

TOWNSHIP OF PENN

York County, Pennsylvania

ORDINANCE NO. 598

AN ORDINANCE

OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF PENN, YORK COUNTY, PENNSYLVANIA, AMENDING IN ITS ENTIRETY SECTION 27 OF ORDINANCE NO. 582 OF THE BOARD OF COMMISSIONERS OF THIS TOWNSHIP TO PROVIDE FOR LIMITED CONTINUING DISCLOSURE BY THIS TOWNSHIP PURSUANT TO RULE 15c2-12 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED; 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 on January 7, 2002, finally enacted Ordinance No. 582 providing, inter alia, for authorization and issuance of this Township's General Obligation Bonds, Series of 2002; and

WHEREAS, the Board of Commissioners of this Township desires to amend in its entirety Section 27 of Ordinance No. 582 of this Township in order to provide for limited continuing disclosure by this Township pursuant to Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended.

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

1. Section 27 of Ordinance No. 582 of this Township which now reads as follows:

"Section 27. In compliance with rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, this 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."

shall be and is amended in its entirety to read as follows:

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

(a) This Township shall provide upon request to any person, or to provide at least annually to the SID (as defined hereafter) the following annual financial information and operating data with respect to this Township for each of its calendar years, beginning with the calendar year ending December 31, 2003, within 180 days following the end of such calendar year:

(1) The financial statements for the most recent calendar year, prepared in accordance with the then current annual audit and financial reporting form on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the Commonwealth and which is a comprehensive basis of accounting other than generally accepted accounting principles, and the audit of such financial statements in accordance with generally accepted auditing standards; and

(2) a summary of the budget for the new calendar year.

(b) in a timely manner, to file with each NRMSIR (as defined hereafter) or with the Municipal Securities Rulemaking Board ("MSRB") and with the SID, if any, notice of the occurrence 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) This 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.

(d) 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.

(e) "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 any when this Township no longer remains an "obligated person" with respect to the Bonds within the meaning of SEC Rule 15c2-12".

Section 2. 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 3. All ordinances or parts of ordinances insofar as the same shall be inconsistent herewith, shall be and the same expressly repealed.

Section 4. This Ordinance shall become effective in accordance with Section 8003 of the Act.

DULY ENACTED AND ORDAINED this 18 day of August, 2003.

ATTEST:

TOWNSHIP OF PENN,
York County, Pennsylvania

Kristina A. Rogers
Secretary

By: Charles A. Stauffer
President of Board of Commissioners

(SEAL)