

specifically enforceable.

**Section 8.** If the Township shall fail to refuse to make any required deposit in the sinking fund established by Section 9 of this Ordinance, or to satisfy any of the covenants herein contained, the Paying Agent may, and upon request of the registered owners of 25% of the principal amount of the 1996 Bonds then outstanding, upon being furnished with indemnity satisfactory to it against the expenses and possible liabilities in connection with the duties thereby accepted, shall, exercise any remedy provided in the Act or at law or in equity for the benefit of all registered owners of the 1996 Bonds and shall disburse all funds so collected to the persons entitled to received payments pursuant to the terms of the 1996 Bonds as provided in the Act, subject to any limitations contained in Article XII of the Act. If the Paying Agent is willing at such time to serve and exercise the powers conferred upon a trustee appointed in the manner provided in Section 1203 of the Act, subject as aforesaid, such representation shall be exclusive for the purposes therein and in the Act provided. Pursuant to Section 403 of the Act, the Chairman or Vice Chairman of the Board and the Township Secretary are hereby authorized to contract for the services of a Paying Agent and Sinking Fund Depository as defined in Section 10 of this Ordinance.

**Section 9.** A sinking fund is hereby established designated 1996 General Obligation Bonds Sinking Fund (the "1996 Sinking Fund"), which shall be held by the Paying Agent segregated from all other funds of the Township. The Township, except as otherwise provided herein, shall deposit in the 1996 Sinking Fund not later than the date when interest or principal is to become due on the 1996 Bonds a sufficient part of each above-mentioned appropriation so that on each such payment date the 1996 Sinking Fund will contain, together with any other available funds therein, sufficient moneys to pay in full interest and principal then due on the 1996 Bonds. The 1996 Sinking Fund shall be secured and invested by the Paying Agent in securities or deposits authorized by the Act, upon direction of the Township, all as provided in the Act. Said deposits and securities shall be in the name of the Township but subject to withdrawal or collection only by the Paying Agent and said deposits and securities, together with the interest thereon, shall be a part of the 1996 Bonds Sinking Fund. The Paying Agent is authorized and directed to pay from the 1996 Bonds Sinking Fund the principal of and interest on the 1996 Bonds when due and payable.

**Section 10.** The Chairman of the Board of the Township Secretary are hereby authorized to contract with one or more banks or bank and trust companies for services fiscal agent, sinking fund depository and paying agent for the 1996 for the 1996 Bonds. PNC Bank, N.A., Philadelphia, Pennsylvania, is hereby appointed initial Paying Agent, Sinking Fund Depository, Registrar and Transfer Agent for the 1996 Bonds (the "Paying Agent"). The Paying Agent is hereby authorized and requested, upon written order of the Chairman or Vice Chairman of the Board of Supervisors of the Township or other authorized officer of the Township, to authenticate the 1996 Bonds and deliver them to the purchaser thereof designated in such order.

**Section 11.** The Township covenants with the registered Owners of the 1996 Bonds that (i) no part of the proceeds of the 1996 Bonds shall at any time be used directly or indirectly to acquire securities or obligations the acquisition of which would cause the Bonds to be "arbitrage bonds" as defined in Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or any similar statutory provision or any rule or regulation promulgated thereunder, such that the interest on the 1996 Bonds would no longer be exempt from Federal income tax and (ii) it will comply with each applicable requirement of the Code to the extent required to maintain the exemption from Federal income taxation of the interest payable on the 1996 Bonds under Section 103(a) of the Code, including without intending to limit the generality of the foregoing, compliance with its obligations, if any, to rebate arbitrage profits applicable to the 1996 Bonds under Section 148(f) of the Code. The Township is authorized to comply with such procedures as may be recommended by its duly appointed bond counsel in complying with the provisions of such Section 148(f). This Ordinance and the Act as in force from time to time shall constitute a contract between the Township and the registered owners of the 1996 Bonds. Said contract may be modified with the consent of the registered owners of a majority in principal amount of the 1996 Bonds then outstanding, provided that no such modification may be made which would reduce the percentage required for consent or affect the rights of the registered owners of less than all of the outstanding 1996 Bonds or modify the terms of payment of or the rate of interest payable on the 1996 Bonds without the consent of the registered owners of all the 1996 Bonds then outstanding.

