

**TOWNSHIP OF EAST NORRITON**  
**Montgomery County, Pennsylvania**

**ORDINANCE NO. 460**

AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE TOWNSHIP OF EAST NORRITON BY THE ISSUANCE OF \$4,905,000 GENERAL OBLIGATION BONDS, SERIES OF 2004, FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARDS A REFINANCING PROGRAM AND PAYING THE COSTS OF ISSUING THE BONDS; AUTHORIZING THE PREPARATION AND FILING OF A DEBT STATEMENT AND OTHER DOCUMENTATION; COVENANTING TO CREATE A SINKING FUND AND TO BUDGET, APPROPRIATE AND PAY DEBT SERVICE ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP FOR THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF BOND; SETTING FORTH THE STATED PRINCIPAL MATURITY AMOUNTS AND DATES, INTEREST RATES AND INTEREST PAYMENT DATES, PLACE OF PAYMENT, SINKING FUND PROVISIONS AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENT TO CONTINUING DISCLOSURE AGREEMENT; FINDING THAT A NEGOTIATED PRIVATE SALE OF THE BONDS IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP AND ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Township is granted the power by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended (the "Act"), to incur indebtedness and to issue bonds for the purposes of refunding outstanding indebtedness; and

WHEREAS, the Township has heretofore issued its General Obligation Bonds, Series of 1998 presently outstanding in the principal amount of \$4,770,000 (the "**Prior Bonds**"); and

WHEREAS, the Township has determined to refund the Prior Bonds in order to reduce the debt service that would otherwise be payable on such Prior Bonds (the "**Refinancing Program**"); and

WHEREAS, the Township now proposes to issue \$4,905,000 aggregate principal amount of its General Obligation Bonds, Series of 2004 (the "**Bonds**") to finance the costs of the Refinancing Program and the costs and expenses of issuing the Bonds; and

WHEREAS, the Township has determined that it is in the best financial interest of the Township to sell the Bonds at a private negotiated sale, and has received a proposal for the purchase of the Bonds which it desires to accept.

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of the Township of the East Norriton and IT IS HEREBY ORDAINED, as follows:

Section 1. Authorization of the Refinancing Program and Incurrence of Indebtedness and Statement of Purpose of Refinancing Program. The Township hereby authorizes and shall undertake the Refinancing Program as described in the preambles to this Ordinance. The Township shall incur indebtedness pursuant to the Act in the aggregate principal amount of \$4,905,000 to finance the costs of the Refinancing Program and the costs and expenses of issuing the Bonds.

It is hereby determined and set forth that the purpose of the Refinancing Program is to reduce the debt service that would otherwise be payable on the Prior Bonds. Attached hereto as **Exhibit "A"** and made a part hereof is the schedule of debt service savings in connection with the refinancing of the Prior Bonds.

The final maturity date of the Bonds does not extend beyond the final maturity date of the Prior Bonds.

Section 2. Authorization of Issuance of Bonds. The Township shall issue, pursuant to the Act and this Ordinance, \$4,905,000 aggregate principal amount of its General Obligation Bonds, Series of 2004 to provide funds for and toward the costs of the Refinancing Program and paying the costs of issuing the Bonds as provided in Section 1 hereof.

Section 3. Type of Indebtedness. The indebtedness authorized by this Ordinance is nonelectoral debt.

Section 4. Execution of Debt Statement, Bonds and Other Documents. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary of the Township and their successors are hereby authorized and directed to file the debt statement required by Section 8110 of the Act, to execute and deliver the Bonds in the name and on behalf of the Township and to take all other action required by the Act or this Ordinance in connection with the issuance of the Bonds. Said officers or any of them are further authorized to apply to the Department of Community and Economic Development for approval of the debt herein authorized and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, the Debt Statement, a Borrowing Base Certificate signed by the appropriate officials of the Township or by the accountants of the Township responsible for auditing its financial affairs, and to take any and all such further action and to execute and deliver

such other documents as may be necessary or proper to comply with all requirements of the Act or to carry out the intent and purpose of this Ordinance. Said officers and their successors are further hereby authorized if, in their opinion, it is advisable to do so, to prepare and file such statements and documents as may be required by Section 8024 of the Act in order to qualify all or any portion of the existing indebtedness of the Township or of the above authorized indebtedness as subsidized debt.

