

EAST NORRITON TOWNSHIP
Montgomery County, Pennsylvania

ORDINANCE NO. 309

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF EAST NORRITON TOWNSHIP GENERAL OBLIGATION BONDS - SERIES OF 1992 IN THE PRINCIPAL AMOUNT OF TWO MILLION TWO HUNDRED AND NINETY-FIVE THOUSAND DOLLARS FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE COST OF A PROJECT CONSISTING OF HIGHWAY IMPROVEMENTS, STORM DRAINAGE, THE ACQUISITION OF EQUIPMENT AND STREET LIGHTING, IMPROVEMENTS TO THE TOWNSHIP BUILDING, THE REFUNDING OF THE 1987 BONDS AND PAYMENT OF THE COSTS OF ISSUING THE BONDS AND REFUNDING THE 1987 BONDS; CALLING ALL OUTSTANDING 1987 BONDS FOR REDEMPTION ON FEBRUARY 15, 1992; DETERMINING THE REALISTIC AVERAGE USEFUL LIFE OF THE COMPONENTS OF THE PROJECT; FIXING THE FORM, DENOMINATION, NUMBERS, DATE, INTEREST RATES AND MATURITY DATES OF THE BONDS; PROVIDING FOR THE MANNER OF EXECUTION OF THE BONDS AND FOR THE AUTHENTICATION OF THE BONDS BY A PAYING AGENT; PROVIDING FOR THE MANNER AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; APPROVING THE CERTIFICATE OF AUTHENTICATION, THE ENDORSEMENT AND THE RECORD OF REGISTRATION; PROVIDING FOR TEMPORARY BONDS; APPOINTING THE FISCAL AGENT, PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITARY; PROVIDING REMEDIES; COVENANTING TO BUDGET FOR DEBT SERVICE ON THE BONDS AND TO APPROPRIATE AND PAY AMOUNTS FOR SUCH DEBT SERVICE WHEN DUE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP TO THE PAYMENT OF AMOUNTS DUE WITH RESPECT TO THE BONDS; ESTABLISHING A SINKING FUND AND PROVIDING FOR THE PAYMENT OF THE BONDS THEREFROM; PROVIDING THAT THIS ORDINANCE AND THE LOCAL GOVERNMENT UNIT DEBT ACT SHALL CONSTITUTE A CONTRACT BETWEEN THE TOWNSHIP AND THE BONDHOLDERS; AUTHORIZING THE FILING OF THE DEBT STATEMENT, THE BORROWING BASE CERTIFICATE, APPLICATION FOR EXCLUSION OF SUBSIDIZED OR SELF-LIQUIDATING DEBT, IF DEEMED APPROPRIATE AND APPLICATION FOR APPROVAL OF THE DEPARTMENT OF COMMUNITY AFFAIRS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS AT A NEGOTIATED SALE, AWARDING THE BONDS TO THE PURCHASER NAMED IN SUCH PROPOSAL AND FINDING THAT SUCH A SALE IS IN THE BEST INTERESTS OF THE TOWNSHIP; AUTHORIZING DELIVERY OF THE BONDS AND EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS AS MAY BE ADVISABLE IN CONNECTION WITH THE SALE AND ISSUANCE THEREOF; ESTABLISHING THE DATE OF EFFECTIVENESS OF THE ORDINANCE; COVENANTING TO MAINTAIN THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF THE INTEREST ON THE BONDS AND AUTHORIZING THE ESTABLISHMENT OF PROCEDURES TO REBATE ARBITRAGE PROFITS, IF APPROPRIATE, TO THE FEDERAL GOVERNMENT UNDER EXISTING FEDERAL TAX LAW; DESIGNATING THE BONDS TO BE "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR THE PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986; AND REPEALING OR RESCINDING ANY INCONSISTENT ORDINANCE OR ORDINANCES.