**Section 12.** The Board hereby finds that a private negotiated sale is in the best interest of the Township.

**Section 13.** The proposal of CoreStates Capital Markets (the "Underwriter"), dated the date hereof for the purchase of the 1996 Bonds at private negotiated sale at the price and in accordance with the other terms and conditions contained in such proposal is hereby accepted, and the 1996 Bonds are hereby awarded to the Underwriter, said acceptance and award being conditioned, however, upon all parts of this Ordinance becoming effective and the Department of Community and Economic Development of the Commonwealth of Pennsylvania approving the incurrence of debt to be evidenced by the 1996 Bonds. As set forth in such proposal, the 1996 Bonds are purchased at a price of \$3,913,472.50 (such being 98.95% of the par amount thereof) less original issue discount of \$11,337.90 plus accrued interest of \$1,633.40 with a "net interest cost" of \$2,243,198.54 and a "net interest rate" of 5.28% and assuming a settlement date of September 18, 1996. The responsible officers of the Township are hereby authorized to endorse the acceptance of the Township upon such proposal, to deliver a copy, as so endorsed, to the Purchaser and to cause a copy of such proposal to be attached to this Ordinance.

The Chairman or Vice Chairman of the Board, and the Secretary of the Township and their respective successors are further authorized and directed to deliver the 1996 Bonds to the Underwriter upon fulfillment of the aforementioned conditions and receipt of the purchase price payable under such proposal and in connection therewith, the proper officials of the Township are hereby authorized to execute the necessary affidavits and all such other papers, including the preliminary official statement and official statement of the Township, to enter into a Continuing Disclosure Agreement pursuant to the requirement of Rule 15c2-12 as promulgated by the Securities Exchange Commission to the extent that it is necessary, to pay the costs of issuing the 1996 Bonds and otherwise take such other action as may be necessary or convenient to make settlement or as may be required in the issuance of the 1996 Bonds.

**Section 14.** In case any one or more provisions contained in this Ordinance or in the 1996 Bonds issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said 1996 Bonds, and this Ordinance or said 1996 Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provision were never contained therein.

**Section 15.** The Township hereby designates the Bonds to be "qualified tax-exempt

obligations" as that term is used and defined in Section 265(b)(3) of the Internal Revenue Code of 1986.

**Section 16.** All ordinances or parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

**Section 17.** The 1996 Bonds, the Paying Agent's certificate of authentication, the endorsement and the form of instrument of transfer of the Bonds shall be substantially in the following form:

[FORM OF BOND]

NO.

\$

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
COUNTY OF MONTGOMERY  
TOWNSHIP OF EAST NORRITON  
GENERAL OBLIGATION BOND, SERIES OF 1996

INTEREST RATE MATURITY DATE INITIAL DATED DATE CUSIP

---

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Township of East Norriton, Montgomery County, Pennsylvania (the "Township"), for value received, hereby acknowledges itself indebted and promises to pay the Registered Owner hereof on the Maturity Date shown hereon, upon surrender hereof, the Principal Amount hereof unless this Bond shall be redeemable and shall have been duly called for earlier redemption and payment of the redemption price made or provided for, and to pay interest thereon, from September 15, 1996 or from the most recent Interest Payment Date (as defined below) to which interest has been paid or provided for until maturity or redemption prior to maturity as herein provided at the annual rate shown hereon. The Principal Amount of this Bond is payable upon presentation and surrender hereof at the principal corporate trust office of PNC Bank, N.A., Philadelphia, Pennsylvania (the "Paying Agent").

Interest, calculated on the basis of a 360 day year of twelve 30-day months, is payable semiannually on February 15 and August 15 of each year (each an "Interest Payment Date") accrued at the Interest Rate set forth above from the Interest Payment Date to which interest has been duly paid or provided for next preceding the date of authentication hereof, unless the date of authentication: (i) is a date after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date in which event this 1996 Bond shall bear interest from the next succeeding Interest Payment Date, or (ii) is an Interest Payment Date to which interest has been duly paid or provided for, in which event this Bond shall bear interest from the date of authentication hereof, or (iii) is prior to February 15, 1997 in which event this 1996 Bond shall bear interest from September 15, 1996; or unless, as shown on the records of the Paying Agent, interest on the 1996 Bond shall be in default in which event such 1996 Bond will bear interest from the date on which interest was last paid. Interest on this 1996 Bond will be paid on each Interest Payment Date by check or draft drawn on the Paying Agent and mailed to the person

