

TOWNSHIP OF PENN

York County, Pennsylvania

ORDINANCE NO. 582

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF PENN, YORK COUNTY, PENNSYLVANIA, AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATION BONDS OF THIS TOWNSHIP, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,410,000, PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, AS AMENDED, OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, FOR THE PURPOSE OF REFUNDING THIS TOWNSHIP'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 1993; DETERMINING THAT SAID BONDS SHALL BE SOLD AT NEGOTIATED SALE; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THIS TOWNSHIP; ACCEPTING A BID FOR PURCHASE OF SAID BONDS, AT NEGOTIATED SALE, AND AWARDING SAID BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SAID BONDS, WHEN ISSUED, SHALL BE GENERAL OBLIGATIONS OF THIS TOWNSHIP; FIXING THE SERIES, SUBSTANTIAL FORM, DENOMINATIONS, DATE, MATURITY DATES, INTEREST RATES, INTEREST PAYMENT DATES, REGISTRATION PRIVILEGES, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, REDEMPTION PROVISIONS AND TAX FREE PROVISIONS OF SAID BONDS; AUTHORIZING EXECUTION, ATTESTATION AND AUTHENTICATION OF SAID BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SAID BONDS AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH,

CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SAID BONDS AS REQUIRED BY SUCH ACT; APPOINTING A SINKING FUND DEPOSITORY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SAID BONDS WHEN DUE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; SETTING FORTH THAT SAID BONDS HAVE BEEN SOLD AT NEGOTIATED SALE; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THIS TOWNSHIP; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF SAID BONDS; SETTING FORTH CERTAIN COVENANTS RELATED TO PROVISIONS FOR THE REDEMPTION OF ALL OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 1993 OF THIS TOWNSHIP; DESIGNATING EACH OF SAID BONDS AS A QUALIFIED TAX-EXEMPT OBLIGATION FOR PURPOSES OF SECTION 265 OF THE INTERNAL REVENUE CODE, AS AMENDED; PROVIDING CERTAIN COVENANTS RELATING TO REQUIRED CONTINUING DISCLOSURE BY THIS TOWNSHIP; PROVIDING FOR THE BOOK ENTRY SYSTEM FOR REGISTRATION OF THE OWNERSHIP OF SAID BONDS; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME SHALL BE INCONSISTENT HEREWITH; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, The Township of Penn, York County, Pennsylvania (the "Township"), is a municipality (Township of the First Class) existing under laws of

the Commonwealth of Pennsylvania (the "Commonwealth") and is a Local Government Unit, as defined in the Local Government Unit Debt Act, as amended, 53 Pa. C.S. Chs. 80-82 (the "Act"), of the Commonwealth; and

WHEREAS, The Board of Commissioners of this Township heretofore issued its General Obligation Bonds, Series of 1993, dated as of September 1, 1993, in the aggregate principal amount of \$2,475,000 (the "Series of 1993 Bonds"), in accordance with provisions of the Act, for the purpose of providing funds to be used for and toward constructing, reconstructing and improving Township roads and providing for land acquisition for proper Township purposes, including related costs and expenses (the "Projects"); and

WHEREAS, The Board of Commissioners of this Township, in accordance with power and authority reserved to it in applicable Series of 1993 Bonds, has determined to exercise its option to redeem on February 8, 2002, all outstanding Series of 1993 Bonds maturing on November 15 of each of the years 2002 to 2008, inclusive, in order to effect a savings in debt service (the "Refunding Project"); and

WHEREAS, The Board of Commissioners of this Township has determined to issue a series of general obligation bonds, to be sold at negotiated sale, pursuant to the Act, to be designated as its General Obligation Bonds, Series of 2002,

dated as of February 1, 2002, in the aggregate principal amount of \$1,410,000 (the "Bonds"), with proceeds from the sale thereof to be applied for and towards paying costs and expenses of the Refunding Project and of paying costs and expenses of issuance of the Bonds; and

WHEREAS, Boenning & Scattergood, Inc. (the "Purchaser") has submitted a bid for purchase of the Bonds; and such bid has been opened, read and considered as required by the Act; and

WHEREAS, The Board of Commissioners of this Township desires to accept the bid of the Purchaser, to award the Bonds to the Purchaser and to incur nonelectoral debt, in the principal amount of \$1,410,000, pursuant to provisions of the Act.