Section 5. Type of Bonds. The Bonds when issued will be general obligation bonds.

Section 6. Covenant to Pay Debt Service - Pledge of Taxing Power. The Township hereby covenants with the registered owners of the Bonds outstanding pursuant to this Ordinance as follows: that the Township will include in its budget for each fiscal year during the life of the Bonds, the amount of the debt service on the Bonds issued hereunder which will be payable in each such fiscal year so long as any of the Bonds shall remain outstanding; that the Township shall appropriate from its general revenues such amounts to the payment of such debt service; that the Township shall duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and 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. The covenant contained in this Section 6 shall be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenant are those set forth in **Exhibit "B"** attached hereto and made a part hereof which are hereby incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant.

Section 7. Form of Bonds. The Bonds shall be substantially in the following form with appropriate omissions, insertions and variations:

(FORM OF FACE OF BOND)

No. R-

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF EAST NORRITON  
Montgomery County, Pennsylvania

GENERAL OBLIGATION BOND,  
SERIES OF 2004

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
	August 15, ____	March 15, 2004	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The Township of East Norriton, Montgomery County, Pennsylvania (the "Township"), for value received, hereby promises to pay to the registered owner hereof on the maturity date set forth above the principal sum set forth above, and to pay interest thereon from March 15, 2004 or the most recent Interest Payment Date to which interest has been paid or duly provided for, initially on August 15, 2004 and semiannually thereafter on February 15 and August 15 of each year (each, an "Interest Payment Date"), at the annual rate specified above, calculated on the basis of a 360-day year of twelve 30-day months until the principal sum is paid or has been provided for. The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust office of Fulton Financial Advisors, National Association (the "Paying Agent") in Lancaster, Pennsylvania. Interest on this Bond will be paid on each Interest Payment Date by check mailed to the person in whose name this Bond is registered on the registration books of the Township maintained by the Paying Agent, as registrar, at the address appearing thereon at the close of business on the last day of the calendar month (whether or not a day on which the paying agent is open for business) next preceding such Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the Regular Record Date, and shall be payable to the person who is the registered owner hereof at the

close of business on a Special Record Date (the "Special Record Date") for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever monies become available for payment of the defaulted interest, and notice of the Special Record Date and of the payment date for such interest shall be given to registered owners of the Bonds not less than fifteen (15) days prior to the Special Record Date. The principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of General Obligation Bonds, Series of 2004, of the Township in the aggregate principal amount of \$4,905,000 (the "Bonds"). The Bonds are issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof, all of like date and tenor, except as to dates of maturity, rates of interest and provisions for redemption, and all issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), as amended (the "Act"), and pursuant to an ordinance of the Township Board of Supervisors duly enacted on February 24, 2004 (the "Ordinance"). The Bonds are issued for the purpose of financing a refinancing program described in the Ordinance and paying the costs of issuing the Bonds.

Under the laws of the Commonwealth, this Bond and the interest thereon shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or to any other taxes not levied or assessed directly on this Bond or the interest thereon. Profits, gains or income derived from the sale, exchange or other disposition of this Bond are subject to state and local taxation.

The Bonds maturing on or after August 15, 2010 are subject to redemption prior to maturity at the option of the Township as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the Township, on August 15, 2009 or any date thereafter, upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire year's maturity of Bonds are to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption and upon deposit with the Paying Agent of funds sufficient for payment of the principal and accrued interest on the Bonds called for redemption, 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 the Ordinance, and registered owners of the Bonds so called for redemption shall have no

rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Paying Agent. Such notice shall also be mailed to *The Bond Buyer*, or if no longer published, to such substitute financial journal as shall be acceptable to the Paying Agent. Such notice shall be given in the name of the Township, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and that from the date of redemption interest will cease to accrue. The Paying Agent shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

With respect to any optional redemption of Bonds, if at the time of mailing such notice of redemption, the Township shall not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such monies are so deposited.

The Bonds are transferable by the registered owners thereof, subject to payment of any required tax, fee or other governmental charge, upon presentation and surrender thereof at the designated corporate trust office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent. The Paying Agent shall not be required: (i) to issue, transfer or exchange any of the Bonds during a period beginning at the close of business on the fifth (5<sup>th</sup>) day next preceding the day of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given; or (ii) to transfer or exchange any Bond selected for redemption in whole or in part.