in whose name this 1996 Bond is registered on the bond registry books maintained by the Paying Agent as bond registrar, at the address appearing thereon at the close of business on the fifteenth day (whether or not a business day) next preceding each Interest Payment Date (the "Record Date") irrespective of any transfer or exchange of such 1996 Bond subsequent to the Record Date and prior to such Interest Payment Date unless the Township shall default in the payment of interest due on such Interest Payment Date. In the event of such default, such defaulted interest will be payable to the person in whose name the 1996 Bond is registered at the close of business on a special record date for the payment of the defaulted interest established by notice mailed or by or on behalf of the Township not less than fifteen (15) days preceding such special record date. Notice of the special record date will be mailed to the person in whose name the 1996 Bonds are registered at the close of business on the fifth (5th) day preceding such special record date. The principal of this 1996 Bond shall be payable to the registered owner, upon surrender hereof, at the principal corporate trust office of the Paying Agent. All payments of principal and interest shall be paid in such money of the United States of America as shall at the time of payment be legal payment of public and private debts. If any Interest Payment Date or the Date of Maturity is not a business day, payment shall be made on the next succeeding business day with the same force and effect as if made on the nominal date of payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS 1996 BOND SET FORTH ON THE REVERSE SIDE HEREOF WHICH PROVISIONS SHALL HAVE THE SAME EFFECT AS IF SET FORTH IN FULL ON THE FACE SIDE OF THIS 1996 BOND AT THIS PLACE.

This 1996 Bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate endorsed hereon, manually signed by the Paying Agent.

IN WITNESS WHEREOF, Township of East Norriton has caused this 1996 Bond to be executed by the facsimile signature of the President of the Board of Supervisors and a facsimile of its corporate seal to be hereunto affixed, duly attested by the facsimile signature of the Secretary of the Township.

TOWNSHIP OF EAST NORRITON

Attest:

By: \_\_\_\_\_  
Helmuth J. Baerwald  
Township Secretary  
Township of East Norriton

By: \_\_\_\_\_  
Joseph C. Ronca, Jr.  
Chairman of Board of Supervisors  
Township of East Norriton

## [REAR OF BOND]

This bond is one of an initially authorized series of bonds of like date, amount or tenor, but differing as to maturity, interest rate and provisions for redemption, numbered from "1" consecutively upwards and in order of maturity, amounting in the aggregate to the sum of \$3,955,000 (the "1996 Bonds") issued without the assent of the electors in accordance with the provisions of the Local Government Unit Debt Act of General Assembly of the Commonwealth of Pennsylvania Act No. 1972-185 as re-enacted, amended and revised by Act No. 1975-52 (the "Act") and by virtue of an ordinance (the "Ordinance") of the Township duly enacted by the Board of Supervisors of the Township on August 22, 1996. The Bonds are issued for the purpose of providing funds for and toward the payment of costs for the purposes set forth in the Ordinance and the costs of issuing the 1996 Bonds. This bond is subject to redemption prior to maturity.

### OPTIONAL REDEMPTION

1996 Bonds maturing on and after August 15, 2002 shall be subject to redemption, in whole or in part in any order of maturity and any principal amount within a maturity, prior to their respective maturities at the option of the Township at any time on or after August 15, 2001 upon payment of a redemption price of 100% of the principal amount plus unpaid interest accrued to the date fixed for redemption.

Any such redemptions, either in whole or in part, shall be made upon not less than 30 not more than 45 days notice thereof sent by the Paying Agent by first class mail, postage prepaid to the registered owners of the 1996 Bonds at the registered addresses as set forth on the bond registry books maintained by the Paying Agent unless such notice is waived in writing by the registered owners of the 1996 Bonds so called for redemption. If the Township shall have caused notice of redemption to be so mailed (or if such notice shall have been so waived) and shall have deposited funds sufficient for redemption, the 1996 Bonds so called for redemption shall become due and payable on the date fixed for redemption, whether such 1996 Bonds shall be presented for payment or not, and interest shall cease to accrue on such 1996 Bonds as after such redemption date.

Reference is hereby made to the Ordinance and the Act for a complete statement of the rights and limitations of rights of the registered owner hereof, to all of which the registered owners hereof, by acceptance of this 1996 Bonds, assents.

It is covenanted with the registered owner of this 1996 Bond that the Township shall include the amount of the debt service on the 1996 Bonds for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service, and shall duly and punctually pay or cause to be paid the principal of this 1996 Bond and the interest thereon at the dates and places and in the manner stated in this 1996 Bond, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township has pledged, and does pledge, irrevocably, its full faith, credit and taxing power. This covenant shall be specifically enforceable.

