

Ordinance 84-4

Sewer Bond Revenues

7/25/1984

TOWNSHIP OF HOPEWELL
BEAVER COUNTY, PENNSYLVANIA
AN ORDINANCE

AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE TOWNSHIP BY THE ISSUANCE OF \$1,495,000 GUARANTEED SEWER REVENUE REFUNDING BONDS, SERIES OF 1984, TO PROVIDE FUNDS FOR THE REFUNDING OF HOPEWELL TOWNSHIP AUTHORITY SEWER REVENUE BONDS, SERIES OF 1963, AND HOPEWELL TOWNSHIP AUTHORITY SEWER REVENUE BONDS, SERIES OF 1973, SUCH REFUNDING BEING IN CONNECTION WITH THE ACQUISITION BY THE TOWNSHIP OF THE AUTHORITY'S SEWER SYSTEM; FIXING THE TERMS OF SAID BONDS; APPROVING A CONTRACT WITH HOPEWELL TOWNSHIP AUTHORITY FOR THE ACQUISITION BY THE TOWNSHIP OF THE SEWER SYSTEM; PLEDGING THE REVENUES OF THE SEWER SYSTEM FOR AND GUARANTEEING THE PAYMENT OF THE BONDS; AUTHORIZING THE SALE OF THE BONDS AT PRIVATE SALE; AUTHORIZING THE DISBURSEMENT OF THE PROCEEDS OF SALE THEREOF; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS; COVENANTING TO IMPOSE AND COLLECT SEWER RATES AND CHARGES IN ACCORDANCE WITH A SEWER RATE COVENANT AND TO SEGREGATE SEWER REVENUES AND RECEIPTS; ESTABLISHING A SINKING FUND AND VARIOUS ACCOUNTS THEREIN; AUTHORIZING THE FILING OF A DEBT STATEMENT; ACCEPTING THE PROPOSAL OF COMMONWEALTH SECURITIES AND INVESTMENTS, INC., FOR THE PURCHASE OF THE BONDS AND AWARDING THE BONDS THERETO; AUTHORIZING THE PROPER OFFICERS OF THE TOWNSHIP TO CONTRACT FOR THE SERVICES OF A PAYING AGENT AND SINKING FUND DEPOSITARY; AND AUTHORIZING OTHER NECESSARY ACTION.

ORDINANCE No. 84-7

Enacted July 25, 1984

Keith R. McMillan, Esquire
23rd and Davidson Streets
Aliquippa, PA 15001

Solicitor

John A. Havey, Esquire
2422 Mill Street
Aliquippa, PA 15001

Bond Counsel

INDEX

Page

ARTICLE I DEFINITIONS, INTERPRETATIONS AND LEGAL AUTHORITY

| | | |
|--------------|--------------------------------------|---|
| Section 1.01 | Definitions | 2 |
| Section 1.02 | Legal Authority | 8 |
| Section 1.03 | Contract with Bond Holders | 8 |

ARTICLE II CONCERNING THE 1984 SEWER BONDS

| | | |
|--------------|--|----|
| Section 2.01 | Approval of Agreement for Acquisition of Sewer System | 9 |
| Section 2.02 | Increase in Indebtedness | 9 |
| Section 2.03 | Authorization of 1984 Sewer Bonds | 9 |
| Section 2.04 | Form of Bond | 11 |
| Section 2.05 | Execution of Bonds | 17 |
| Section 2.06 | Covenant as to Debt Service | 17 |
| Section 2.07 | Pledge of Sewer System Revenues | 17 |
| Section 2.08 | Guarantee of 1984 Sewer Bonds | 18 |
| Section 2.09 | Registration of Bonds | 18 |
| Section 2.10 | Lost, Stolen and Destroyed Bonds | 18 |
| Section 2.11 | Sale of 1984 Sewer Bonds | 19 |
| Section 2.12 | Authentication of Bonds and Application of Proceeds | 19 |
| Section 2.13 | Transfer of Funds from Existing Bond Accounts | 20 |
| Section 2.14 | Municipal Bond Insurance | 21 |
| Section 2.15 | Official Statement | 21 |

**ARTICLE III
ISSUANCE OF ADDITIONAL BONDS**

| | | |
|--------------|---|----|
| Section 3.01 | Authority to Issue | 21 |
| Section 3.02 | Proceeds of Additional Bonds | 22 |
| Section 3.03 | Additional Bonds on Parity with 1984 Sewer Bonds | 22 |

**ARTICLE IV
SEWER RATES AND CHARGES**

| | | |
|--------------|------------------------------------|----|
| Section 4.01 | Sewer Rate Covenant | 23 |
| Section 4.02 | Sewer Rate Ordinances | 23 |
| Section 4.03 | Reduction of Sewer Rates | 24 |
| Section 4.04 | Increase of Sewer Rates | 24 |

**ARTICLE V
SINKING FUND**

| | | |
|--------------|---|----|
| Section 5.01 | Creation of Sinking Fund | 25 |
| Section 5.02 | Sewer Revenue Account and Debt Service Reserve Account | 25 |
| Section 5.03 | Payment of 1984 Sewer Bonds | 28 |
| Section 5.04 | Bond Redemption and Improvement Account | 30 |
| Section 5.05 | Performance of Guaranty | 30 |
| Section 5.06 | Investment of Sinking Fund | 30 |
| Section 5.07 | Extension Agreements and Security Deposits | 30 |
| Section 5.08 | Redemption of All Bonds | 31 |
| Section 5.09 | Cancellation of Bonds and Coupons | 32 |

**ARTICLE VI
PROCEEDINGS UNDER THE ACT AND APPOINTMENT OF DEPOSITARY**

| | | |
|--------------|--|----|
| Section 6.01 | Debt Statement and Proceedings Authorizing 1984 Sewer Bonds | 32 |
|--------------|--|----|

| | | |
|--------------|--|----|
| Section 6.02 | Self-Liquidating Debt | 32 |
| Section 6.03 | Contract with Depositary | 32 |
| Section 6.04 | Execution of Bonds; Other Action | 33 |