The Township and the Paying Agent may treat the person in whose name this Bond is registered on the Bond register maintained by the Paying Agent as the absolute owner of this Bond for all purposes and 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 hereon, against any member of the Board of Supervisors, officer 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 execution and issuance of this Bond.

Whenever the due date for payment of interest on or principal of this Bond shall be a Saturday, Sunday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized by law to close (a "Holiday"), then the payment of such interest or principal need not be made on such date, but may be made on the succeeding day which is not a Holiday, with the same force and effect as if made on the due date for payment of principal or interest.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Township to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the Township, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; that the Township has established a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

This Bond shall not be entitled to any benefit under the within mentioned Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Paying Agent by execution of the certificate endorsed hereon.

IN WITNESS WHEREOF, Township of East Norriton, Montgomery County, Pennsylvania, has caused this Bond to be signed in its name and on its behalf by the signature of the Chairman of its Board of Supervisors and its corporate seal to be hereunto impressed and duly attested by the signature of the Township Secretary.

TOWNSHIP OF EAST NORRITON

(SEAL)

By: \_\_\_\_\_  
Chairman, Board of Supervisors

Attest: \_\_\_\_\_  
Secretary

## AUTHENTICATION CERTIFICATE

This Bond is one of the Township of East Norriton General Obligation Bonds, Series of 2004, described in the within mentioned Ordinance.

FULTON FINANCIAL ADVISORS,  
NATIONAL ASSOCIATION, Paying Agent

Date of Authentication:

By: \_\_\_\_\_  
Authorized Signer

## STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. 22193BE (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Obligation acknowledges and consents to the subrogation rights of Ambac Assurance as more full set forth in the Policy.

**ASSIGNMENT AND TRANSFER**

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

PLEASE INSERT SOCIAL SECURITY OR EMPLOYER  
IDENTIFICATION NUMBER OF ASSIGNEE

\_\_\_\_\_

\_\_\_\_\_ the  
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ attorney to  
transfer said Bond on the books of the within named Paying Agent, with full power of substitution in  
the premises.

Dated:

Signature Guaranteed by:

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

\_\_\_\_\_  
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 alteration or enlargement  
or any change whatever.

\_\_\_\_\_  
(Authorized Signature)

**[END OF BOND FORM]**

Section 8. Terms of Bonds. The Bonds shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof, shall be dated March 15, 2004, shall be issued in the aggregate principal amount of \$4,905,000, shall bear interest from March 15, 2004, payable initially on August 15, 2004 and semiannually thereafter on February 15 and August 15 of each year, at the rates and shall mature on August 15 of the years as set forth in the Bond Amortization Schedule attached hereto as **Exhibit "B"** and made a part hereof.

The principal of the Bonds shall be payable in lawful money of the United States of America at the corporate trust office of Fulton Financial Advisors, National Association, in Lancaster, Pennsylvania, which is hereby appointed paying agent and registrar for the Bonds and the sinking fund depository. Interest on the Bonds shall be payable in the manner provided in the Form of Bond set forth herein.

Section 9. Redemption of Bonds. The Bonds maturing on or after August 15, 2010 shall be subject to redemption prior to maturity, at the option of the Township, as a whole or in part from time to time, in any order of maturity or portion of a maturity as selected by the Township, on August 15, 2009 or any date thereafter upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire year's maturity of Bonds are to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the designated corporate trust office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, 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 hereunder, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Paying Agent. Such notice shall also be mailed to *The Bond Buyer*, or if

no longer published, to such substitute financial journal as shall be acceptable to the Paying Agent. Such notice shall be given in the name of the Township, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and that from the date of redemption interest will cease to accrue. The Paying Agent shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

Section 10. Appointment of Securities Depository. The Depository Trust Company, New York, New York ("**DTC**"), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system ("**DTC Participants**"). The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each bond certificate will be in the aggregate principal amount of such maturity as shown on **Exhibit "B"** attached hereto.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the "**Beneficial Owner**") will not receive bond certificates and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the Township nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The Township is authorized to execute such documents as may be necessary or desirable in connection with DTC's services as securities depository including a blanket letter of representation obligating the Township to give certain notices to DTC and to meet certain requirements relating to Bond payments.

If DTC determines to discontinue providing its services as securities depository with respect to the Bonds at any time, the Township officials then holding the offices set forth in Section 4 of this Ordinance are hereby authorized to designate a successor securities depository or to deliver certificates to or upon the order of the registered owners of the Bonds.