WHEREAS, the Board of Supervisors of East Norriton Township, Montgomery County, Pennsylvania (the "Township") desires to incur debt in the amount of two million two hundred and ninety-five thousand dollars (\$2,295,000), without the assent of the electors and to issue general obligation bonds (the "Bonds") in evidence of such debt, for the purpose of funding the costs of a Project consisting of highway improvements, storm drainage, acquisition of a computer, street lighting and a fire truck, improvements to the Township Building, the refunding of the Township's General Obligation Bonds, Series of 1987 (the "1987 Bonds") to reduce debt service costs over the life of the issue as illustrated on Exhibit "A" attached hereto and payment of the costs of issuing the Bonds and refunding the 1987 Bonds; and

WHEREAS, such incurrence of authorized debt by the Township, will not, when aggregated with the existing net nonelectoral debt of the Township, result in a violation of the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Local Government Unit Debt Act (Act No. 52 of April 28, 1978), as amended (the "Act"); and

WHEREAS, the Board of Supervisors of the Township (the "Board") has determined that it is desirable and in the best interests of the Township to sell the Bonds at private negotiated sale, as authorized by Section 701(a) of the Act; and

WHEREAS, the Township has invited Fidelity Bank, National Association (the "Underwriter") to make a proposal with respect to the purchase of the Bonds at private negotiated sale; and

WHEREAS, the Board has received a negotiated proposal from the Underwriter for the purchase of the Bonds specifying a purchase price of the Bonds of 99.025% of par or \$2,272,623.75 plus accrued interest with a "net interest rate" of 5.78231% (as defined in Section 709 of the Act), assuming a settlement date of February 11, 1992, which was read aloud at the meeting; and

WHEREAS, the Board deems it in the best interests of the Township that the aforesaid proposal to purchase the Bonds be accepted; and

WHEREAS, to reduce interest costs and to secure the payment of the principal of and interest on the Bonds for the benefit of the purchasers thereof, the Township will acquire a municipal bond insurance policy from Municipal Bond Investors Assurance Corporation ("MBIA") guaranteeing the prompt payment of the principal of and interest on the Bonds when and as due.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF SUPERVISORS OF EAST NORRITON TOWNSHIP AND IT IS HEREBY ENACTED AND ORDAINED BY THE AUTHORITY OF SAID BOARD THAT:

Section 1A. The corporate authorities of the Township do hereby authorize and direct the incurring of nonelectoral debt through the issuance of General Obligation Bonds, Series of 1992 (the "Bonds") in the aggregate principal amount of two million two hundred and ninety-five thousand dollars (\$2,295,000) for the purpose of funding the costs of the Project.

B. Subject only to completion of, delivery and settlement for the Bonds, the Township hereby calls for redemption, at 100% of the face amount thereof, on February 15, 1992, all of its then outstanding 1987 Bonds maturing on February 15, 1993 and thereafter.

In connection with the redemption of the 1987 Bonds, the Township hereby irrevocably makes, constitutes and appoints Meridian Trust Company, Reading, Pennsylvania, Paying Agent for the 1987 Bonds (the "1987 Paying Agent"), its true and lawful attorney to effect the redemption of the 1987 Bonds and in the name of the Township to mail notice of redemption as provided in the form of the 1987 Bonds. The Township agrees to pay the expenses of the redemption and grants to the 1987 Paying Agent full authority to do and perform each and every act and thing whatsoever requisite and necessary to effectuate the redemption of the 1987 Bonds and the Township hereby ratifies and confirms all that said 1987 Paying Agent shall do or cause to be done by virtue thereof.

On the date of the issuance of the Bonds, the Township shall transfer and deposit with the 1987 Paying Agent for irrevocable deposit in the 1987 Bonds sinking fund account of the Township, that portion of the net proceeds of the Bonds, which will be sufficient to pay the then outstanding principal of all 1987 Bonds maturing on and after February 15, 1992 together with accrued interest thereon to the date of payment. Moneys deposited in the 1987 Bonds sinking fund account as aforementioned shall be invested in securities permitted by Section 1110 of the Act and the Chairman of the Board is hereby authorized to determine the amounts and types of investments to be so utilized and to execute and deliver the appropriate instruction letter to the 1987 Paying Agent.

Section 2. The realistic estimated average useful life of the project financed by the 1987 Bonds, and to be refunded by the Bonds was determined, at the time of the issuance thereof to be four to eight years for police and municipal vehicles and 20 years for the other components.