**ARTICLE VII
PARTICULAR COVENANTS OF THE TOWNSHIP**

| | | |
|--------------|---|----|
| Section 7.01 | Payment of Bonds | 33 |
| Section 7.02 | Operation, Repair of Sewer System | 33 |
| Section 7.03 | Insurance | 33 |
| Section 7.04 | Accounts and Audits | 34 |
| Section 7.05 | Employment of Consulting Engineers | 34 |
| Section 7.06 | Annual Budget | 35 |
| Section 7.07 | Taxes on Sewer System and Revenues; Covenant Against Liens | 36 |
| Section 7.08 | Sale of Sewer System Properties | 36 |
| Section 7.09 | Interest Not to be Funded | 37 |

**ARTICLE VIII
MISCELLANEOUS**

| | | |
|--------------|--|----|
| Section 8.01 | Default | 38 |
| Section 8.02 | Amendments | 41 |
| Section 8.03 | Satisfaction and Release of Lien | 42 |
| Section 8.04 | Further Action | 42 |
| Section 8.05 | Severability | 42 |
| Section 8.06 | Scope of Ordinance | 42 |
| Section 8.07 | Repealer | 43 |

WHEREAS, the Hopewell Township Authority (the "Authority"); authorized and issued \$2,240,000 principal amount of Sewer Revenue Bonds, Series of 1963 (the "1963 Sewer Bonds") pursuant to a Trust Indenture dated as of February 1, 1963 between the Authority and Pittsburgh National Bank as Trustee (the "Trustee"), the 1963 Sewer Bonds being now outstanding in the principal amount of \$975,000; and

WHEREAS, the Authority authorized and issued \$1,290,000 principal amount of Sewer Revenue Bonds, Series of 1973 (the "1973 Sewer Bonds") pursuant to a First Supplemental Indenture dated as of June 1, 1973 between the Authority and the Trustee, the 1973 Sewer Bonds being now outstanding in the principal amount of \$1,150,000; and

WHEREAS, Hopewell Township (the "Township") hereby determines that it is in the best interest of the Township to provide monies to refund the 1963 Sewer Bonds and the 1973 Sewer Bonds in order to enable it to acquire title to the Sewer System properties now owned by the Authority and to discharge the Township's lease obligation to the Authority and thereby eliminate unduly burdensome covenants and restrictions; and

WHEREAS, the Township desires to refund the 1963 Sewer Bonds and the 1973 Sewer Bonds (collectively, the "Existing Bonds") in order also to restructure its outstanding obligations, permit a change in the flow of investment income from certain Township funds and eliminate certain restrictions in the Indentures governing the Existing Bonds, and to finance additional sewer construction and other improvements; and

WHEREAS, in order to accomplish such refunding and financing, the Township desires to authorize and issue \$1,105,000 of General Obligation Bonds, Series of 1984 (the "1984 General Obligation Bonds"), \$1,495,000 of Guaranteed Sewer Revenue Bonds, Series of 1984 (the "1984 Sewer Bonds" or "Bond" or "Bonds") and \$2,465,000 of Special Obligation Bonds, Series of 1984 (the "Special Obligation Bonds") (collectively the "1984 Bonds"), the 1984 Sewer Bonds to be authorized and issued pursuant to this Ordinance and the 1984 General Obligation Bonds and the Special Obligation Bonds to be authorized and issued pursuant to separate ordinances to be adopted concurrently herewith; and

WHEREAS, in order to provide for the payment at maturity of the Existing Bonds and to provide for the defeasance of the liens of the Indentures under which the Existing Bonds were issued, the Township and the Authority are entering into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with Pittsburgh National Bank as Escrow Agent, pursuant to which the approximate sum of \$ 3,657,898.02 from certain of the proceeds of the 1984 Bonds will be deposited by the Township with such Escrow Agent.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY the Board of Commissioners of the Township of Hopewell, Beaver County, Pennsylvania, and IT IS HEREBY ENACTED AND ORDAINED, as follows:

ARTICLE I

DEFINITIONS, INTERPRETATIONS AND LEGAL AUTHORITY

Section 1.01. Definitions. In this Ordinance and in all Supplemental Ordinances hereafter enacted, in accordance with the provisions hereof (except as otherwise expressly provided or unless the context otherwise requires), the following terms shall have the meanings specified in the foregoing recitals:

Authority
Bond or Bonds
Escrow Deposit Agreement
Existing Bonds
Special Obligation Bonds
Township
1963 Sewer Bonds
1973 Sewer Bonds
1984 General Obligation Bonds
1984 Bonds
1984 Sewer Bonds

and the following additional terms shall have the meanings specified below:

Act: The term Act shall mean the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act of July 12, 1972, No. 185, 53 P.S. §6780-1 et seq. as now amended and as from time to time hereafter amended or supplemented.

Additional Bonds: The term Additional Bonds shall mean additional bonds secured by a pledge of Sewer System Revenues, with or without a guaranty by the Township, and authorized and issued pursuant to Article III.

Annual Budget: The term Annual Budget shall mean a written statement of the proposed expenses of the Sewer System for a consecutive 12-month period as approved by the Consulting Engineer and by a resolution of the Board of Commissioners as provided in Section 7.06, or as amended and supplemented with like approval.

Average Annual Debt Service Requirement: The term Average Annual Debt Service Requirement shall mean the average amount of the annual Debt Service Requirements for all Bonds then Outstanding.

Bond or Bonds: The term Bond or Bonds shall mean all bonds authorized and issued from time to time under this Ordinance, including Additional Bonds as well as the 1984 Sewer Bonds and bonds issued pursuant to Section 2.10.

Bond Redemption and Improvement Account: The term Bond Redemption and Improvement Account shall mean the separate account created by Section 5.01 and maintained as part of the Sinking Fund with the Depositary.

Capital Additions: The term Capital Additions shall mean and include all additional properties or facilities which are useful or desirable in connection with the Sewer System, including, without limiting the generality of the foregoing, extensions and additions to the sewer system, additional sewers, piping, interceptors, laterals, pumping stations, tanks, treatment facilities, and additional buildings or equipment, relocation of sewers and other facilities, reconstruction, restoration or replacement of buildings, equipment or other property damaged or destroyed by fire or other casualty; additional machinery and equipment, additional lands, rights of way and easements; renewals and replacements; and other improvements, extensions, additions and betterments to the Sewer System or any part thereof from time to time constructed or acquired by the Township.