NOW, THEREFORE, BE IT ENACTED, by the Board of Commissioners of the Township of Penn, York County, Pennsylvania, as follows:

Section 1. The Board of Commissioners of this Township hereby determines that the Bonds shall be sold at negotiated sale and hereby determines that negotiated sale of the Bonds is in the best financial interest of this Township.

Section 2. The Board of Commissioners of this Township does authorize and direct the issuance of general obligation bonds of this Township, pursuant to this Ordinance, in the aggregate principal amount of \$1,410,000, dated as of February 1, 2002, to be designated generally as "General Obligation Bonds, Series of 2002", in accordance with the Act, to provide funds for and toward paying costs and expenses of the Refunding Project and paying costs and expenses of issuance of the Bonds. The purpose of the Refunding Project is to reduce total debt service over the life of the series.

Section 3. The Board of Commissioners of this Township determines that the debt, of which the Bonds shall be evidence, to be incurred pursuant to this Ordinance, shall be nonelectoral debt of this Township.

Section 4. A realistic estimate of the remaining useful lives of the Projects financed by the Series of 1993 Bonds is specified to be not less than 10 years.

Section 5. The Board of Commissioners of this Township accepts the bid of the Purchaser to purchase the Bonds and the Bonds are awarded to the Purchaser, in accordance with terms and conditions of its bid, at a dollar price of \$1,398,194.65 (99.1627% of the aggregate principal amount of the Bonds), together with accrued interest on the Bonds from February 1, 2002, to the date of delivery of the Bonds to

the Purchaser, the Purchaser having submitted such bid in accordance with provisions of the Act.

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

Section 7. The Bonds shall be fully registrable as to principal and interest, shall be in the denomination of \$5,000 or whole multiples thereof, shall be dated as of February 1, 2002, and shall bear interest from February 1, 2002, at the rates set forth in Section 8 hereof, payable initially on May 15, 2002, and thereafter semiannually on May 15 and November 15 in each year, beginning November 15, 2002, until maturity.

The Bonds are not subject to redemption prior to maturity.

Section 8. The rates of interest, aggregate principal amounts and maturity dates applicable to the Bonds are as follows:

<u>Interest Rate Per Annum</u> (from February 1, 2002, until maturity)	<u>Aggregate</u> <u>Principal</u> <u>Amount</u>	<u>Maturity Date</u>
2%	\$170,000	November 15, 2002
2.20%	\$195,000	November 15, 2003
2.50%	\$200,000	November 15, 2004
3.10%	\$200,000	November 15, 2005
3.40%	\$210,000	November 15, 2006
3.80%	\$215,000	November 15, 2007
4%	\$220,000	November 15, 2008

Section 9. The principal of the Bonds shall be payable to the registered owners at the corporate trust office of ALLFIRST BANK (herein sometimes referred to as the "Paying Agent", which term shall include any duly appointed alternate or successor paying agent), located in Harrisburg, Pennsylvania, in lawful moneys of the United States of America. Payment of the interest due on the Bonds shall be paid to the registered owners thereof by check drawn on the Paying Agent mailed to the registered owners thereof at their addresses as they appear on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on the first day of May and November, respectively, as applicable, in each year (the "Record Date"), irrespective of any transfer or exchange of the Bonds subsequent to the applicable Record Date. In the event this Township shall default in the payment of interest due on the Bonds at the time the same is due and payable, such defaulted interest will be payable to the registered owners thereof by check drawn on the Paying Agent mailed to the registered owners at their addresses as they appear on

the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date"), established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owners thereof not less than 15 days preceding the Special Record Date. Such notice shall be mailed to the registered owners shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth business day preceding the date of mailing.

In any case where the date of maturity of any Bonds or an interest payment date shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of interest or principal, as applicable, need not be made on such date but may be made by the Paying Agent on the next succeeding business day with the same force and effect as if made on the date of maturity or interest payment date, and no interest shall accrue for the period after such date.