The realistic estimated useful lives of the components of the capital Project financed by the Bonds are as follows:

- (a) Fire Truck - 20 years
- (b) Computer - 10 years
- (c) Municipal Building Improvements - 20 years
- (d) Highway Improvements - 30 years
- (e) Storm Drainage - 20 years
- (f) Street Lighting - 30 years

An aggregate principal amount of the Bonds equal to the cost of the computer and the portion of the 1987 Bonds attributable to the police and municipal vehicles will mature prior to the end of their useful lives, and the balance of the Bonds will mature prior to the end of the longest useful life of all other components of the Project.

Section 3. The Bonds shall be issued in fully registered form, without coupons, in the denomination of \$5,000 each or in integral multiples of \$5,000 thereof, shall be numbered from 1 upward, shall be dated February 1, 1992, shall bear interest from such date or from the most recent date to which interest has been

paid until payment of the principal sum has been made or provided for upon redemption or at maturity, payable initially on August 15, 1992 and semi-annually thereafter on February 15 and August 15 of each year (each an "Interest Payment Date"), at the rates of interest per annum and shall mature on August 15 of the years and in the amounts, as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1993	\$110,000	3.75%
1994	115,000	3.90
1995	115,000	4.25
1996	120,000	4.50
1997	130,000	4.75
1998	135,000	5.00
1999	140,000	5.10
2000	145,000	5.25
2001	155,000	5.40
2002	165,000	5.50
2003	170,000	5.75
2004	180,000	5.95
2005	195,000	6.05
2006	205,000	6.15
2007	215,000	6.30

The Bonds stated to mature on and after August 15, 1998, are subject to optional redemption prior to maturity at the option of the Township as a whole or in part at any time on or after August 15, 1997, at a price equal to 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

Any redemption of the Bonds shall be upon notice sent by first class mail, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed, at the address shown on the registration books of the Paying Agent on the day such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

Section 4. The Bonds shall be executed with the facsimile signature of the Chairman of the Board, attested with the facsimile signature of the Secretary, and shall have affixed thereto a facsimile of the corporate seal of the Township. No Bond shall be valid or enforceable unless such Bond has been authenticated by the certificate endorsed thereon, manually signed by an officer of the Paying Agent appointed in Section 8 of this Ordinance.

Section 5. The principal of the Bonds shall be payable at the principal corporate trust office in Norristown, Pennsylvania of the Paying Agent hereinafter appointed, or the corporate trust office of any successor paying agent appointed by the Township pursuant to the Act.

Interest on the Bonds shall be paid by check or draft drawn upon the Paying Agent and mailed, on each Interest Payment Date, to the addresses of the registered owners of the Bonds as recorded on the registration books maintained at the principal corporate trust office of the Paying Agent in Norristown, Pennsylvania as of the close of business on the first day of the month (whether or not a business day) next preceding each Interest Payment Date notwithstanding any exchange or transfer thereof by the registered owners subsequent to the record date and prior to the Interest Payment Date. If and to the extent there shall be a default in the payment of the interest due on an Interest Payment Date, such defaulted interest shall be paid to the registered owners in whose name the Bonds (or any bonds issued upon transfer or exchange thereof) are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed to the registered owners not less than fifteen (15) days preceding such special record date. Any notice of a special record date will be mailed to the person in whose name the Bonds are registered at the close of business on the fifth (5th) day next preceding the date of mailing.

Any payments of principal of or interest on the Bonds shall be in such coin or currency as at the respective times of payment shall constitute legal tender for the payment of public and private debts, without deduction for any tax or taxes except gift, estate, succession, or inheritance taxes or any other taxes not levied directly on the Bonds, the transfer thereof, the income therefrom or the realization of profits on the sale thereof which the Township may be required to pay thereon or retain therefrom under or pursuant to any present or future law of the Commonwealth of Pennsylvania.