Consulting Engineers: The term Consulting Engineers shall mean NIRA Consulting Engineers, Inc., Coraopolis, Pennsylvania, or such engineers or engineering firms as shall at the time be employed for the purpose of performing the functions and duties of the Consulting Engineers under this Ordinance.

Debt Service Account: The term Debt Service Account shall mean the separate account created by Section 5.01 and maintained as part of the Sinking Fund with the Depositary.

Debt Service Requirements: The term Debt Service Requirements shall mean, with respect to any period, the amounts required in said period to pay, or to be set aside or deposited in the Debt Service Account for the payment of the principal of and interest on Bonds, excepting amounts set aside out of proceeds of Bonds for payment of interest. For the purpose of ascertaining aggregate Debt Service Requirements, interest shall be computed to mandatory redemption dates to the extent that Bonds are required to be redeemed by mandatory redemption provisions, otherwise computed to stated maturity dates.

Depositary: The term Depositary shall mean Beaver Trust Company, Beaver, Pennsylvania, in its capacity as paying agent and sinking fund depositary, or such other bank or trust company as may at the time be appointed by the Board of Commissioners of the Township to act as depositary of said funds or accounts or any one or more of them, and its or their successors.

Debt Service Reserve Account: The term Debt Service Reserve Account shall mean the separate account created by Section 5.01 and maintained as part of the Sinking Fund with the Depositary.

Officer's Certificate: The term Officer's Certificate shall mean a certificate or statement signed by the President or Vice President and Secretary or Treasurer of the Township's Board of Commissioners.

Operating Expenses: The term Operating Expenses shall mean the expenses reasonably incurred or to be incurred by the Township in connection with the ownership and operation of the Sewer System including, without limiting the generality of the foregoing, all reasonable costs of operating, maintaining, insuring and repairing the Sewer System and of making such ordinary renewals, replacements, improvements and extensions as may be necessary or proper to maintain adequate service (including refund payments for such improvements and extension heretofore made pursuant to existing extension agreements), pay all taxes imposed upon the Sewer System or the revenues derived therefrom, auditing fees, legal fees, engineering fees, office expenses, general administrative expenses, compensation and expenses of the Depositary and other costs and expenses which, in the opinion of the Consulting Engineers constitute costs of ownership, operation or administration of the Sewer System.

Ordinance: The term Ordinance shall mean this instrument.

Outstanding: The term Outstanding when used with reference to Bonds, shall mean, at any date as of which the amount of Outstanding Bonds is to be determined, the aggregate of all Bonds theretofore and thereupon being authenticated and delivered, except:

- (a) Bonds cancelled at or prior to such date;
- (b) Bonds for the payment of which cash shall have been theretofore deposited with the Depositary and which shall have matured by their terms, but shall not have been surrendered for payment;
- (c) Bonds for the payment or redemption of which funds, which either with or without interest thereon to day of payment or redemption are sufficient to pay all principal, interest and premium, if any, to the date of maturity or date fixed for redemption, shall have been theretofore deposited with the Depositary, provided, in the case of redemption, that notice thereof has been published as required by this Ordinance or

irrevocable instructions given to the Depositary to publish such notice;
or

(d) Bonds which are no longer deemed to be outstanding in accordance with provisions of Section 1110(b) of the Act.

Sinking Fund: The term Sinking Fund shall mean the separate fund of the Township created by Section 5.01 and maintained with the Depositary.

Supplemental Ordinance: The term Supplemental Ordinance shall mean an Ordinance supplemental to this Ordinance enacted in connection with the issuance of Additional Bonds pursuant to Article III or enacted for the purpose of amendments or modifications pursuant to Section 8.02.

Sewer Rate Covenant: The term Sewer Rate Covenant means the covenant of the Township set forth in Section 4.01.

Sewer Revenue Account: The term Sewer Revenue Account shall mean the separate account created by Section 5.01 and maintained as part of the Sinking Fund with the Depositary.

Sewer System: The term Sewer System shall mean the sewer collection, transportation and treatment facilities, all of which are now owned by the Authority to provide sewer service, consisting of all lands, rights of way, easements, buildings, fixtures, pipes, mains, laterals, tanks, machinery, equipment and other property forming part of, attached or appurtenant to, or used in connection with collections, transmitting, treating or otherwise providing sewer service in such areas and all renewals, replacements, extensions, improvements thereof, and Capital Additions from time to time acquired or constructed by the Township.

Sewer System Revenues: The term Sewer System Revenues shall mean the moneys paid by the customers of the Sewer System for the collection and treatment of sewage, assessments hereafter imposed on properties benefited or improved by Capital Additions, connection fees, penalties, government subsidies or grants paid or payable to

the Township in connection with the ownership or operation of the Sewer System, assessment revenues, interest on the Debt Service Reserve Account and other funds and accounts of the Township not required to be retained therein, and all other revenues and receipts of the Township derived from the Sewer System, but does not include tax or other general revenues of the Township.

Investment Obligations means any of the following:

(a) direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) bonds, debentures or notes or other evidence of indebtedness payable in cash issued by any one or a combination of any of the following federal agencies whose obligations represent full faith and credit of the United States, Federal Financing Bank, Farmer's Home Administration, Federal Housing Administration, Maritime Administration, Public Housing Authority, Government National Mortgage Association.

(c) certificates of deposit properly secured at all times, by collateral security described in (a) and (b) above. Such agreements are only acceptable with commercial banks, savings and loans associations, and mutual savings banks.

(d) the following investments fully insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, or (d) depository receipts of a bank, savings and loan associations, and mutual savings banks.

(e) Investments Agreements approved by AMBAC Indemnity. The value of the above investments shall be determined as provided in value below.

"Value, as of any particular time of determination, means the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published

on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times): the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments;

(c) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(d) as to any investment not specified above: the value thereof established by prior agreement between the Issuer, the Trustee and AMBAC Indemnity.