To the extent permitted and as provided in the Ordinance and the Act, modification of the contract created by the Ordinance and the Act and of the rights of the registered owners of 1996 Bonds thereunder may be made with the consent of the registered owners or a majority in principal amount of the 1996 Bonds then outstanding, provided that no such modification may be made which would reduce such percentage required for consent or affect the rights of the registered owners of less than all of the then outstanding 1996 Bonds or modify the terms of payment of or the rate of interest payable on the 1996 Bonds without the consent of the registered owners of all of the 1996 Bonds then outstanding.

The 1996 Bonds are issued in fully registered form and without coupons in denominations of \$5,000 or any integral multiples of \$5,000 thereof. This 1996 Bond may be transferred at the principal corporate trust office of the Paying Agent by surrendering this 1996 Bond for cancellation accompanied by a written instrument of transfer in form approved by the Paying Agent duly executed by the registered owner hereof or by his attorney authorized in writing or by his legal representative and thereupon the Paying Agent shall issued in the name of the transferee or transferees and after authentication shall deliver in exchange a new 1996 Bond or 1996 Bonds in authorized denominations, for a like aggregate principal amount upon the payment of any taxes levied on such issuance. Such transfer shall be noted upon the bond registry book to be kept at the principal corporate trust office of the Paying Agent. The Township and Paying Agent may deem and treat only the person in whose name this 1996 Bond is registered, as the absolute owners hereof for the purpose of receiving payment of or on account of the principal hereof and for all other purposes. Neither the Township nor the Paying Agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this 1996 Bond, or for any claim based on any covenant or agreement contained herein or in the Ordinance, against any member of the Board of Supervisors, officer, agent or employee, past, present or future, of the Township or of any successor body, as such, either directly or through the Township or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

It is hereby certified that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to have happened or to have been performed or to exist precedent to or with respect to the issuance of this 1996 Bond or in the creation of the debt of which this 1996 Bond is evidence have happened, have been performed and exist in due and regular form and manner as required by law; and that the debt represented by this 1996 Bond, together with all other nonelectoral debt of the Township, is not in excess of any constitutional or statutory limitation.

[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]  
CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Obligation Bonds, Series of 1996, described in the within-mentioned Ordinance. Printed on the reverse hereof is the completed text of the opinion of Breidenbach, Breidenbach & Troncelliti, Norristown, Pennsylvania, delivered and dated on the date of the original delivery of and payment for said Bonds, an executed original of which is on file with the undersigned.

\_\_\_\_\_,  
Paying Agent

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

Date of Authentication:

[FORM OF INSTRUMENT OF TRANSFER]

ASSIGNMENT AND TRANSFER  
FOR VALUE RECEIVED

The Undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within-mentioned bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer said bond on the bond register of the within-named Paying Agent, with full power of substitution in the premises.

Dated:

\_\_\_\_\_  
NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alterations or enlargements or any change whatsoever.

Section 18. This Ordinance shall become effective on the earliest date permitted by the Act.

ENACTED AND ORDAINED this 22<sup>nd</sup> Day of August, 1996.

TOWNSHIP OF EAST NORRITON

[SEAL]

By: Joseph C. Ronca, Jr.  
Joseph C. Ronca, Jr.  
Chairman of Board of Supervisors  
Township of East Norriton

By: Helmuth J. Baerwald  
Helmuth J. Baerwald  
Township Secretary,  
Township of East Norriton

CERTIFICATE

I, the undersigned, Township Manger/Secretary of the Township of East Norriton, Montgomery County, Pennsylvania (the "township"), hereby certify that attached hereto is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Board of Supervisors at a meeting duly advertised and held on the 22th day of August, 1996; said Ordinance duly has been recorded in the minute book of the Board of Supervisors; a notice with respect to the intent to enact said Ordinance has been published as required by law; said Ordinance was available for public inspection by any interested citizen requesting the same in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, and such notice; and said Ordinance has not been amended, altered, modified or repealed as of the date of this Certificate.

I further certify that the Board of Supervisors of the Township met the advance notice requirements of Act No. 1986-84 of the General Assembly of the Commonwealth of Pennsylvania, approved July 3, 1986, by advertising the time and place of said meeting in accordance therewith.

I further certify that: 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 said Ordinance was called and duly recorded upon the minutes of said meeting; and members of the Council of the Township voted upon said Ordinance in the following manner:

<u>Name</u>	<u>Vote</u>	<u>Office</u>
Joseph C. Ronca, Jr.		Chairman
John B. Gourley		Vice Chairman
Louis K. McQuirins		Supervisor

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 22<sup>nd</sup> day of August 1996.

  
\_\_\_\_\_  
HELMUTH J. BAERWALD  
Township Manager/Secretary  
Township of East Norriton

(SEAL)