Section 6. The 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
EAST NORRITON TOWNSHIP
GENERAL OBLIGATION BONDS, SERIES OF 1992

INTEREST RATE MATURITY DATE INITIAL DATED DATE CUSIP
February 1, 1992

REGISTERED OWNER:

PRINCIPAL AMOUNT:

East Norriton Township, 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 February 1, 1992 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 Continental Bank, Norristown, 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") commencing August 15, 1992 in an amount equal to the interest 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 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 August 2, 1992 in which event this Bond shall bear interest from February 1, 1992; or unless, as shown on the records of the Paying Agent, interest on the Bonds shall be in default in which event this Bond will bear interest from the date on which interest was last paid. Interest on this 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 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 first day of the month (whether or not a business day) next preceding each Interest Payment Date (the "Record Date") irrespective of any transfer or exchange of such 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 Bond is registered at the close of business on a special record date for the payment of the defaulted interest established by notice mailed 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 Bonds are registered at the close of business on the fifth (5th) day preceding the special record date. The principal of this 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 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 BOND AT THIS PLACE.

This 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, East Norriton Township has caused this Bond to be executed by the facsimile signature of the Chairman of the Board of Supervisors of the Township and a facsimile of its corporate seal to be hereunto affixed, duly attested by the facsimile signature of the Secretary thereof.

EAST NORRITON TOWNSHIP

Attest:

By: _____
Secretary, of East
Norriton Township

By: _____
Chairman of the Board
of Supervisors of
East Norriton Township

[SEAL]

[REAR OF BOND]

This Bond is one of an initially authorized series of bonds of like date, amount and tenor, but differing as to maturity and interest rate, numbered from "1" consecutively upwards and in order of maturity, amounting in the aggregate to the sum of \$2,295,000 (the "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. 1978-52 (the "Act"), and by virtue of an ordinance (the "Ordinance") of the Township duly enacted by the Board of Supervisors of the Township on January 17, 1992. The Bonds are issued for the purpose of providing moneys to fund the costs of a Project, including the refunding of the Township's General Obligation Bonds, Series of 1987 as provided in the Act and as further described in the Ordinance.

OPTIONAL REDEMPTION

The Bonds stated to mature on and after August 15, 1998, are subject to redemption prior to maturity at the option of the Township as a whole or in part at any time on or after August 15, 1997, at a price equal to 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

Notice of Redemption

Any redemption of Bonds shall be upon notice effected by depositing a copy of the redemption notice in first class mail, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed, at the address shown on the registration books of the Paying Agent on the day such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

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 owner hereof, by acceptance of this Bond, assents.

It is covenanted with the registered owner of this Bond that the Township shall include the amount of the debt service on the 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 Bond and the interest hereon at the dates and places and in the manner stated in this 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 Bonds thereunder may be made with the consent of the registered owners of a majority in principal amount of the Bonds then outstanding,

provided, however, that the consent of Municipal Bond Investors Assurance Corporation ("MBIA") (the issuer of the municipal bond insurance policy referred to in this Bond) is also obtained and further 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 Bonds or modify the terms of payment of or the rate of interest payable on the Bonds without the consent of the registered owners of all of the Bonds then outstanding.

The Bonds are issued in fully registered form and without coupons in denominations of \$5,000 or any integral multiples of \$5,000 thereof. This Bond may be transferred at the principal corporate trust office of the Paying Agent by surrendering this 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 issue in the name of the transferee or transferees and after authentication shall deliver in exchange a new Bond or 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 Bond is registered, as the absolute owner 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 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 in his individual capacity.

The Township, in the Ordinance, has designated 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, as amended.

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 Bond or in the creation of the debt of which this 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 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 1992, described in the within-mentioned Ordinance. Printed on the reverse hereof is the completed text of the opinion of Drinker Biddle & Reath, Philadelphia, 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.

CONTINENTAL BANK
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 7. Until Bonds in definitive form are ready for delivery, the proper officers of the Township may execute, and upon their request in writing, the Paying Agent shall authenticate and deliver in lieu of the Bonds in definitive form and subject to the same provisions, limitations and conditions, one or more printed or typewritten bonds in temporary form, substantially of the tenor of the Bonds herein before described in fully registered form, without coupons and with appropriate omissions, variations and insertions. Such bond or bonds in temporary form may be for the principal amount of Five Thousand Dollars (\$5,000) or any whole multiple or multiples thereof, as such officers may determine. The aforesaid officers, without unnecessary delay, shall cause Bonds in definitive form to be prepared, executed and delivered to said Paying Agent, and thereupon, upon presentation and surrender of the bond or bonds in temporary form, said Paying Agent shall authenticate and deliver, in exchange therefor, Bonds in definitive form in authorized denominations for the same aggregate principal amount and bearing interest at the same rate per annum as the bond or bonds in temporary form surrendered. Such exchange shall be made by the Township at its own expense and without any charge therefor to the holders thereof. When and as interest is paid upon the bond or bonds in temporary form, the fact of such payment shall be endorsed thereon. Until so exchanged, the temporary bond or bonds shall be in full force and effect according to its or their terms.

