

TOWNSHIP OF MONROE,
Cumberland County, Pennsylvania

ORDINANCE NO. 2010-02

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THIS TOWNSHIP AUTHORIZING AND DIRECTING ISSUANCE OF A SERIES OF GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,350,000, PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, TO PROVIDE FUNDS FOR AND TOWARD: (A) A CAPITAL PROJECT THAT CONSISTS OF (1) THE ACQUISITION AND/OR CONSTRUCTION BY MONROE TOWNSHIP MUNICIPAL AUTHORITY OF CERTAIN ADDITIONS, EXTENSIONS, RENOVATIONS OR IMPROVEMENTS TO THE SANITARY SEWAGE COLLECTION, TRANSMISSION AND DISPOSAL SYSTEM FACILITIES THAT ARE LEASED TO THIS TOWNSHIP FOR OPERATION AND USE, AND (2) THE PAYMENT OF A CAPITAL CONTRIBUTION FOR AND TOWARD THE COSTS OF PLANNING, DESIGNING, ACQUIRING AND CONSTRUCTING UPGRADES AND IMPROVEMENTS TO THE MECHANICSBURG WASTEWATER TREATMENT PLANT AND RELATED FACILITIES AT OR THROUGH WHICH SEWAGE AND WASTES COLLECTED IN PORTIONS OF SAID AUTHORITY'S SANITARY SEWAGE COLLECTION SYSTEMS ARE TRANSPORTED AND TREATED; AND (B) PAYING COSTS, FEES AND EXPENSES WITH RESPECT TO THE FOREGOING PURPOSES AND TO THE FINANCING; ACCEPTING A CERTAIN PROPOSAL FOR THE PURCHASE OF SUCH GENERAL OBLIGATION BONDS, AT PRIVATE SALE BY NEGOTIATION; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF SUCH GENERAL OBLIGATION BONDS AND AUTHORIZING EXECUTION, AUTHENTICATION AND DELIVERY THEREOF; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT OF SUCH GENERAL OBLIGATION BONDS; APPOINTING A PAYING AGENT AND A SINKING FUND DEPOSITORY IN CONNECTION WITH SUCH GENERAL OBLIGATION BONDS; SETTING FORTH CERTAIN REPRESENTATIONS AND COVENANTS RELATING TO THE FEDERAL INCOME TAX STATUS OF THE INTEREST TO BE PAID ON SUCH GENERAL OBLIGATION BONDS; AUTHORIZING APPROPRIATE OFFICERS OF THIS TOWNSHIP TO TAKE CERTAIN ACTIONS AND TO EXECUTE CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH GENERAL OBLIGATION BONDS; AUTHORIZING AND APPROVING THE FORM, EXECUTION AND DELIVERY OF AMENDMENTS TO THE EXISTING LEASES BETWEEN THIS TOWNSHIP AND SAID AUTHORITY WITH RESPECT TO SAID SANITARY SEWAGE SYSTEMS; 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"); 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 this 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 this Township known as the "Northern Service Area" (the "Northern Service Area Sewer System"), which Northern Service Area Sewer System has been leased to this Township for operation and use pursuant to an Agreement of Lease (Northern Service Area), dated as of July 1, 2005, as amended and supplemented by a First Supplemental Agreement of Lease, dated as of December 1, 2005 (collectively, the "Northern Service Area Lease"); and

WHEREAS, The Authority, with the approval and consent of this 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 this Township known as the "Southern Service Area" (the "Southern Service Area Sewer System"), which Southern Service Area Sewer System has been leased to this Township for operation and use pursuant to an Agreement of Lease (Southern Service Area), dated as of July 1, 2005, as amended and supplemented by a First Supplemental Agreement of Lease, dated as of December 1, 2005 (collectively, the "Southern Service Area Lease"); and

WHEREAS, The Authority and this Township have determined that it is necessary or desirable that the Authority undertake a capital project with respect to the Northern Service Area Sewer System, which capital project consists of the payment of a capital contribution for and toward the costs of planning, designing, acquiring and constructing upgrades and improvements to the Mechanicsburg Wastewater Treatment Plant and related facilities at or through which sewage and wastes collected in the Northern Service Area Sewer System are transported and treated (the "Northern Service Area Project"); and