Section 10. The form of Bonds and the form of Paying Agent's Certificates to be endorsed thereon, shall be substantially as follows, with appropriate insertions, omissions and variations:

(FORM OF BOND)

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Township or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, Cede & Co., has an interest herein.

Registered

Registered

No.

\$

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF YORK

TOWNSHIP OF PENN

GENERAL OBLIGATION BOND, SERIES OF 2002

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date of Series</u>	<u>CUSIP</u>
%	November 15, 20	February 1, 2002	

Registered Owner: CEDE & CO.

Principal Sum: \$

The TOWNSHIP OF PENN, York County, Pennsylvania (the "Township"), a municipality (Township of the First Class) existing under laws of the

Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself indebted and promises to pay to the registered owner of this General Obligation Bond, Series of 2002 (the "Bond"), on the above stated maturity date, the above stated principal sum, and to pay interest thereon at the above stated annual rate of interest, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding interest payment date, in which event this Bond shall bear interest from such succeeding interest payment date, or unless this Bond is registered and authenticated on or prior to May 1, 2002, in which event this Bond shall bear interest from February 1, 2002, such interest to be payable initially on May 15, 2002, and thereafter semiannually on the fifteenth days of May and November in each year, beginning on May 15 or November 15 next succeeding the date this Bond is registered and authenticated and continuing until maturity hereof.

The principal of this Bond is payable to the registered owner hereof in lawful moneys of the United States of America upon presentation hereof at the corporate trust office of ALLFIRST BANK (the "Paying Agent", which term shall include any duly appointed alternate or successor paying agent), located in

Harrisburg, Pennsylvania, or at the duly designated office of any alternate or successor paying agent. Payment of the interest due hereon shall be paid to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on the first day of May and November, respectively, in each year (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. In the event the Township shall default in the payment of interest due hereon at the time the same is due and payable, such defaulted interest will be payable to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date"), established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owner hereof not less than 15 days preceding the Special Record Date. Such notice shall be mailed to the registered owner shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth business day preceding the date of mailing.

This Bond is one of a series of bonds of the Township, known generally as "General Obligation Bonds, Series of 2002" (the "Bonds"), all of like tenor, except as

to dates of maturity, denominations and rates of interest, in the aggregate principal amount of \$1,410,000.

The Bonds are issued in accordance with provisions of the Local Government Unit Debt Act, as amended, 53 Pa. C.S. Chs. 80-82 (the "Act"), of the Commonwealth, and by virtue of a duly enacted Ordinance (the "Ordinance") of the Board of Commissioners of the Township. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Township and the registered owners, from time to time, of the Bonds.

The Township has designated under and for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), to qualify each of the Bonds as a "qualified tax-exempt obligation", as such phrase is defined in Section 265(b)(3)(B) of the Code.

The Bonds are not subject to redemption prior to maturity.

It hereby is certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as

required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the Township, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Township.

The Township has covenanted, in the Ordinance, with registered owners, from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the Township, as appropriate, shall include the amount of the debt service, for each fiscal year of the Township in which sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township has and does pledge, irrevocably, its full faith, credit and taxing power. The Act provides that the foregoing covenant of the Township shall be enforceable specifically.

The Township, in the Ordinance, has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal of and the interest on the Bonds shall be deposited not later than the date fixed for disbursement thereof. The Township has covenanted in the Ordinance to make payments out of such sinking fund or out of any other of its revenues or

funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Bond.

This Bond shall be transferable upon registration records of the Township kept at a designated office of the Paying Agent by the registered owner hereof in person or by his duly authorized attorney, upon surrender hereof at a designated office of the Paying Agent, together with a written instrument of transfer duly executed by the registered owner hereof or his duly authorized attorney, and thereupon the Township shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount and series, designation, maturity date and interest rate as the surrendered Bond. The Township and the Paying Agent may treat and consider 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 interest due hereon and for all other purposes whatsoever. The Township and the Paying Agent shall not be required to: (i) issue or transfer any Bonds during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such interest payment date; or (ii) issue or transfer any Bonds during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of Bonds to receive notice of any Special Record Date and ending at the close of business on the Special Record Date.