Section 8. Continental Bank, Norristown, Pennsylvania, is hereby appointed Fiscal Agent, Paying Agent, Sinking Fund Depository and Registrar for the Bonds (the "Paying Agent" or the "Fiscal Agent"). The Paying Agent is hereby authorized and requested, upon written order of the Chairman of the Board or other authorized officer of the Township, to authenticate the Bonds and deliver them to the purchaser thereof designated in such order.

Section 9. If the Township shall fail or refuse to make any required deposit in the sinking fund established by Section 11 of this Ordinance, or to satisfy any of the covenants herein contained, the Fiscal Agent may, and upon request of MBIA or the registered owners of 25% of the principal amount of the 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 the registered owners of the Bonds and shall disburse all funds so collected to the persons entitled to receive payments pursuant to the terms of the Bonds as provided in the Act, subject to any limitations contained in Article XII thereof. If the Fiscal 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.

Section 10. The annual debt service on the Bonds is as listed on Exhibit "B" attached hereto.

The Bonds, as general obligations of the Township, shall be payable from taxes levied by the Township including unlimited ad valorem taxes on property in the Township taxable for Township purposes. The Township hereby covenants with the registered owners of the Bonds that the Township shall include the amount of the debt service on the Bonds for each fiscal year of the Township in which such sums are payable in its budget for such year, shall appropriate such amounts from its

general revenues for the payment of such debt service, and shall punctually pay or cause to be paid from the Sinking Fund established for the Bonds hereunder or any of its other revenues or funds the principal of and interest on every Bond at the dates and places or in the manner stated in the Bonds, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Township hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

Section 11. A sinking fund is hereby established designated "Sinking Fund - East Norriton Township, General Obligation Bonds, Series of 1992" (the "Sinking Fund"), which shall be held by the Fiscal Agent segregated from all other funds of the Township. The Township, except as otherwise provided herein, shall deposit in the Sinking Fund not later than the business day next preceding each date when interest or principal is to become due on the Bonds a sufficient part of each above-mentioned appropriation so that on each such payment date the Sinking Fund will contain, together with any other available funds therein, sufficient moneys to pay in full interest and principal then due on the Bonds. The Sinking Fund shall be secured and invested by the Fiscal 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 Fiscal Agent and said deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund. The Fiscal Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the Bonds when due and payable.

Section 12. 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 Bonds. Said contract may be modified with the consent of the registered owners of a majority in principal amount of the Bonds then outstanding, provided, however, that the consent of MBIA to such modification is obtained and further 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 Bonds or modify the terms of payment of or the rate of interest payable on the Bonds without the consent of the registered owners of all of the Bonds then outstanding.

Section 13. The Chairman of the Board, and the Secretary of the Township and their respective successors are hereby authorized and directed to prepare or cause to be prepared, certify and file with the Department of Community Affairs of the Commonwealth of Pennsylvania, a debt statement and borrowing base certificate and, if deemed appropriate, an application for exclusion of subsidized or self-liquidating debt and the Township shall certify to and send to the Department of Community Affairs an accurate copy of the proceedings had for increasing the debt of the Township, and shall take all such further action as may be required by the Act for the purpose for obtaining said Department's approval of said increase of debt.

Section 14. The proposal of Fidelity Bank, National Association (the "Underwriter"), dated the date hereof for the purchase of the Bonds at private negotiated sale at the price and in accordance with the other terms and conditions contained in such proposal is hereby accepted, the Board hereby finds that such private negotiated sale is in the best interests of the Township and the 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 Affairs of the Commonwealth of Pennsylvania approving the incurrence of debt to be evidenced by the Bonds. As set forth in such proposal, the Bonds are purchased at a price of \$2,272,623.75 (such being 99.025% of the par amount thereof) with a "net interest rate" of 5.78231%, assuming a settlement date of February 11, 1992. The 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 of the Board, and the Secretary of the Township and their respective successors are further authorized and directed to deliver the 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 purchase a municipal insurance policy from MBIA to enhance the rating of the Bonds and provide debt service savings to the Township, pay the costs of issuing the 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 Bonds.