WHEREAS, The Authority and this Township have determined that it is necessary or desirable that the Authority undertake a capital project with respect to the Southern Service Area Sewer System, which capital project consists of planning, designing, acquiring and constructing alterations, renovations, and other improvements to the Southern Service Area Sewer System (the "Southern Service Area Project"); and

WHEREAS, The Northern Service Area Project and the Southern Service Area Project, collectively, are referred to herein as the "Capital Project"; and

WHEREAS, The Board contemplates the authorization, sale, issuance and delivery of bonds in the aggregate principal amount of \$1,350,000, to be designated generally as "General Obligation Bonds, Series of 2010" (the "Bonds"), with the proceeds to be applied for the purposes of providing funds for and toward: (a) paying the costs of the Capital Project and (b) paying costs, fees and expenses with respect to the foregoing purposes and to the financing (collectively, the "Project"), all in accordance with applicable and appropriate provisions of the Debt Act; and

WHEREAS, The Board 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, 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 98% of original principal amount, together with accrued interest, if any, from the date thereof to the date of delivery thereof; and

WHEREAS, This Township has obtained realistic cost estimates through actual bids (or otherwise) and has determined that the costs (as defined in the Act) of the Project to be financed will be at least \$1,350,000; and

WHEREAS, A proper written bond purchase agreement or proposal, dated June 10, 2010 (the "Proposal"), for purchase of the Bonds has been requested from and has been received from PNC Capital Markets LLC, which has an office in Philadelphia, Pennsylvania (the "Purchaser"); and

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

WHEREAS, The Board desires to accept the Proposal of the Purchaser, to award the Bonds to the Purchaser, 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 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; and

WHEREAS, The Board has determined to enter into a Second 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, which, among other things, will make provision for the payment of the debt service on a portion of the Bonds; and

WHEREAS, The Board has determined to enter into a Second 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 a portion of the Bonds.

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

Section 1. The Board 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 expresses its finding that it is in the best financial interests of this 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 Project is set forth in the preamble hereof. The Board hereby determines and declares that the estimated useful life of the Project is at least thirty-five (35) years and the date of estimated completion of construction of the Project is December 31, 2011.

Section 4. The Board shall and does accept the Proposal of the Purchaser for purchase of the Bonds; and the Bonds shall be and are awarded to the Purchaser, in accordance with terms and conditions of the Proposal, at a dollar price of \$1,333,125.00 (98.75% of principal amount), less net original issue discount of \$24,394.65, together with accrued interest, if any, from the date of the Bonds to the date of delivery thereof, the Purchaser having submitted the Proposal in accordance with provisions of the Act. The Chairman or Vice Chairman of the Board is hereby authorized and directed to evidence this 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 this Township with respect to such bid security, except as provided by the Act.

Section 5. The Bonds, when issued, will be general obligation bonds of this Township.

Section 6. The Bonds shall be issuable as fully registered bonds, without coupons, in denominations of \$5,000 principal amount and any integral multiple thereof, and shall be dated as of July 15, 2010. 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 such 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) preceding February 15, 2011, in which event such bond shall bear interest from July 15, 2010; 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 February 15, 2011, and thereafter semiannually on February 15 and August 15 of each year, 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 and interest with respect to the Bonds shall be payable in lawful money of the United States of America. The principal of the Bonds shall be payable, when due, 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. 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 this Township, irrespective of any transfer or exchange of any Bonds subsequent to the Record Date and prior to such interest payment date, unless this 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 this 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 7. 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.

Section 8. This Township and the Paying Agent shall not be required to issue or to register the transfer of or exchange any 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 9. This 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 this Township nor the Paying Agent shall be affected by any notice to the contrary.

Section 10. This 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 11. The Bonds shall be numbered consecutively, as issued, without regard to denomination or maturity, and shall bear interest at the rates per annum and shall mature in the amounts and on the dates as set forth in Exhibit "A", which is attached hereto and hereby made a part hereof.