If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

Section 1.02. Legal Authority. This Ordinance is adopted pursuant to the Act and the First Class Township Code of the Commonwealth of Pennsylvania and the Township hereby determines and declares that each and every matter and thing provided for herein is necessary and desirable to carry out and effectuate the public purposes of the Township in accordance with such laws. All of the mandatory provisions of the Act shall apply hereunder whether or not explicitly stated herein.

Section 1.03. Contract with Bond Holders. In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by those who shall purchase the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Township and the holders of all Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Township shall be for the benefit, protection and security of holders of all Bonds, all of which, regardless of the

time or times of their issue or maturity, shall be of equal rank, without preference, priority or distinction of any Bond over any other thereof except as expressly provided therein, herein or in any Supplemental Ordinance.

ARTICLE II

CONCERNING THE 1984 SEWER BONDS

Section 2.01 Approval of Agreement for Acquisition of Sewer System. An agreement with the Authority, a copy of which was presented to this meeting, for the acquisition by the Township of the Sewer System is hereby approved; and the appropriate officials of the Township are hereby authorized to execute any and all documents and to do any and all acts in connection therewith.

Section 2.02. Increase in Indebtedness. The nonelectoral indebtedness of the Township shall be increased in the aggregate amount of \$1,495,000 (to be excluded as self-liquidating debt) for the purpose of providing a portion of the funds needed to refund the Existing Bonds in order to make provisions for the transfer of the Authority's sewer system to the Township, cancel the Township's existing sewer lease obligations, restructure the Township's outstanding obligations, permit a change in the flow of investment income from certain Township funds and eliminate certain restrictions in the indentures governing the Existing Bonds. Such nonelectoral indebtedness shall be evidenced by \$1,495,000 principal amount of the 1984 Sewer Bonds which shall be issued as guaranteed revenue bonds as hereinafter authorized.

Section 2.03. Authorization of 1984 Sewer Bonds. There are hereby authorized for issuance \$1,495,000 principal amount of Guaranteed Sewer Revenue Refunding Bonds, Series of 1984, of the Township which shall be dated as of July 15, 1984, shall be numbered S-1 to S-299, inclusive, in the order of maturity, in the denomination of \$5,000 each, shall be fully registered, without coupons, shall bear interest from July 15, 1984, payable semi-annually on May 1 and November 1 of each year commencing November 1,

1984, at the rates per annum, shall mature on the dates and in the amounts as follows:

| <u>Bonds Numbered \$ (inclusive)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Maturity Date May 1</u> |
|--|-----------------------------|--------------------------|--------------------------------|
| 1 - 6 | \$ 30,000 | 7.00% | 1985 |
| 7 - 12 | \$ 30,000 | 7.50% | 1986 |
| 13 - 18 | \$ 30,000 | 7.75% | 1987 |
| 19 - 25 | \$ 35,000 | 8.25% | 1988 |
| 26 - 33 | \$ 40,000 | 8.50% | 1989 |
| 34 - 41 | \$ 40,000 | 8.75% | 1990 |
| 42 - 50 | \$ 45,000 | 9.00% | 1991 |
| 51 - 299 | \$ 1,245,000 | 10.60% | 2004 |

The principal of and interest on the Bonds shall be payable at the principal corporate trust office of the Depositary, or at the principal corporate trust office of other paying agents, if any, designated in the Bond, in legal tender for the payment of public and private debts at the place of payment.

Bonds maturing on May 1, 2004 are subject in part to mandatory redemption from the Sinking Fund in the order of their maturities and within a maturity by lot upon payment of the redemption price equal to 100% of the principal amount thereof together with accrued interest to the date fixed for redemption as follows:

| <u>May 1 Year</u> | <u>Amount</u> | <u>May 1 Year</u> | <u>Amount</u> |
|-----------------------|---------------|-----------------------|---------------|
| 1992 | \$ 50,000 | 1998 | \$ 90,000 |
| 1993 | \$ 55,000 | 1999 | \$100,000 |
| 1994 | \$ 60,000 | 2000 | \$110,000 |
| 1995 | \$ 65,000 | 2001 | \$120,000 |
| 1996 | \$ 70,000 | 2002 | \$135,000 |
| 1997 | \$ 80,000 | 2003 | \$145,000 |

Bonds maturing on May 1, 2004 are subject to redemption prior to maturity, at the option of the Township as a whole on May 1, 1994, or on any date thereafter, or in part, in inverse order of maturity and within a maturity by lot, on May 1, 1994, or on any interest payment date thereafter, at 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption.

Notice of any redemption shall be furnished by mailing a notice by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the

redemption date to the registered owner of bonds to be redeemed at the addresses which appear in the Bond Register. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one bond will affect the validity of the proceedings for the redemption of any other Bonds. Notice having been so given or waived, and provision having been made for redemption from funds deposited with the Depositary, all interest on Bonds called for redemption accruing after the date fixed for redemption shall cease, and the holders or registered owners of the Bonds called for redemption shall have no security, benefit or lien under the ordinance or any right except to receive payment of the redemption price.

The Township agrees to mail copies of the notices of such redemptions not later than fifteen days prior to the redemption date to Moody's Investors Service, Standard & Poor's Corp. and The Bond Buyer so long as they maintain investment services; provided that the failure of the Township to mail such notice shall not affect the validity of any redemption proceedings, notice by public advertisement as hereinabove provided being the only requisite notice of redemption.