Section 15. The Township covenants with the registered Owners of the Bonds that (i) no part of the proceeds of the 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 Bonds would no longer 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 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 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).

Section 16. 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 17. In case any one or more provisions contained in this Ordinance or in the 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 Bonds, and this Ordinance or said Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provision were never contained therein.

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

Section 19. All ordinances or parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

ENACTED AND ORDAINED this 17th day of January, 1992.

[SEAL]



By: *Henry J. Samuel*
Secretary,
East Norriton Township

THE BOARD OF TOWNSHIP
SUPERVISORS OF EAST
NORRITON TOWNSHIP

By: *Joseph A. Rouse Jr.*
Chairman

By: *Lewis M. Johnson*
Vice Chairman

By: *A. S. Sawley*
Supervisor

EXHIBIT "A"

DEBT SERVICE COMPARISON FROM 2/11/1992					
DATE	PRINCIPAL	INTEREST	NEW NET D/S	PRIOR NET D/S	SAVINGS
2/15/1992	-	-	-	146,742.50	146,742.50
2/15/1993	75,000.00	48,079.78	123,079.78	107,485.00	(15,594.78)
2/15/1994	80,000.00	43,467.50	123,467.50	109,365.00	(14,102.50)
2/15/1995	85,000.00	40,347.50	125,347.50	110,887.50	(14,460.00)
2/15/1996	90,000.00	36,735.00	126,735.00	112,037.50	(14,697.50)
2/15/1997	95,000.00	32,685.00	127,685.00	107,762.50	(19,922.50)
2/15/1998	95,000.00	28,172.50	123,172.50	108,375.00	(14,797.50)
2/15/1999	100,000.00	23,422.50	123,422.50	108,615.00	(14,807.50)
2/15/2000	105,000.00	18,322.50	123,322.50	108,430.00	(14,892.50)
2/15/2001	115,000.00	12,810.00	127,810.00	107,805.00	(20,005.00)
2/15/2002	120,000.00	6,600.00	126,600.00	111,772.50	(14,827.50)
TOTAL	960,000.00	290,642.28	1,250,642.28	1,239,277.50	(11,364.78)

GROSS PRESENT VALUE DEBT SERVICE SAVINGS	\$27,154.63
Other Benefits.....	-
Deposit to Debt Service Fund.....	1,285.56
Amount released from Prior Issue DSR Funds.....	-
Other Costs.....	-
Cash Contribution.....	-
Transfers from Prior Issue Debt Service Fund.....	-
NET PRESENT VALUE BENEFIT	\$28,440.19
Savings as a % of refunded bond principal amount..	-

EXHIBIT "B"

DEBT SERVICE SCHEDULE				
DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
8/15/1992	-	-	65,989.64	65,989.64
8/15/1993	110,000.00	3.75000%	122,455.00	232,455.00
8/15/1994	115,000.00	3.90000%	118,330.00	233,330.00
8/15/1995	115,000.00	4.25000%	113,845.00	228,845.00
8/15/1996	120,000.00	4.50000%	108,957.50	228,957.50
8/15/1997	130,000.00	4.75000%	103,557.50	233,557.50
8/15/1998	135,000.00	5.00000%	97,382.50	232,382.50
8/15/1999	140,000.00	5.10000%	90,632.50	230,632.50
8/15/2000	145,000.00	5.25000%	83,492.50	228,492.50
8/15/2001	155,000.00	5.40000%	75,880.00	230,880.00
8/15/2002	165,000.00	5.50000%	67,510.00	232,510.00
8/15/2003	170,000.00	5.75000%	58,435.00	228,435.00
8/15/2004	180,000.00	5.95000%	48,660.00	228,660.00
8/15/2005	195,000.00	6.05000%	37,950.00	232,950.00
8/15/2006	205,000.00	6.15000%	26,152.50	231,152.50
8/15/2007	215,000.00	6.30000%	13,545.00	228,545.00
TOTAL	2,295,000.00	-	1,232,774.64	3,527,774.64