Section 12. The Bonds shall be subject to redemption prior to stated maturity as follows:

(a) Optional Redemption in Whole. The Bonds stated to mature on and after August 15, 2018, shall be subject to redemption prior to maturity, at the option of this Township, as a whole, on August 15, 2015, or on any date thereafter, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

(b) Optional Redemption in Part. The Bonds stated to mature on and after August 15, 2018, shall be subject to redemption prior to maturity, at the option of this Township, from time to time, in part, on August 15, 2015, or on any date thereafter, in such order of maturity or maturities as shall be selected by this Township. In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

(c) Mandatory Sinking Fund Redemption. The Bonds stated to mature on August 15, 2014, August 15, 2018, August 15, 2028, or August 15, 2035 (the "Term Bonds") are subject to mandatory redemption prior to

maturity, on the date(s) and in the principal amount(s) as set forth in the following schedules, as drawn by lot by the Paying Agent:

Bonds Stated to Mature August 15, 2014:

<u>Date (August 15)</u>	<u>Amount</u>
2012	\$35,000
2013	\$40,000;

Bonds Stated to Mature August 15, 2018:

<u>Date (August 15)</u>	<u>Amount</u>
2015	\$40,000
2016	\$40,000
2017	\$40,000;

Bonds Stated to Mature August 15, 2028:

<u>Date (August 15)</u>	<u>Amount</u>
2019	\$45,000
2020	\$50,000
2021	\$50,000
2022	\$50,000
2023	\$50,000
2024	\$55,000
2025	\$60,000
2026	\$60,000
2027	\$60,000; and

Bonds Stated to Mature August 15, 2035:

<u>Date (August 15)</u>	<u>Amount</u>
2029	\$65,000
2030	\$70,000
2031	\$75,000
2032	\$75,000
2033	\$75,000
2034	\$85,000.

Any such mandatory redemption shall be upon application of money available for the purpose in the Mandatory Sinking Fund established in Section 18 and shall be upon payment of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for

redemption. In lieu of such mandatory redemption, the Paying Agent, on behalf of this Township, may purchase from money in the Sinking Fund (hereinafter defined), at a price not to exceed the principal amount plus accrued interest, or this Township may tender to the Paying Agent, all or part of the Term Bonds subject to being drawn for redemption in any such year.

In the case of any partial, optional redemption of Term Bonds of any particular maturity, this 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 is of a denomination larger than \$5,000, a portion of such bond may be redeemed. 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 shall be made only upon surrender of such bond in exchange for Bonds of authorized denominations of the same series, maturity and interest rate in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Notice of redemption shall be deposited in first class mail not more than forty-five (45) days and not less than thirty (30) days prior to the date fixed for redemption, addressed to the registered owners of the Bonds to be redeemed at their addresses shown on the registration books of the Paying Agent on the day such Bonds are selected for redemption. Such notice shall specify: (1) the series, maturity 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 the designated corporate trust 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, this 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 that 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 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 the 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 the Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except the right to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption.

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 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 13. This 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, in lawful money of the United States of America.

Section 14. 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 15. The Bonds shall be executed in the name of and on behalf of this Township by the manual or facsimile signature of the Chairman or Vice Chairman of the Board of this Township; the official seal of this 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 this Township shall be affixed thereto in attestation thereof; and said officers are authorized to execute and to attest the Bonds.

Section 16. 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 17. This 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 this Township shall do the following: (i) include the amount of the debt service for the Bonds, for each fiscal year of this 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, this Township shall and does pledge, irrevocably, its

full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Township shall be specifically enforceable.

Section 18. Pursuant to the Act, there is created a sinking fund for the Bonds, to be known as the "Sinking Fund - General Obligation Bonds, Series of 2010" (the "Sinking Fund"), which Sinking Fund shall be administered in accordance with applicable provisions of the Act.

There is created, within and as a part of the Sinking Fund, a separate fund or account, designated as the "Mandatory Sinking Fund," which shall consist of deposits made therein by the Paying Agent (as sinking fund depository) from the Sinking Fund, as provided in the following paragraphs, for application to the payment upon stated maturity of the Term Bonds that shall be outstanding, if any, on their stated maturity date and to mandatory redemption of Term Bonds prior to their stated maturity date, all as provided in this Section 18.

The Paying Agent, as the sinking fund depository, shall deposit into the Mandatory Sinking Fund, for the benefit of the Term Bonds having a stated maturity date of August 15, 2014, from money deposited in the Sinking Fund by this Township, the following amounts at the following times:

For Bonds Stated to Mature August 15, 2014:

<u>Date (August 15)</u>	<u>Amount</u>
2012	\$35,000
2013	\$40,000
2014	\$40,000,

or such lesser amount as on the appropriate date shall be equal to the principal amount of all Term Bonds of such maturity then outstanding.