Section 2.04. Form of Bond. The 1984 Sewer Bonds and the authentication certificate, shall be in substantially the following form with appropriate insertions, omissions and variations:

(FORM OF BOND)

No. S

\$5,000

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF HOPEWELL

Beaver County, Pennsylvania

GUARANTEED SEWER REVENUE REFUNDING BOND,

SERIES OF 1984

Township of Hopewell, Beaver County, Pennsylvania (the Township), a municipal corporation, organized and existing under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges itself to be indebted and promises to pay to the registered owner hereof, on the first day of May 19 , unless sooner called for redemption and payment of the redemption price made or provided for, upon surrender hereof, the principal sum of Five Thousand Dollars (\$5,000) and to pay interest thereon from July 15, 1984 until payment of such principal sum has been made or provided for at maturity or date of earlier redemption, at the rate of per centum (%) per annum, payable semiannually on May 1 and November 1 in each year commencing November 1, 1984. The principal of and interest on this Bond shall be payable at the principal corporate trust office of Beaver Trust Company, Beaver, Pennsylvania, the paying agent for the Township (the Paying Agent), in legal tender for the payment of public and private debts at the place of payment. This Bond is one of the duly authorized issue of Guaranteed Sewer Revenue Refunding Bonds, Series of 1984 of the Township, dated July 15, 1984 in the principal amount of \$1,495,000 (the "Bonds") issued pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, Act of July 12, 1972, No. 185, as amended (the "Act"). The Bonds are in the denomination of \$5,000 each, are numbered S-1 to S-299, inclusive, in fully registered form, without coupons, are of like date and tenor, except as to date of maturity and interest rate, and are all issued without the assent of the electors pursuant to an ordinance of the Township adopted on July 25, 1984 (the "Ordinance").

The Bonds are issued for the purpose of providing a portion of the funds needed to refund the Existing Bonds as defined in the Ordinance in order to make provisions for the transfer to the Township of the Hopewell Township Authority sewer system, to restructure the Township's outstanding obligations, permit a change in the flow of investment income from certain Township funds and eliminate certain restrictions in the indentures governing the Existing Bonds.

The Ambac Indemnity Corporation, a Wisconsin-domiciled stock insurance company, has issued its Municipal Bond Insurance Policy No. , with respect to the payments due for principal of and interest on this bond to the United States Trust Company of New York, in New York, New York, as the Insurance Trustee under said Policy. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee from said Corporation or said Insurance Trustee.

The Bonds are all equally and ratably secured by a pledge of the revenues of the Township derived from the Sewer System as defined in the Ordinance and by a guaranty of payment of the principal of and interest on the Bonds by the Township, for which guaranty the full faith, credit and taxing power of the Township are irrevocably pledged. The Township has the right to issue additional bonds equally and ratably secured with the Bonds by the revenues from the Sewer System, but only with such guaranty by the Township, for the purposes and upon the terms and conditions stated in the Ordinance.

Reference is hereby made to the Ordinance for a statement of the particular revenues of the Township pledged for the payment of the Bonds, the nature, extent and manner of enforcement of the security, the terms and conditions under which the Ordinance may be amended or modified, the rights of the holders of the Bonds in respect to such security, and the terms and conditions under which the Bonds are issued and under which additional bonds may be issued.

Bonds maturing on May 1, 2004 are subject in part to mandatory redemption from the Sinking Fund in the order of their maturities and within a maturity by lot upon payment of the redemption price equal to 100% of the principal amount thereof together with accrued interest to the date fixed for redemption as follows:

| <u>May 1</u> <u>Year</u> | <u>Amount</u> | <u>May 1</u> <u>Year</u> | <u>Amount</u> |
|-----------------------------|---------------|-----------------------------|---------------|
| 1992 | \$ 50,000 | 1998 | \$ 90,000 |
| 1993 | \$ 55,000 | 1999 | \$100,000 |
| 1994 | \$ 60,000 | 2000 | \$110,000 |
| 1995 | \$ 65,000 | 2001 | \$120,000 |
| 1996 | \$ 70,000 | 2002 | \$135,000 |
| 1997 | \$ 80,000 | 2003 | \$145,000 |

Bonds maturing on May 1, 2004 are subject to redemption prior to maturity, at the option of the Township as a whole on May 1, 1994, or on any date thereafter, or in part, in inverse order of maturity and within a maturity by lot, on May 1, 1994, or on any interest payment date thereafter, at 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption.

This Bond is transferable on the books of the Township to be kept for that purpose at the principal office of the Paying Agent, such registration to be noted hereon by the Paying Agent on behalf of the Township. No transfer shall be valid unless made by the registered owner in person or by his duly authorized attorney and similarly noted upon said books and hereon.

The Township and the Paying Agent may treat the registered owner of this Bond 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.

Pursuant to a pledge of the Commonwealth of Pennsylvania contained in the Act, this Bond, its transfer, and the income therefrom, including any gains made on the sale hereof (other than the underwriting in a distribution thereof) shall at all times be free from taxation within and by the Commonwealth of Pennsylvania, but this exemption shall not extend to underwriting profits or to gift, succession or inherit an taxes or any other taxes not levied directly on this Bond, the receipt of income herefrom, or the realization of gains on the sale hereof.

If the Township shall fail to pay the principal of or interest on this Bond when due, or shall otherwise default on any of its obligations hereunder, under the Ordinance or under the Act, the registered owner shall be entitled to the rights and remedies provided by the Ordinance and the Act in the event of such default.

It is hereby certified that the approval of the Department of Community Affairs 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 requi-

red 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 with the Paying Agent a sinking fund for the Bonds and has made provision for the deposit therein from its sewer revenues and, if required from its general revenues, of amounts sufficient to pay, and from which the Paying Agent is required to pay, the principal of, and interest on, the Bonds as the same shall become due and payable.

This Bond shall not be entitled to any benefit under the Ordinance, nor be valid nor 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, the Township of Hopewell has caused this Bond to be signed in its name by the facsimile signature of the President of the Board of Commissioners and a facsimile of its common or corporate seal to be hereto affixed and duly attested by the facsimile signature of the Secretary or Acting Secretary or Treasurer of the Board of Commissioners, all as of the 15th day of July, 1984.

TOWNSHIP OF HOPEWELL

By: (Facsimile Signature)
President

(Township Facsimile Seal)

Attest:

(Facsimile Signature)
Secretary

(Form of Authentication Certificate)

AUTHENTICATION CERTIFICATE

This Bond is one of the Township of Hopewell Guaranteed Sewer Revenue Refunding Bonds, Series of 1984, described in the within mentioned Ordinance.

The Text of Opinion printed on the reverse hereof is the text of opinion of John A. Havey. Aliquippa, Pennsylvania, on file with the undersigned, which was dated and delivered on the date of delivery of and payment for the Bonds.