This Bond is issuable only in the form of a fully registered Bond, without coupons, in the denomination of \$5,000 or any whole multiple thereof. This Bond or this Bond, together with any other Bonds, at the option of the registered owner hereof, may be exchanged for an aggregate principal amount of a registered Bond or Bonds of the same series, designation, maturity date and interest rate of any authorized denomination.

This Bond shall not be valid or enforceable until this Bond shall have been duly authenticated by the Certificate of Authentication attached hereto signed by a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF, the TOWNSHIP OF PENN, York County, Pennsylvania, as provided by the Act and in the Ordinance, has caused this Bond to be executed in its name and in its behalf by the President of the Board of .

Commissioners of the Township, and the official seal of the Township to be affixed
hereunto duly attested by its Secretary.

ATTEST:

TOWNSHIP OF PENN,
York County, Pennsylvania

Secretary

By:

President of Board
of Commissioners

(SEAL)

(FORM OF CERTIFICATES)
CERTIFICATE OF AUTHENTICATION,
CERTIFICATE AS TO OPINION AND
CERTIFICATE AS TO INSURANCE

It is certified that:

(i) This Bond is one of the Bonds, of the Series designated therein, described in the Ordinance referred to in this Bond;

(ii) The Opinion of Mette, Evans & Woodside, Harrisburg, Pennsylvania, attached hereto is an original Opinion which was signed and dated as of the date of initial delivery hereof; and

(iii) The Statement of Insurance attached hereto refers to an original financial guaranty insurance policy issued by MBIA Insurance Corporation which is on file at our corporate trust office located in Harrisburg, Pennsylvania, where the same may be inspected.

ALLFIRST BANK,
Paying Agent

By:
Authorized Officer

DATE OF REGISTRATION AND AUTHENTICATION: February 8, 2002

(FORM OF STATEMENT OF INSURANCE)
STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at the corporate trust office of Allfirst Bank, Harrisburg, Pennsylvania.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to Allfirst Bank or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

\$1,410,000
TOWNSHIP OF PENN
YORK COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BONDS, SERIES OF 2002

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

(FORM OF ASSIGNMENT AND TRANSFER)
ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

Please Insert Social Security or other Tax

Identifying Number of Assignee(s)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints
Attorney, to transfer said Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated:

NOTICE: The signature(s) to this Assignment
must correspond with the name(s) appearing
in the within Bond in every particular, without
alteration, enlargement or any change
whatsoever.

Section 11. The Bonds shall be executed in the name of and in behalf of this Township by the manual or facsimile signature of the President or Vice President of the Board of Commissioners of this Township and the official seal of this Township or a facsimile thereof shall be affixed thereunto and the manual or facsimile signature of the Secretary or Assistant Secretary of this Township shall be affixed thereunto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Bonds.

The Paying Agent, by a duly authorized officer or representative, hereby is authorized, requested and directed to authenticate the Bonds by execution of the Certificate of Authentication attached to the Bonds.

Section 12. This Township covenants to and with the registered owners, from time to time, of the Bonds, pursuant to this Ordinance, that this Township, as appropriate, shall include the amount of the debt service for each fiscal year of this Township in which such sums are payable in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of the Bonds and the applicable interest thereon on the dates and at the place and in the manner stated in the Bonds, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Township shall and does pledge, irrevocably, its full

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

The amounts of the debt service of the Bonds for each fiscal year of this Township in which such sums are payable are as follows:

<u>Fiscal Year</u> <u>Ending December 31</u>	<u>Amount of</u> <u>Debt Service</u>
2002	\$203,922.22
2003	\$234,600.00
2004	\$235,310.00
2005	\$230,310.00
2006	\$234,110.00
2007	\$231,970.00
2008	\$228,800.00

Section 13. There is created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as Sinking Fund - General Obligation Bonds, Series of 2002, which sinking fund shall be administered in accordance with applicable provisions of the Act and into which funds shall be deposited for prompt and full payment of all obligations of the Bonds when due.

