Statement, but with such insertions and amendments as shall be necessary or appropriate to reflect the final terms and provisions of the Bonds and the accepted Proposal. Such authorized officer of the Board of Supervisors shall evidence his or her approval of the Official Statement by affixing his or her signature thereto as such officer, and such execution of the Official Statement by such officer shall constitute conclusive evidence of the approval of the Official Statement by such officer on behalf of the Board of Supervisors and the Township.

A copy of the Preliminary Official Statement and a copy of the Official Statement, when prepared and approved as aforesaid, shall be filed with the Secretary of the Township.

Section 37. The Bonds shall be made available for purchase under a book-entry only system available through The Depository Trust Company, a New York corporation ("DTC").

If the Township has not heretofore executed, delivered and kept on file with DTC a Blanket Letter of Representations in the form required by DTC for the purpose of evidencing the Township's agreement to comply with the requirements of DTC's Operational Arrangements with respect to book-entry securities, then at or prior to settlement for the Bonds, the Township shall execute, delivery and file with DTC such a Blanket Letter of Representations (the Blanket Letter of Representations so filed or so to be filed with DTC is herein referred to as the "Representation Letter"). The appropriate officers of the Township shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter.

The Paying Agent, by acceptance of its appointment as paying agent for the Bonds, agrees to authorize and direct its appropriate officers to take such action as may be necessary from time to time to comply with DTC's Operational Arrangements, as amended from time to time, as they shall apply to the Bonds, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Ordinance, shall agree to take any actions necessary from time to time to comply with DTC's Operational Arrangements, as the same may apply to the Bonds.

Section 38. Notwithstanding the foregoing provisions of this Ordinance, the Bonds shall be issued initially in the form of one fully registered bond for the Bonds of each maturity and interest rate, in a stated principal amount equal to the aggregate principal amount of the Bonds of such maturity and interest rate, and the following provisions shall apply with respect to the registration, transfer and payment of the Bonds:

(a) Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds of

the series, interest rate and maturity registered in the name of such nominee or nominees of DTC.

(b) No person other than DTC or its nominee shall be entitled to receive from the Township or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books (the "Register") maintained by the Paying Agent in connection with discontinuing the book-entry system as provided in subparagraph (g) below or otherwise.

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

(d) The Township and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to holders of Bonds under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by holders of Bonds and for all other purposes whatsoever; and neither the Township nor the Paying Agent shall be affected by any notice to the contrary. Neither the Township nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being a registered owner of Bonds, with respect to (1) the Bonds, (2) the accuracy of any records maintained by DTC or any such participant, (3) the payment by DTC or any such participant of any amount in respect of the principal or

redemption price of or interest on the Bonds, (4) any notice which is permitted or required to be given to holders of the Bonds under this Ordinance, (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds, and (6) any consent given or other action taken by DTC as holder of the Bonds.

(e) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the holders of such Bonds under this Ordinance shall be given to DTC as provided in the Representation Letter.

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

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

Section 39. The Township shall execute and deliver the Northern Service Area Supplemental Lease and the Southern Service Area Supplemental Lease, as appropriate, coincident with the issuance of the Bonds, each such agreement to be substantially in the form presented to the Board at the meeting at which this Ordinance is enacted, each of which form is hereby approved. A copy of each such agreement, in the form so presented, shall be filed with the Secretary of the

Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

Section 40. The Chairman or Vice Chairman of the Board and the Secretary or Assistant Secretary of the Township, as applicable, are authorized and directed to execute, to attest, to acknowledge and to deliver, on behalf of the Township, the Northern Service Area Supplemental Lease and the Southern Service Area Supplemental Lease, substantially in the forms approved in Section 39, together with such changes as are approved by the officer of the Township executing the same, in consultation with the Solicitor and Bond Counsel to the Township, the approval of such officer to be deemed conclusively to have been given upon his or her execution and delivery of such agreements.

The foregoing provisions of this Section notwithstanding, the Northern Service Area Supplemental Lease shall be executed and delivered only if and to the extent any portion of the Bonds issued is properly allocable to the financing or refinancing of assets constituting part of the Northern Service Area Sewer System.

Section 41. Any reference in this Ordinance to any member of the Board of Supervisors of the Township or any officer of the Township shall be deemed to refer to his or her duly qualified successor in office, as applicable.

Section 42. This Ordinance shall be effective in accordance with the Act.

Section 43. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be 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 Township that such remainder shall be and shall remain in full force and effect.

Section 44. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

DULY ENACTED, by the Board of Supervisors of the Township, in lawful session duly assembled, this 13th day of October, 2011.

ATTEST:

TOWNSHIP OF MONROE,
Cumberland County, Pennsylvania

Maryanne E. Metzger
Secretary

By: Sam S. [Signature]
~~(Vice)~~ Chairman of the Board of
Supervisors

(SEAL)