Section 11. Sale of Bonds. The Bonds shall be sold at private sale by negotiation as hereinafter set forth in Section 14. After due consideration, the Board of Supervisors hereby finds and determines, on the basis of all available information, that a private negotiated sale of the Bonds is in the best financial interest of the Township.

Section 12. Creation of and Deposits in Sinking Fund. The Township covenants that there shall be and there is hereby established and that it shall hereafter maintain a sinking fund (the "**Sinking Fund**") designated as the "Sinking Fund – General Obligation Bonds, Series of 2004" for the Bonds to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the Township, but subject to withdrawal only by the Paying Agent.

The Township covenants and agrees to deposit in the Sinking Fund not later than February 15 and August 15 of each year beginning August 15, 2004 the debt service payable on the Bonds on such dates, all as set forth in **Exhibit "B"** attached hereto, or such greater or lesser amount as at the time shall be sufficient to pay principal of and interest on the Bonds becoming due on each such date.

Pending application to the purposes for which the Sinking Fund is established, the Chairman of the Township Board of Supervisors or the Secretary or Treasurer of the Township is hereby authorized and directed to cause the monies therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the Act. All income received on such deposits or investments of monies in the Sinking Fund during each applicable period shall be added to the Sinking Fund and shall be credited against the deposit next required to be made in the Sinking Fund.

The Paying Agent is hereby authorized and directed, without further action by the Township, to pay from the Sinking Fund the principal of and interest on the Bonds as the same shall become due and payable in accordance with the terms hereof, and the Township hereby covenants that such monies, to the extent required, will be applied to such purposes.

All monies deposited in the Sinking Fund for the payment of the Bonds which have not been claimed by the registered owners thereof after two years from the date payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the Township. Nothing contained herein shall relieve the Township of its liability to the registered owners of unrepresented Bonds.

Section 13. No Taxes Assumed. The Township shall not assume the payment of any tax or taxes in consideration of the purchase of the Bonds.

Section 14. Award and Sale of Bonds. The Township hereby awards and sells the Bonds to Commerce Capital Markets, Inc., Philadelphia, Pennsylvania (the "**Underwriter**"), at a price of \$4,852,492.10 (representing the face amount of the Bonds less net original issue discount of \$23,077.90 and underwriter's discount of \$29,430) plus accrued interest, if any, from March 15, 2004 to the date of delivery and in accordance with the terms and conditions contained or incorporated in the proposal of the Underwriter dated February 24, 2004, which is hereby approved and accepted. A copy of said proposal shall be attached to this Ordinance and lodged with the official minutes of this meeting and all of such documents are hereby incorporated herein by reference. The proper officers of the Township are hereby authorized and directed to

endorse the acceptance of the Township on said proposal and to deliver copies thereof to the Underwriter. Delivery of the accepted proposal to the Underwriter shall constitute conclusive evidence that the award and sale of the Bonds under this Ordinance have become final.

Section 15. Contract with Paying Agent. The proper officers of the Township are authorized to contract with Fulton Financial Advisors, National Association, Lancaster, Pennsylvania in connection with the performance of its duties as the Paying Agent and Sinking Fund Depository on usual and customary terms, including an agreement to observe and comply with the provisions of this Ordinance and of the Act.

Section 16. Redemption of Prior Bonds and Deposit of Funds. The Township hereby calls for redemption on March 30, 2004, all of the Prior Bonds outstanding. If necessary, the Chairman or Vice Chairman is authorized to designate a different date for the redemption of the Prior Bonds. The Township shall (a) certify to Fulton Financial Advisors, National Association (successor paying agent to First Financial Bank), as the paying agent for the Prior Bonds, the amounts required to pay the interest on the Prior Bonds to the date of redemption and the principal of the Prior Bonds maturing on or after August 15, 2005; (b) deposit with said Paying Agent amounts sufficient to meet such requirements; and (c) irrevocably pledge all amounts held for the payment of the Prior Bonds to such purposes. The Chairman or Vice Chairman and Secretary or Treasurer of the Township are hereby authorized and directed to execute all documents necessary to effect such redemption.