Section 14. This Township appoints Allfirst Bank as the sinking fund depository with respect to the sinking fund created pursuant to Section 13.

Section 15. This Township covenants to make payments out of the sinking fund created pursuant to Section 13 or out of any other of its revenues or funds, at such times and in the annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due.

Section 16. The President or Vice President of the Board of Commissioners of this Township and the Secretary or Assistant Secretary, respectively, of this Township, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to verify and to file the debt statement required by Section 8110 of the Act; (b) to prepare or have prepared and to file, as required and if necessary, with the Department of Community and Economic Development (the "Department") of the Commonwealth, statements required by Section 8024 of the Act which are necessary to qualify any lease rental debt or nonelectoral debt of this Township, which is subject to exclusion as subsidized debt, for exclusion from the appropriate debt limit of this Township as subsidized debt; (c) to prepare, execute and file the application with the Department, together with a complete and accurate transcript of proceedings relating to the incurring of debt, of which debt the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action, including, without limiting the

generality of the foregoing, execution and delivery of necessary and appropriate certificates, receipts, affidavits and other documents necessary and desirable in connection with delivery of the Bonds to the Purchaser.

Section 17. The President or Vice President of the Board of Commissioners of this Township and the Secretary or Assistant Secretary, respectively, of this Township are authorized and directed to contract with Allfirst Bank for its services as sinking fund depository in connection with the sinking fund created pursuant to Section 13 and as paying agent and registrar in connection with the Bonds.

Section 18. It is declared that the debt to be incurred hereby is within the limitation imposed by the Act upon the incurring of such debt by this Township

Section 19. Proper officers of this Township are authorized and directed to deliver the Bonds, upon execution, attestation and authentication thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 20. This Township covenants that it will not invest or reinvest any proceeds derived from the Bonds, the effect of which investment would cause the Bonds to become obligations, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions contained herein, this Township shall expend proceeds derived from the sale of the Bonds in the manner and at the times required under Section 103 and Sections 141 to 150, inclusive, of the Internal Revenue Code of 1986, as amended, which failure to so expend would cause the Bonds to be "arbitrage bonds", within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to become obligations, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

This Township shall timely execute and file whatever reports and documents and make such rebates as may be necessary to assure that the Bonds are not "arbitrage bonds" and that the interest on the Bonds will remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

Reference to the Internal Revenue Code of 1986, as amended, herein shall mean and include the Internal Revenue Code of 1986, as amended, and the

applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township shall follow the advice of counsel with respect to any such investments, expenditures and the filing of reports and related actions in order to assure compliance with the provisions of this Section 20.

Section 21. This Township hereby determines for purposes of the Internal Revenue Code of 1986, as amended, that each of the Bonds shall be and hereby is designated as a "qualified tax exempt obligation" to the extent the Bonds are acquired by any "financial institution", as defined in Section 265(b)(5) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township hereby reasonably anticipates that the total amount of qualified tax exempt obligations (other than private activity bonds) which will be issued by it and all subordinate entities during the calendar year 2002 will not exceed \$10,000,000, within the meaning of and computed as provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and

rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township hereby represents that it is a qualified small issuer within the meaning of Section 265(b)(3)(C) of the Internal Revenue Code of 1986, as amended.

Section 22. This Township will not use any portion of the proceeds of the Bonds in a manner that would cause the Bonds to be private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended.

Section 23. Proper officers of this Township are authorized and directed to make application with MBIA Insurance Corporation for municipal bond insurance with respect to the Bonds and upon initial delivery of the Bonds to pay the required premium for such municipal bond insurance. Notwithstanding any other provisions of this Ordinance, the Paying Agent or this Township, as appropriate, shall immediately notify MBIA Insurance Corporation if at any time there are insufficient moneys to make any payments of principal and/or interest on the Bonds as required and immediately upon the occurrence of any event of default under this Ordinance.

Section 24. The Board of Commissioners of this Township does elect to exercise its option to call for redemption and does call for redemption on February 8, 2002, all outstanding Series of 1993 Bonds maturing on November 15 of each of the years 2002 to 2008, inclusive, in accordance with the right and privilege reserved to this Township in the Series of 1993 Bonds.