**BEAVER TRUST COMPANY,
PAYING AGENT**

**BY: _____
Authorized Officer**

Section 2.05. Execution of Bonds. The 1984 Sewer Bonds shall be executed by the facsimile signature of the President or Vice President of the Board of Commissioners and a facsimile or the corporate seal shall be thereunto affixed and attested by the facsimile signature of the Secretary, Assistant Secretary or Treasurer of the Board of Commissioners. The Bonds shall be authenticated by the manual signature of the Depository, as Paying Agent, which shall also certify that the approving opinion of Bond Counsel, which shall be printed on the reverse of each Bond, is an accurate reproduction of the approving opinion delivered at the Closing.

Section 2.06. Covenant as to Debt Service. The Township hereby covenants with the holders from time to time of the Outstanding Bonds: (a) that the Township will appropriate to and deposit in the Debt Service Account of the Sinking Fund, from the Sewer System Revenues hereinafter pledged and, to the extent of any deficiency, from its general revenues, such amounts necessary for the payment of such debt service; and (b) that the Township will duly and punctually pay out of its Sewer System Revenues so deposited and, to the extent necessary, out of its general revenues so deposited, the principal of every Bond issued hereunder and the interest thereon on the dates, at the 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.

Section 2.07. Pledge of Sewer System Revenues. All Sewer System Revenues are hereby irrevocably pledged for the payment of the principal of and interest on the 1984 Sewer Bonds and all Additional Bonds issued in compliance with Article III, and for the further benefit and security of the holders or registered owners of the Bonds a security interest is hereby granted in and to all Sewer System Revenues, which security interest shall be perfected as provided in Section 606 of the Act. The principal of and interest, and premium if any, on such Bonds shall be payable at the Depository in legal tender for the payment of public and private debts at the place of payment, without

deduction for any taxes (except gift, succession or inheritance taxes) which may now or hereafter be levied or assessed thereon under any present or future law of the Commonwealth of Pennsylvania, all of which taxes, except as above provided, the Township hereby assumes and agrees to pay. The proper Township officers shall, at the request of any holder or registered owner of the Bonds, execute financing statement evidencing the grant of such security interest.

Section 2.08. Guaranty of 1984 Sewer Bonds. The Township guarantees that the Sewer System Revenues pledged pursuant to Section 2.07 hereof will be sufficient for the payment of the principal of and interest on the 1984 Sewer Bonds, and, to the extent, if any, that such Sewer System Revenues shall be insufficient, it will budget, appropriate and pay the principal of and interest on the 1984 Sewer Bonds from its general revenues; and for such guaranty, budgeting, appropriation and payment the Township hereby pledges its full faith, credit and taxing power. No provision of this Ordinance shall constitute or be construed as a guaranty by the Township of any Additional Bonds issued pursuant to Article III hereof; however any Additional Bonds shall be guaranteed by the Township and the Supplemental Ordinance authorizing the issuance of Additional Bonds shall expressly so provide.

Section 2.09. Registration of Bonds. The Township shall keep or cause to be kept at the office of the Depositary books for the registration and transfer of Bonds in the manner provided therein so long as any of the Bonds shall remain Outstanding. The Township and the Depositary may treat the registered owner of any Bond which shall at the time be registered, as the absolute owner of such Bond for all purposes, and neither the Township nor the Depositary shall be affected by any notice to the contrary.

Section 2.10. Lost, Stolen and Destroyed Bonds. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Township may, in its discretion, issue and deliver a new bond of like tenor, amount and maturity as the Bond so mutilated, destroyed, stolen or lost, (a) in exchange and substitution for such mutilated bond, upon

surrender and cancellation of such mutilated Bond, if any, or (b) in place of and substitution for the Bond destroyed, stolen or lost, (i) upon the holder's filing with the Township evidence satisfactory to it that such Bond has been destroyed, stolen or lost and of his ownership thereof, and (ii) upon the holder's furnishing the Township with indemnity satisfactory to it and complying with such other reasonable regulations as the Township may require. The Township may, for each new Bond authenticated and delivered under the provisions of this Section 2.10, require the payment of a sum sufficient to pay printing expenses, and in addition expenses, including counsel fees, which may be incurred by the Township or the Depositary. All Bonds so surrendered shall be delivered to the Depositary for cancellation and cremation. If any such Bond shall have matured or be about to mature, instead of issuing a substituted Bond, the Township may direct the Depositary to pay the same, and, if such Bond be lost, stolen or destroyed, without surrender thereof upon being indemnified as aforesaid.

All duplicate Bonds issued pursuant to this Section 2.10 shall constitute original additional contractual obligations on the part of the Township, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits with all other Bonds issued under this Ordinance.

Section 2.11. Sale of 1984 Sewer Bonds. The 1984 Sewer Bonds shall be and hereby are sold at private sale to Commonwealth Securities and Investments, Inc. at the price of \$1,457,625 plus accrued interest to the settlement date, all as specified in the purchase proposal dated July 25, 1984, as presented to the meeting at which this Ordinance was enacted. A copy of said proposal shall be lodged with the official minutes of such meeting. The Board of Township Commissioners does hereby find that a private sale by negotiation is in the best financial interest of the Township.

Section 2.12. Authentication of Bonds and Application of Proceeds. The Depositary, as Paying Agent, is hereby authorized and directed to authenticate the 1984

Sewer Bonds in the denomination of \$5,000 each in the aggregate principal amount of \$1,495,000 and to deliver them upon the order of the Township signed by the President or Vice President of the Board of Commissioners, but only upon receipt of the proceeds of sale of the Bonds less the underwriting discount and other costs of issuance.

Upon receipt of the net proceeds of sale, the Depositary shall deposit the same, together with other available funds, if any, in a settlement account, from which the Depositary pursuant to the written directions of the Township signed by the President or Vice President of the Board of Commissioners shall make the payments and set aside reserves if any, required to (a) deposit in the Escrow Fund the sum required to purchase direct obligations of the United States of America sufficient in principal amount to pay the principal of and interest on the Existing Bonds as the same mature or are mandatorily redeemed; (b) deposit in the Debt Service Account the amount of accrued interest on the Bonds; (c) deposit in the Debt Service Reserve Account the sum of \$180,000; and (d) deposit the balance, if any, in the Sewer Revenue Account. Any reserves which shall be set up in the settlement account shall be disbursed from time to time pursuant to the further written directions of the Township and any balance ultimately remaining in such reserves shall upon final written directions be deposited by the Depositary in the Sewer Revenue Account.