Section 17. Federal Tax Covenants. The Township hereby covenants not to take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated with respect thereto throughout the term of the Bonds. The Township further covenants that it will make no investments or other use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code. The Township further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

The Township hereby represents and warrants, after due investigation and to the best of its knowledge, that (i) the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code and (ii) the aggregate face amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code (which includes qualified 501(c)(3) bonds but not any other private activity bonds) issued or to be issued by the Township (and all "subordinate entities" thereof) during the 2004 calendar year, including the Bonds, is not reasonably expected to exceed \$10,000,000. The Township hereby designates each of the Bonds as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code. The Township hereby authorizes the proper officers of the Township to execute a certificate to that effect at the time of the closing.

Section 18. Execution and Authentication of Bonds. As provided in Section 4, the Bonds shall be executed by the Chairman or Vice Chairman of the Board of Supervisors of the Township and the Secretary or Assistant Secretary of the Township and each such execution shall be by manual signature. If any officer whose signature appears on the Bonds shall cease to hold such office before the actual delivery date of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the Bonds. The Bonds shall be authenticated by the manual signature of the Paying Agent.

Section 19. Application of Bond Proceeds. The purchase price for the Bonds and any accrued interest payable by the Underwriter shall be paid to the Paying Agent on behalf of the Township. Upon receipt of the purchase price for the Bonds, including interest thereon accrued to the date of delivery, if any, the Paying Agent shall deposit the same in a settlement account. From the settlement account, the Paying Agent shall pay, or establish reserves for payment of, the costs and expenses of the financing in the amounts substantially as set forth in the purchase proposal of the Underwriter which are hereby approved and the proper officers of the Township are authorized to direct the Paying Agent to pay the issuance costs on behalf of the Township as set forth in written directions to the Paying Agent. The portion of the net proceeds of the Bonds issued to finance the Refinancing Program shall be deposited in the Sinking Fund for the Prior Bonds as provided in Section 16 hereof. Any remaining balance of the proceeds shall be deposited in the Sinking Fund for the Bonds or an appropriate Township account(s) as set forth in instructions from the Township to the Paying Agent.

Any reserves in the above-described account shall be disbursed from time to time by the Paying Agent pursuant to written instructions from the Chairman or Vice Chairman of the Township Board of Supervisors and any balance ultimately remaining in any such reserve shall, upon written instructions of the Chairman or Vice Chairman of the Township Board of Supervisors, be deposited in the general fund of the Township.

Section 20. Officers Authorized to Act. For the purpose of expediting the closing and the issuance and delivery of the Bonds, or in the event that the Chairman or the Secretary of the Township shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or either of them may be authorized to take pursuant to this Ordinance, the Vice Chairman or the Assistant Secretary of the Township, respectively, are hereby authorized and directed to execute documents, or otherwise to act on behalf of the Township in their stead.

Section 21. Approval of Official Statement. The Preliminary Official Statement for the Bonds, in the form presented to this meeting, is hereby approved and "deemed final" by the Township as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12. A final Official Statement to be dated February 24, 2004, substantially in the form of the Preliminary Official Statement presented to this meeting and also containing the final terms of the Bonds, shall be prepared and delivered to the Underwriter within seven (7) business

days from the date hereof, and the Township hereby approves the use thereof in connection with the public offering and sale of the Bonds.

Section 22. Covenant to Pledge Sufficient Funds. The Township hereby covenants and agrees that, concurrently with the issuance of and payment for the Bonds:

- (a) The Township will have irrevocably pledged with the paying agent for the Prior Bonds, amounts sufficient, to pay: (i) all interest on the Prior Bonds to the date of redemption thereof; and (ii) the principal of the Prior Bonds at the date of redemption thereof so that the Prior Bonds will no longer be outstanding under the Act; and
- (b) Such paying agent will have invested the monies as set forth in the written directions of the Township.

Section 23. Continuing Disclosure. The Township hereby authorizes and directs the appropriate officers to execute and deliver a Second Supplement to Continuing Disclosure Agreement in substantially the form presented at this meeting, subject to such changes as the executing officer may approve, such approval to be conclusively evidenced by his or her execution thereof. The Township further covenants and agrees that it will comply with and carry out all of the provisions of its original Continuing Disclosure Agreement dated September 18, 1996 (the original Continuing Disclosure Agreement, as supplemented by the First and Second Supplements thereto is hereinafter collectively referred to as, the "**Continuing Disclosure Agreement**"). Notwithstanding any other provision of this Ordinance, failure of the Township to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Paying Agent, any Participating Underwriter (as defined in the Continuing Disclosure Agreement), or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Township to comply with its obligations under this Section.