The date fixed for redemption of the Series of 1993 Bonds so called for redemption is determined and established to be and shall be February 8, 2002.

Such redemption shall be accomplished in the manner and upon terms and conditions provided in the Series of 1993 Bonds.

Section 25. The Board of Commissioners of this Township does authorize and direct proper officers of this Township, on or before January 9, 2002, by delivery of a certified copy of this Ordinance to J. P. Morgan Trust Company, National Association (the "1993 Paying Agent"), to give irrevocable instructions and authority to the 1993 Paying Agent, in its capacity as successor paying agent for the Series of 1993 Bonds, to give notice of redemption with respect to the Series of 1993 Bonds called for redemption by publishing a copy of the notice of redemption once in a newspaper of general circulation in the County of York, Pennsylvania, at least 30 days prior to February 8, 2002, and by depositing a copy of such notice of redemption

in first class mail addressed to each registered owner of such Series of 1993 Bonds so called for redemption. This Township covenants and agrees to pay the costs and expenses of the 1993 Paying Agent, in its capacity as successor paying agent for the Series of 1993 Bonds, incurred in connection with redemption of the Series of 1993 Bonds so called for redemption. The Board of Commissioners of this Township grants to the 1993 Paying Agent, in its capacity as successor paying agent for the Series of 1993 Bonds, full power and authority to do and perform every act and thing necessary in order to effectuate the redemption of the Series of 1993 Bonds so called for redemption, according to the intent hereof.

Section 26. The Board of Commissioners of this Township does authorize and direct proper officers of this Township, on or before February 8, 2002, to irrevocably deposit, in trust, with the 1993 Paying Agent, in its capacity as successor paying agent for the Series of 1993 Bonds, an amount of moneys which shall be sufficient to:

- a. effect the redemption on February 8, 2002, of all outstanding Series of 1993 Bonds maturing on November 15, 2002, and thereafter, including payment of accrued interest.
- b. pay fees and expenses of the 1993 Paying Agent, in its capacity as successor paying agent for the Series of 1993 Bonds.

The 1993 Paying Agent, in its capacity as successor paying agent for the Series of 1993 Bonds, is irrevocably authorized and directed to apply moneys available for the purpose for and toward payment of the principal of and interest on all outstanding Series of 1993 Bonds maturing on November 15, 2002, and thereafter called for redemption on February 8, 2001, according to the intent hereof and of the Series of 1993 Bonds. Proper officers of this Township are authorized and directed to take all necessary action in connection with the redemption on February 8, 2002, of all outstanding Series of 1993 Bonds maturing on November 15, 2002, and thereafter.

Section 27. In compliance with rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, the Township hereby covenants and agrees that:

(a) This Township annually shall deliver to each NRMSIR (as defined hereafter) and the SID (as defined hereafter), if any, within 180 days after the end of each fiscal year of this Township beginning with its fiscal year ending December 31, 2002:

(1) a copy of its annual financial statements prepared in accordance with guidelines adopted by the Government Accounting Standards Board and the American Institute of Certified Public Accounts' Audit Guide, Audits of State and Local Government; Provided,

however, that unaudited financial statements will be provided if audited financial statements are not at the time available and audited financial statements will be substituted for unaudited financial statements as soon as they are available; and

(2) an update of the information in the Official Statement contained in the following headings:

"Township Finances"

"Debt and Debt Limits"

"Labor Relations"

(b) In a timely manner, this Township shall deliver to each NRMSIR and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults;

(3) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on any credit enhancement reflecting financial difficulties;

(5) Substitution of any credit or liquidity provider, or their failure to perform;

(6) Modifications to rights of Bondholders;

(7) Bond calls;

(8) Defeasances;

(9) Release, substitution or sale of property

securing repayment of the Bonds;

(10) Rating changes; or

(11) Adverse tax opinions or events affecting the

tax-exempt status of the security.

(c) In a timely manner, this Township shall give to the Paying Agent, each NRMSIR and to the SID, if any, notice of any failure by this Township to provide any information required pursuant to subsection (a) above within the time limit specified therein.