The Paying Agent, as the sinking fund depository, shall deposit into the Mandatory Sinking Fund, for the benefit of the Term Bonds having a stated maturity date of August 15, 2018, from money deposited in the Sinking Fund by this Township, the following amounts at the following times:

For Bonds Stated to Mature August 15, 2018:

<u>Date (August 15)</u>	<u>Amount</u>
2015	\$40,000
2016	\$40,000
2017	\$40,000
2018	\$40,000,

or such lesser amount as on the appropriate date shall be equal to the principal amount of all Term Bonds of such maturity then outstanding.

The Paying Agent, as the sinking fund depository, shall deposit into the Mandatory Sinking Fund, for the benefit of the Term Bonds having a stated maturity date of August 15, 2028, from money deposited in the Sinking Fund by this Township, the following amounts at the following times:

For Bonds Stated to Mature August 15, 2028:

<u>Date (August 15)</u>	<u>Amount</u>
2019	\$45,000
2020	\$50,000
2021	\$50,000
2022	\$50,000
2023	\$50,000
2024	\$55,000
2025	\$60,000
2026	\$60,000
2027	\$60,000
2028	\$65,000,

or such lesser amount as on the appropriate date shall be equal to the principal amount of all Term Bonds of such maturity then outstanding.

The Paying Agent, as the sinking fund depository, shall deposit into the Mandatory Sinking Fund, for the benefit of the Term Bonds having a stated maturity date of August 15, 2035, from money deposited in the Sinking Fund by this Township, the following amounts at the following times:

For Bonds Stated to Mature August 15, 2035:

<u>Date (August 15)</u>	<u>Amount</u>
2029	\$65,000
2030	\$70,000
2031	\$75,000
2032	\$75,000
2033	\$75,000
2034	\$85,000
2035	\$85,000,

or such lesser amount as on the appropriate date shall be equal to the principal amount of all Term Bonds of such maturity then outstanding.

This Township and the Paying Agent covenant that the Paying Agent, on July 1, 2012, and on July 1 of each year thereafter, to and including July 1, 2034, so long as Term Bonds shall remain outstanding, or as soon thereafter as shall suit the convenience of the Paying Agent and shall allow sufficient time for mailing of the requisite notice of redemption, as provided for in Section 12, shall select or draw, by lot, in a fair and equitable manner, for redemption on the

following August 15 (except in those years when Term Bonds are stated to mature on the following August 15), a principal amount of Term Bonds of the appropriate maturity equal to the amount required to be deposited into the Mandatory Sinking Fund as set forth in the preceding paragraph(s) of this Section 18. 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 this Township. This Township covenants to assume and to pay all costs and expenses related to the mandatory redemption of Term Bonds.

The amount required to be deposited in the Mandatory Sinking Fund hereunder, in any given year, shall be reduced by (1) the principal amount of Term Bonds of the appropriate maturity, if any, that shall have been purchased or tendered in lieu of mandatory redemption in the immediately preceding period, and (2) the principal amount of Term Bonds of the appropriate maturity previously called for optional redemption and designated by the Township to be credited against the amount so to be deposited in such year, all as provided in Section 12 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 19. This Township appoints the Paying Agent as the sinking fund depository with respect to the Sinking Fund.

Section 20. This 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 21. The Chairman or Vice Chairman of the Board and the Secretary or Assistant Secretary, respectively, of this 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 this Township that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit of this 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 this 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 and the Secretary or Assistant Secretary of this Township are hereby authorized to prepare and to execute, or to authorize the auditors of this Township to prepare and to execute, such borrowing base certificate.

Section 22. The Chairman or Vice Chairman of the Board and the Secretary or Assistant Secretary, respectively, of this 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 23. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Township, is not in excess of any limitation imposed by the Act upon the incurring of debt by this Township.

Section 24. Proper officers of this 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 25. This 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) 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"), or "private activity bonds" within the meaning of Section 141 of the Code, and the regulations implementing said Sections that duly have been published in the Federal Register or with any other regulations implementing said Sections, and this Township further covenants to 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.