Section 24. Bond Insurance. If the proposal for the purchase of the Bonds offering the lowest interest cost to the Township is based on insurance for the Bonds, the officers of the Township are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on the Bonds, to pay the premium for such policy from the proceeds of the Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the Bonds issued under this Ordinance may include a statement of the terms of such insurance policy and the Authentication Certificate of the Paying Agent appearing on each Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Paying Agent.

Section 25. Further Action. The proper officers of the Township are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the Township.

Section 26. Act Applicable to Bonds. This Ordinance is enacted pursuant to, and the Bonds issued hereunder shall be subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.

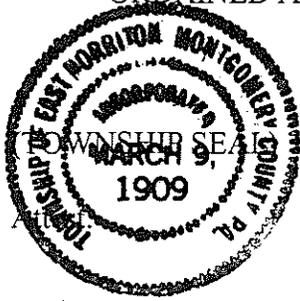
Section 27. Contract with Bondholders. This Ordinance constitutes a contract with the registered owners of the Bonds from time to time outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

Section 28. Severability. In case any one or more of the provisions contained in this Ordinance or in any Bond 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 provisions had never been contained therein.

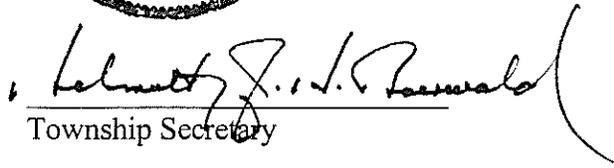
Section 29. Repealer. All ordinances and parts of ordinances heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

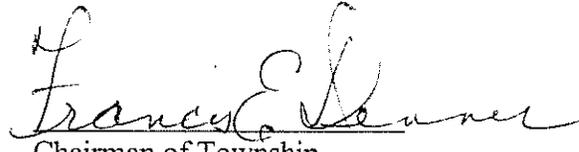
Section 30. Effective Date. This Ordinance shall take effect on the earliest date permitted by the Act.

ORDAINED AND ENACTED this 24<sup>th</sup> day of February, 2004.



TOWNSHIP OF EAST NORRITON

  
Township Secretary

  
Chairman of Township  
Board of Supervisors

**EXHIBIT "A"**  
**TOWNSHIP OF EAST NORRITON**  
**Montgomery County, Pennsylvania**  
**\$4,905,000 GENERAL OBLIGATION BONDS, SERIES OF 2004**

**SCHEDULE OF DEBT SERVICE SAVINGS**

Date	Prior Debt Service	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Annual Savings	Present Value to 03/30/2004 @ 3.3214992%
03/30/2004			6,028.85	-6,028.85	6,028.85		6,028.85
08/15/2004	350,532.50	115,288.54		115,288.54	235,243.96		232,355.79
12/31/2004						241,272.81	
02/15/2005	95,782.50	71,727.50		71,727.50	24,055.00		23,371.53
08/15/2005	350,782.50	376,727.50		376,727.50	-25,945.00		-24,796.03
12/31/2005						-1,890.00	
02/15/2006	90,937.50	68,296.25		68,296.25	22,641.25		21,285.09
08/15/2006	355,937.50	378,296.25		378,296.25	-22,358.75		-20,676.13
12/31/2006						282.50	
02/15/2007	85,770.00	64,808.75		64,808.75	20,961.25		19,067.14
08/15/2007	360,770.00	384,808.75		384,808.75	-24,038.75		-21,509.34
12/31/2007						-3,077.50	
02/15/2008	79,995.00	61,208.75		61,208.75	18,786.25		16,534.91
08/15/2008	374,995.00	391,208.75		391,208.75	-16,213.75		-14,037.57
12/31/2008						2,572.50	
02/15/2009	73,800.00	57,083.75		57,083.75	16,716.25		14,236.20
08/15/2009	378,800.00	397,083.75		397,083.75	-18,283.75		-15,316.77
12/31/2009						-1,567.50	
02/15/2010	67,395.00	53,258.75		53,258.75	14,136.25		11,648.84
08/15/2010	387,395.00	398,258.75		398,258.75	-10,863.75		-8,805.93
12/31/2010						3,272.50	
02/15/2011	60,675.00	48,946.25		48,946.25	11,728.75		9,351.77
08/15/2011	390,675.00	403,946.25		403,946.25	-13,271.25		-10,408.80
12/31/2011						-1,542.50	
02/15/2012	53,745.00	43,976.25		43,976.25	9,768.75		7,536.58
08/15/2012	398,745.00	408,976.25		408,976.25	-10,231.25		-7,764.45
12/31/2012						-462.50	
02/15/2013	46,500.00	38,501.25		38,501.25	7,998.75		5,971.05
08/15/2013	406,500.00	413,501.25		413,501.25	-7,001.25		-5,141.04
12/31/2013						997.50	
02/15/2014	38,940.00	32,407.50		32,407.50	6,532.50		4,718.47
08/15/2014	358,940.00	367,407.50		367,407.50	-8,467.50		-6,016.23
12/31/2014						-1,935.00	
02/15/2015	31,900.00	26,712.50		26,712.50	5,187.50		3,625.55
08/15/2015	581,900.00	586,712.50		586,712.50	-4,812.50		-3,308.51
12/31/2015						375.00	
02/15/2016	19,800.00	16,772.50		16,772.50	3,027.50		2,047.35
08/15/2016	594,800.00	596,772.50		596,772.50	-1,972.50		-1,312.12
12/31/2016						1,055.00	
02/15/2017	7,150.00	6,187.50		6,187.50	962.50		629.80
08/15/2017	332,150.00	336,187.50		336,187.50	-4,037.50		-2,598.73
12/31/2017						-3,075.00	
	6,375,312.50	6,145,063.54	6,028.85	6,139,034.69	236,277.81	236,277.81	236,717.30