(d) This Township shall send to the Paying Agent:

(1) Copies of any information delivered to each NRMSIR and the SID, if any, pursuant to subsections (a) or (b) above; and

(2) Concurrently with the delivery of any information required pursuant to subsection (a) or (b) above, a certificate signed by an authorized officer or official of this Township that it has filed such information with each NRMSIR, and SID, if any.

(e) The Township agrees that the provisions of this Section 27 shall be for the benefit of the registered holders and beneficial owners of the Bonds and shall be enforceable by the registered holders and beneficial owners of the Bonds, provided that the registered holder's and the beneficial owner's right to enforce the provisions of the undertakings set forth in this Section 27 shall be limited to a right to obtain specific enforcement of the obligations of this Township hereunder, as appropriate, and any failure by this Township to comply with its obligations hereunder shall not be an event of default with respect to the Bonds or an event of default under this Ordinance.

(f) This Section 27 may be amended without the consent of the registered holders and beneficial owners of the Bonds, to the extent required or permitted by any amendment and any official interpretation to SEC Rule 15c2-12, as determined by nationally recognized bond counsel.

(g) "NRMSIR" means a nationally recognized municipal securities information repository, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12.

"SID" means the state information depository, if any, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12.

This Township reserves the right to terminate its obligations to provide annual financial information and notices of material events, as set forth above, if and when this Township no longer remains an "obligated person" with respect to the Bonds within the meaning of SEC Rule 15c2-12.

The undertakings of this Township under this Section are intended to be for the benefit of the registered holders and beneficial owners of the Bonds and shall be enforceable by the registered holders and beneficial owners of the Bonds; Provided that the registered holder's and beneficial owner's right to enforce the provisions of these undertakings shall be limited to a right to obtain specific enforcement of the obligations of this Township, as appropriate, and any failure by this Township to comply with its obligations under this Section shall not be an event of default with respect to the Bonds or an event of default under this Ordinance.

Section 28. The Bonds shall be made available for purchase under a book-entry only system available through the Depository Trust Company, a New York corporation ("DTC"). At or prior to settlement for the Bonds, this Township

and the Paying Agent shall execute or signify their approval of a Representation Letter in substantially the form presented to this meeting (the "Representation Letter") and hereby approved. The appropriate officers of this Township and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Ordinance, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

Section 29. Notwithstanding the foregoing provisions of this Ordinance, the Bonds shall initially be issued in the form of one fully registered bond for the aggregate principal amount of the Bonds of each maturity and the following provisions shall apply with respect to the registration, transfer and payment of the Bonds:

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

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

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or interest on such Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this Township or the Paying Agent with respect to the principal or interest on the Bonds to the extent of the sum or sums so paid.

(d) This Township and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or interest on the Bonds, giving any notice permitted or required to be given to holders of Bonds under this Ordinance, registering the transfer of Bonds,

obtaining any consent or other action to be taken by holders of Bonds and for all other purposes whatsoever; and neither this Township nor the Paying Agent shall be affected by any notice to the contrary.

Neither this Township nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being a registered owner of Bonds, with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any such participant; (3) the payment by DTC or any such participant of any amount in respect of the principal or interest on the Bonds; (4) any notice which is permitted or required to be given to holders of the Bonds under this Ordinance; and (5) any consent given or other action taken by DTC as holder of the Bonds.

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

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Ordinance by this Township or the Paying Agent with respect to any consent or other

action to be taken by holders of Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that this Township or the Paying Agent may establish a special record date for such consent or other action. This Township or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

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

Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 30. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Township that such remainder shall be and shall remain in full force and effect.

Section 31. All ordinances or parts of ordinances insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 32. This Ordinance shall become effective in accordance with Section 8003 of the Act.

DULY ENACTED AND ORDAINED this 7th day of January, 2002.

ATTEST:

TOWNSHIP OF PENN,
York County, Pennsylvania

Kristina J. Rodgers
Secretary

By: *Charles A. Stauffer*
President of Board of Commissioners

(SEAL)
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