This Township determines that it does not reasonably expect to issue tax-exempt obligations that, together with all tax-exempt obligations reasonably expected to be issued by all entities that issue obligations on behalf of this Township and by "all subordinate entities" (within the meaning of Section 265(b)(3)(E) of the Code) of this Township, in the aggregate, will exceed Thirty Million Dollars (\$30,000,000) during the 2010 calendar year (excluding obligations issued to refund (other than advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation) and, accordingly, hereby designates the Bonds (to the extent that 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 26. The Board of this 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, and authorizes the proper officers of this 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 27. This Township shall execute and deliver the Northern Service Area Supplemental Lease and the Southern Service Area Supplemental Lease 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 this Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

Section 28. The Chairman or Vice Chairman of the Board and the Secretary or Assistant Secretary of this Township, as applicable, are authorized and directed to execute, to attest, to acknowledge and to deliver, on behalf of this Township, the Northern Service Area Supplemental Lease and the Southern Service Area Supplemental Lease, substantially in the forms approved in Section 27, together with such changes as are approved by the officer of this Township executing the same, in consultation with the Solicitor and Bond Counsel to this Township, the approval of such officer to be deemed conclusively to have been given upon his or her execution and delivery of such agreements.

Section 29. This Township hereby authorizes and directs the Chairman or Vice Chairman of the Board of this Township to execute a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of this 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 this Township and to the officer of this Township executing the same, whose approval shall be deemed conclusively to have been given upon execution and delivery thereof.

This 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 this 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 this Township to comply with its obligations under this Section and the Continuing Disclosure Certificate.

Section 30. The Board, acting on behalf of this 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 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 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 and this 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 this Township.

Section 31. 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 applicable, at or prior to settlement for the Bonds, this Township and the Paying Agent shall execute or signify their approval of a Letter of Representations in substantially the form required by DTC, a copy of which shall be placed on file with the Secretary of this Township (the "Representation Letter"). The appropriate officers of this Township and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, 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 the requirements of the Representation Letter.

Section 32. 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 this 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 this 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) This 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 this Township nor the Paying Agent shall be affected by any notice to the contrary. Neither this 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 this 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 this Township or the Paying Agent may establish a special record date for such consent or other action. This 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 this 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, this 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 this Township. In either of such events (unless in the case described in clause (2) above, this 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 this Township or the Paying Agent for the accuracy of such designation. Whenever DTC requests this Township and the Paying Agent to do so, this 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 33. Any reference in this Ordinance to any member of the Board of this Township or any officer of this Township shall be deemed to refer to his or her duly qualified successor in office, as applicable.

Section 34. This Ordinance shall be effective in accordance with the Act.

Section 35. 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 this Township that such remainder shall be and shall remain in full force and effect.

Section 36. 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, in lawful session duly assembled, this 10th day of June, 2010.

TOWNSHIP OF MONROE,
Cumberland County, Pennsylvania

By: Sam Semmon
(Vice) Chairman of Board of Supervisors

ATTEST:

Margie E. Metzger
Secretary

(SEAL)

EXHIBIT A

MATURITY SCHEDULE

TOWNSHIP OF MONROE,
Cumberland County, Pennsylvania

\$1,350,000 Aggregate Principal Amount of
General Obligation Bonds, Series of 2010,
Dated as of July 15, 2010

<u>Maturity Date (August 15)</u>	<u>Aggregate Principal Amount</u>	<u>Interest Rate Per Annum</u>
2014	\$115,000	2.000%
2018	\$160,000	3.000%
2028	\$545,000	4.000%
2035	\$530,000	4.375%

EXHIBIT B

(FORM OF BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer 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), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

\$

Number

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF CUMBERLAND
TOWNSHIP OF MONROE
GENERAL OBLIGATION BOND, SERIES OF 2010

DATED DATE OF SERIES	INTEREST RATE	MATURITY DATE	CUSIP
July 15, 2010	%	August 15,	

REGISTERED OWNER:

PRINCIPAL SUM: DOLLARS (\$)

The Township of Monroe, Cumberland County, Pennsylvania (the "Issuer"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises to pay to the order of the registered owner named hereon, or registered assigns, on the maturity date stated hereon, upon surrender hereof, the principal sum stated hereon, unless this General Obligation Bond, Series of 2010 (the "Bond"), shall be redeemable and duly shall have been called for earlier redemption and payment of the redemption price shall have been made or provided for, and to pay initially on February 15, 2011, and thereafter semiannually on February 15 and August 15 of each year, to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, from the interest payment date next preceding the date of registration and authentication of this Bond, unless: (a) this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date; or (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event this Bond shall bear interest from such interest payment date; or (c) this Bond is registered and authenticated on or prior to the Record Date (hereinafter defined) preceding February 15, 2011, in which event this Bond shall bear interest from July 15, 2010; or (d), as shown by the records of the Paying Agent (hereinafter defined), interest on this Bond shall be in default, in which event this Bond shall bear interest from the date to which interest was last paid on this Bond, until said principal sum is paid. The interest on this Bond, which is payable by check drawn on Manufacturers and Traders Trust Company (the "Paying Agent"), as paying agent, and the principal of this Bond, which is payable, when due, upon surrender to the Paying Agent at its