Section 2.13 Transfer of Funds from Existing Bond Accounts. The Township shall transfer to and deposit with the User of Funds, as approved hereby, the following amounts:

- (a) \$248,641.04 from the Debt Service Reserve Account of the Existing Bonds;
- (b) \$650,182.89 from the Service and Redemption Fund of the Existing Bonds; and
- (c) \$160,986.20 from the 1973 Sewer Bonds Construction Fund.

The Depositary is hereby authorized and directed to pay the principal of and

interest on the 1984 Sewer Bonds in accordance with Section 5.03 from the moneys so deposited in the Debt Service Account before using any other moneys (except for accrued interest deposited pursuant to Section 2.12, which shall be paid out for interest ahead of all other moneys) in said account for such purpose.

The Sources and Uses of Funds, with respect to the 1984 Bonds, is hereby approved, a copy of which is ordered to be attached to this Ordinance.

Section 2.14. Municipal Bond Insurance. The Township hereby authorizes and directs its officers to purchase from American Municipal Bond Assurance Corporation a policy of municipal bond guaranty insurance for the 1984 Sewer Bonds.

Section 2.15. Official Statement. The Preliminary Official Statement prepared with respect to the Bonds is hereby approved. The President is hereby authorized to execute and approve a Final Official Statement relating to the Bonds, provided that said Official Statement shall have been approved by the Township Solicitor. The distribution of the Preliminary Official Statement is hereby ratified and the Underwriter is hereby authorized to use the Preliminary and the Final Official Statements in connection with the sale of the Bonds.

ARTICLE III

ISSUANCE OF ADDITIONAL BONDS

Section 3.01. Authority to Issue. The Township reserves the right to issue Additional Bonds pursuant to Supplemental Ordinances for the purpose of providing all or part of the funds necessary to refund all or any part of the 1984 Sewer Bonds, including accrued and unpaid interest and redemption premiums, if any, or for the purpose of providing all or part of the funds required to complete the Project or to acquire, construct or complete Capital Additions, and to secure the Additional Bonds equally and ratably with the 1984 Sewer Bonds and prior Additional Bonds by the Sewer System Revenues pledged hereunder, but only with the guarantee of payment by the Township; provided,

however, that the Township covenants and agrees that:

- (a) No Additional Bonds shall be issued for the purpose of financing Capital Additions unless there shall first be filed with the Township Secretary a certificate of the Consulting Engineers approving the Capital Additions and stating that the same will be necessary or useful to the Sewer System;
- (b) No Additional Bonds shall be issued unless there shall be first filed with the Township Secretary a certificate of the Consulting Engineers stating that the current Sewer System Revenues are sufficient to comply with the Sewer Rate Covenant after the issuance of the Additional Bonds or stating that certain increases in sewer rates and charges are required to comply therewith. If increased rates and charges are required, the Township shall enact an Ordinance imposing the required increases before issuing the Additional Bonds.
- (c) The balance of the Debt Service Reserve Account shall be maintained at 100% of the Average Annual Debt Service Requirement on the Outstanding and Additional Bonds.
- (d) The Township shall guarantee payment of principal and interest on the Additional Bonds.

Section 3.02. Proceeds of Additional Bonds. The proceeds of Additional Bonds shall be applied in accordance with the Supplemental Ordinance authorizing the issuance thereof.

Section 3.03. Additional Bonds On Parity with 1984 Sewer Bonds. All Additional Bonds issued from time to time in accordance with this Article III shall be on a parity with the 1984 Sewer Bonds, except that the guaranty of the Township in Section 2.08 of this Ordinance applies only to the 1984 Sewer Bonds. Additional Bonds shall be guaranteed by the Township only if and to the extent that the Ordinance authorizing the

issuance of the particular Additional Bonds expressly so provides.

ARTICLE IV

SEWER RATES AND CHARGES

Section 4.01. Sewer Rate Covenant. The Township hereby covenants that so long as any Bonds shall remain Outstanding, it will fix, charge and collect sewer rates and charges which, together with other available Sewer System Revenues, shall be sufficient in each fiscal year commencing with the fiscal year ending December 31, 1984:

- (a) To pay the Operating Expenses of the Township in connection with the Sewer System and the Bonds in each such fiscal year; and
- (b) To pay 110% of the Average Annual Debt Service Requirement on all Bonds issued and Outstanding or to be issued and Outstanding in each such fiscal year as and when the same shall become due and payable, and to comply with all covenants herein.

Section 4.02. Sewer Rate Ordinances. The Township hereby covenants and agrees that prior to the issuance and delivery of the 1984 Sewer Bonds it will adopt sewer rates and charges sufficient to comply with the foregoing Sewer Rate Covenant and that it will furnish to the successful purchaser of the 1984 Sewer Bonds a certificate of the Consulting Engineer stating that in its opinion the sewer rate so adopted complies with the Sewer Rate Covenant and setting forth in reasonable detail the estimates and calculations upon which the certificate is based. From time to time and as often as it shall appear necessary, and in any event in case the sewer rates and charges in effect shall be inadequate to provide Sewer System Revenues sufficient to comply with the foregoing Sewer Rate Covenant, the Township covenants that to the full extent it may lawfully do so, it will so adjust its sewer rates and charges as to produce Sewer System Revenues sufficient to comply with the Sewer Rate Covenant. The Township shall keep on file at its office and at the principal corporate trust office of the Depositary and shall furnish

to any bondholder, upon request, a certified copy of the sewer rates and charges currently in effect, together with the certificate of the Consulting Engineer expressing the opinion that such rates and charges comply with the Sewer Rate Covenant.