*Savings Summary*

PV of savings from cash flow	236,717.30
Plus: Refunding funds on hand	3,766.53
<b>Net PV Savings</b>	<b>240,483.83</b>

**EXHIBIT "B"**  
**TOWNSHIP OF EAST NORRITON**  
**Montgomery County, Pennsylvania**  
**\$4,905,000 GENERAL OBLIGATION BONDS, SERIES OF 2004**

**BOND AMORTIZATION SCHEDULE**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/30/2004					
08/15/2004	55,000	2.250%	60,288.54	115,288.54	
12/31/2004					115,288.54
02/15/2005			71,727.50	71,727.50	
08/15/2005	305,000	2.250%	71,727.50	376,727.50	
12/31/2005					448,455.00
02/15/2006			68,296.25	68,296.25	
08/15/2006	310,000	2.250%	68,296.25	378,296.25	
12/31/2006					446,592.50
02/15/2007			64,808.75	64,808.75	
08/15/2007	320,000	2.250%	64,808.75	384,808.75	
12/31/2007					449,617.50
02/15/2008			61,208.75	61,208.75	
08/15/2008	330,000	2.500%	61,208.75	391,208.75	
12/31/2008					452,417.50
02/15/2009			57,083.75	57,083.75	
08/15/2009	340,000	2.250%	57,083.75	397,083.75	
12/31/2009					454,167.50
02/15/2010			53,258.75	53,258.75	
08/15/2010	345,000	2.500%	53,258.75	398,258.75	
12/31/2010					451,517.50
02/15/2011			48,946.25	48,946.25	
08/15/2011	355,000	2.800%	48,946.25	403,946.25	
12/31/2011					452,892.50
02/15/2012			43,976.25	43,976.25	
08/15/2012	365,000	3.000%	43,976.25	408,976.25	
12/31/2012					452,952.50
02/15/2013			38,501.25	38,501.25	
08/15/2013	375,000	3.250%	38,501.25	413,501.25	
12/31/2013					452,002.50
02/15/2014			32,407.50	32,407.50	
08/15/2014	335,000	3.400%	32,407.50	367,407.50	
12/31/2014					399,815.00
02/15/2015			26,712.50	26,712.50	
08/15/2015	560,000	3.550%	26,712.50	586,712.50	
12/31/2015					613,425.00
02/15/2016			16,772.50	16,772.50	
08/15/2016	580,000	3.650%	16,772.50	596,772.50	
12/31/2016					613,545.00
02/15/2017			6,187.50	6,187.50	
08/15/2017	330,000	3.750%	6,187.50	336,187.50	
12/31/2017					342,375.00
	4,905,000		1,240,063.54	6,145,063.54	6,145,063.54