EXHIBIT B (CONT'D)

corporate trust office in Harrisburg, Pennsylvania, or to any duly appointed successor paying agent under the Ordinance (hereinafter defined) at its designated office in the Commonwealth, are payable in lawful money of the United States of America.

Payment of the interest hereon shall be made to the registered owner hereof whose name and address shall appear, at the close of business on the 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 Issuer, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer 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 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 on behalf of the Issuer to the registered owner of this Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name this Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

This Bond is one of a series of bonds of the Issuer, known generally as "General Obligation Bonds, Series of 2010" (the "Bonds"), all of like date and tenor, except as to numbers, denominations, dates of maturity, rates of interest and provisions for redemption, in the aggregate principal amount of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000).

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 Issuer. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds.

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer shall do the following: (i) include the amount of the debt service for the Bonds, for each fiscal year of the Issuer 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 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 Issuer 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 denominations of \$5,000 principal amount and any integral multiple thereof. The Issuer and the Paying Agent shall not be required to issue or to register the transfer of or exchange any Bonds 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 of mailing of the applicable notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any bond selected for redemption until after the redemption date.

EXHIBIT B (CONT'D)

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

This Bond may be transferred or exchanged by the registered owner hereof upon surrender of this Bond 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 of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership or exchange of this Bond 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. The Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds stated to mature on and after August 15, 2018, are subject to redemption prior to maturity, at the option of the Issuer, as a whole, on August 15, 2015, or on any date thereafter, upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption.

The Bonds stated to mature on and after August 15, 2018, are subject to redemption prior to maturity, at the option of the Issuer, from time to time, in part, on August 15, 2015, or on any date thereafter, in such order of maturity as selected by the Issuer. In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption.

The Bonds stated to mature on August 15, 2014, August 15, 2018, August 15, 2028, and August 15, 2035, are subject to mandatory redemption prior to maturity, in the amounts and on the dates set forth in the following schedule(s), as drawn by lot by the Paying Agent on behalf of the Issuer:

Bonds Stated to Mature August 15, 2014:

<u>Date (August 15)</u>	<u>Amount</u>
2012	\$35,000
2013	\$40,000;

Bonds Stated to Mature August 15, 2018:

<u>Date (August 15)</u>	<u>Amount</u>
2015	\$40,000

EXHIBIT B (CONT'D)

2016	\$40,000
2017	\$40,000;

Bonds Stated to Mature August 15, 2028:

<u>Date (August 15)</u>	<u>Amount</u>
2019	\$45,000
2020	\$50,000
2021	\$50,000
2022	\$50,000
2023	\$50,000
2024	\$55,000
2025	\$60,000
2026	\$60,000
2027	\$60,000; and

Bonds Stated to Mature August 15, 2035:

<u>Date (August 15)</u>	<u>Amount</u>
2029	\$65,000
2030	\$70,000
2031	\$75,000
2032	\$75,000
2033	\$75,000
2034	\$85,000.

Any such redemption shall be upon application of money available for the purpose in the Mandatory Sinking Fund established under the Ordinance and shall be upon payment of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption. In lieu of such mandatory redemption, the Paying Agent, as sinking fund depository, on behalf of the Issuer, may purchase, from money available for the purpose in the Mandatory Sinking Fund established under the Ordinance, at a price not to exceed the principal amount of such Bonds, plus accrued interest, or the Issuer may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption in such year.

If this Bond is of a denomination larger than \$5,000, a portion of this Bond may be redeemed. For the purpose of redemption, this Bond shall be treated as representing the number of Bonds that is equal to the principal amount hereof divided by \$5,000, each \$5,000 portion of this Bond being subject to redemption. In the case of partial redemption of this Bond, payment of the redemption price shall be made only upon surrender of this Bond in exchange for Bonds of authorized denominations of the same maturity and interest rate in aggregate principal amount equal to the unredeemed portion of the principal amount hereof; Provided, however, that

EXHIBIT B (CONT'D)

should this Bond be registered in the name of DTC or Cede & Co., as nominee for DTC, or any other nominee of DTC, or any other successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

Notice of redemption shall be deposited in first-class mail not more than forty-five (45) days and not less than thirty (30) days prior to the date fixed for redemption addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books of the Paying Agent on the day such Bonds are selected for redemption. Failure to mail any notice of redemption 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.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal 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 the 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.

The Issuer, 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 principal of and the interest on the Bonds shall be deposited not later than the date fixed for the disbursement thereof. The Issuer 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 shall be sufficient for prompt and full payment of all obligations of this Bond.

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

This Bond has been designated by the Issuer as a "qualified tax-exempt obligation", as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

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

[SIGNATURE PAGE FOLLOWS]

EXHIBIT B

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by manual or facsimile signature of the Chairman or Vice Chairman of the Board of Supervisors of the Issuer and its official seal to be affixed hereto or a facsimile thereof to be printed upon this Bond and the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer to be affixed hereto in attestation thereof, all as of July 15, 2010.

TOWNSHIP OF MONROE,
Cumberland County, Pennsylvania

ATTEST:

Margaret E. Metzger
(Assistant) Secretary

By: Sam Seamon
(Vice) Chairman of the Board of Supervisors

(SEAL)

EXHIBIT B

(FORM OF PAYING AGENT'S CERTIFICATES)

**CERTIFICATE OF AUTHENTICATION; CERTIFICATE AS TO OPINION; AND
CERTIFICATE AS TO INSURANCE**

It is certified that:

(i) This Bond is one of the Bonds described in the within-mentioned Ordinance;

(ii) Attached to this Bond is the text of an original Opinion issued by Rhoads & Sinon LLP, dated and delivered on the date of the original delivery of, and payment for, such Bonds, that is on file at our principal corporate trust office located in Buffalo, New York, where the same may be inspected; and

(iii) Assured Guaranty Corporation has issued its municipal bond insurance policy, as stated in the Statement of Insurance printed upon this Bond, a copy of which policy is on file at our principal corporate trust office located in Buffalo, New York, where the same may be inspected.

**MANUFACTURERS AND TRADERS TRUST
COMPANY, Paying Agent**

By: _____
Authorized Representative

Date of Registration and Authentication:

EXHIBIT B

(FORM OF STATEMENT OF INSURANCE)

STATEMENT OF INSURANCE

Assured Guaranty Corp. ("AGC") has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, or Buffalo, New York, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGC or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGC as more fully set forth in the Policy.

EXHIBIT B

(FORM OF ASSIGNMENT)

ASSIGNMENT

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

(Name)

(Address)

Social Security or Federal Employer Identification No. _____

(the "Transferee") the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, as attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

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

NOTICE: No transfer will be made in the name of the transferee unless the signature(s) to this assignment correspond(s) with the name(s) appearing upon the face of the within bond in every particular, without alteration or enlargement or any change whatever and the social security or federal employer identification number of the transferee is supplied. if the transferee is a trust, the names and social security or federal employer identification numbers of the settlor and beneficiaries of the trust, the federal employer identification number and date of the trust and the name of the trustee must be supplied.

CERTIFICATE

I, the undersigned, Secretary of the Township of Monroe, Cumberland County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by the Board of Supervisors of the Township, in accordance with law, at a meeting duly held on June 10, 2010; said Ordinance duly has been recorded in the ordinance book of the Township; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. 2010-02; the total number of members of the Board of Supervisors of the Township is three (3); the vote of members of the Board of Supervisors of the Township, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as Secretary, as follows:

Samuel M. Sammons, III -

John B. Dwyer -

A. W. Castle, III -

A Notice with respect to the proposed enactment of said Ordinance has been published, as required by law, in a daily newspaper of general circulation in the Township; said Ordinance was available for inspection by any interested citizen requesting the same in accordance with the requirements of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth") and such notice; and said Ordinance has not been amended, altered or repealed, as of the date of this Certificate.

I further certify that the Board of Supervisors of the Township met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. §701 et seq., of the Commonwealth, by advertising the time and place of said meeting, by posting prominently a notice of said meeting at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 10th day of June, 2010.

Secretary

(SEAL)