Section 4.03. Reduction of Sewer Rates. The Township further covenants that no reduction in the rates and charges for the use of the Sewer System shall become effective until thirty (30) days after there shall have been filed with the Depository and the successful purchaser of the 1984 Sewer Bonds for inspection of any bondholder:

- (a) A copy of the proposed schedule of reduced Sewer rates and charges;
- (b) The report of the Township's independent certified public accountant for the fiscal year preceding such proposed reduction showing that the Sewer System Revenues received by the Township were sufficient to comply with the Sewer Rate Covenant; and
- (c) A certificate of the Consulting Engineer approving the proposed reduction in sewer rates and charges, expressing the opinion that the reduced rates and charges will produce sufficient sewer revenues to comply with the Sewer Rate Covenant and setting forth in reasonable detail the estimates and calculations upon which the certificate is based.

Section 4.04 Increase of Sewer Rates. If in the fiscal year ending December 31, 1984 or any fiscal year thereafter the Sewer System Revenues have not been sufficient to comply with the Sewer Rate Covenant the Township covenants and agrees that it will increase its sewer rates and charges to the extent estimated by the Consulting Engineer to be required to comply with the Sewer Rate Covenant, but nothing herein shall require an increase in such rates and charges to a level which, in the opinion of the Consulting Engineer, (evidenced by its written certificate so stating) will result in a decrease in gross sewer revenue from what would have been received if rates and charges

were imposed at lower levels. Nothing herein contained is intended to limit sewer rates and charges, and the Township may impose sewer rates and charges sufficient to provide for depreciation, future capital improvements and other proper purposes.

ARTICLE V

SINKING FUND

Section 5.01. Creation of Sinking Fund. The Township covenants that there shall be, and there is hereby established and that it shall hereafter maintain a Sewer Revenue Bond Sinking Fund for the Bonds to be held by the Depositary (or such substitute or successor Depositary which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the Township, but subject to withdrawal only in accordance with the provisions of this Ordinance. The Project and all Capital Additions financed by the issuance of Bonds are hereby combined for purposes of Section 1001 of the Act so that the Sinking Fund established under this Section 5.01 hereof shall be maintained for the equal and proportionate benefit and security of the holders of the 1984 Sewer Bonds and all Additional Bonds.

Within the Sinking Fund, there shall be and hereby are established four special accounts designated Sewer Revenue Account, Debt Service Account, Debt Service Reserve Account, and Bond Redemption and Improvement Account. The Township covenants that moneys will be deposited in and withdrawn and applied from each account in the Sinking Fund only as hereinafter provided.

The moneys and investments from time to time on deposit in the Sinking Fund shall without further action or filing be subject to a perfected security interest, lien and charge in favor of the holders and registered owners of the Bonds until disbursed as hereinafter provided.

Section 5.02. Sewer Revenue Account and Debt Service Reserve Account.
The Township covenants and agrees to collect with all due dispatch all sewer rates and

charges imposed under its sewer rate ordinances and to segregate and deposit all such revenues and other Sewer System Revenues in a separate account in the Sinking Fund in the name of the Township designated as the Sewer Revenue Account and to maintain said Account separate and apart from all other accounts and funds of the Township. The Township shall establish within the Sewer Revenue Account such separate accounts as may be required under extension agreements heretofore entered into with developers, property owners, builders or other municipalities. The money from time to time in the Sewer Revenue Account in each fiscal year shall be disbursed by the Township for the following purposes in the following order of priority:

- (a) To pay or reimburse the Township for Operating Expenses, upon orders of the proper Township officers and within the limits of the Annual Budget adopted as hereinafter provided;
- (b) To deposit in the Debt Service Account such amount as shall be sufficient to pay the principal of and interest on the 1984 Sewer Bonds on the next payment date, including principal payable upon mandatory redemption of such Bonds, and to make such additional deposits in said Accounts as may be required by a Supplemental Ordinance adopted in connection with the issuance of Additional Bonds;
- (c) To maintain in the Sewer Revenue Account an operating reserve for working capital in such amount as the Consulting Engineer may from time to time estimate to be necessary. Said operating reserve shall be disbursed from time to time by the Township to pay, or reimburse the Township for Operating Expenses whenever other moneys available in the Sewer Revenue Account are insufficient for the purpose, and in the event of such disbursements, said reserve shall be restored to its required amount, before expenditures are thereafter made or reserves set aside as hereinafter provided;

(d) To make deposits in the Bond Redemption and Improvement Account, if and to the extent the Township determines to redeem Bonds prior to their stated maturity or mandatory redemption dates; to pay, or reimburse the Township for the cost of ordinary renewals and replacements and such extensions, additions and improvements to the Sewer System as may be required to maintain adequate service; to pay, or reimburse the Township for, all or any part of the cost of Capital Additions, including the payment of temporary loans and interest thereon; to pay or reimburse the Township for, the cost of sewer lines to serve additional property owners; and to pay refund obligations under extension agreements heretofore entered into by the Township pursuant to Bond Ordinances; provided, however, that the amounts applied to the purposes set forth in sub-paragraphs (b), (c) and (d) above in any fiscal year shall not exceed the sum of the Operating Expenses plus one hundred and forty per cent (140%) of the principal of and interest on the Bonds payable in such year, including amounts payable upon mandatory redemption.

After applying the pledged Sewer System Revenues deposited in the Sewer Revenue Account in accordance with and subject to the foregoing provisions of this Section 5.02 in each year, the balance, if any, of such pledged Sewer System Revenues may at the end of each year be transferred to the general funds of the Township for use by the Township for any lawful purpose as required by Section 1001(d) of the Act.

The Township shall deposit \$180,000 into the Debt Service Reserve Account at closing of this Bond issue. Thereafter, so long as any Bonds are outstanding the Township shall maintain in the Debt Service Reserve Account an amount equal to the Average Annual Debt Service for all Bonds outstanding at any time. In the event Sewer System Revenues are not sufficient to meet Debt Service Requirements hereunder, the

Paying Agent shall utilize such funds for this purpose without any additional authorization from the Township.

Section 5.03. Payment of 1984 Sewer Bonds. The Depositary, without further action of the Township, is hereby authorized and directed to pay from the Debt Service Account, the principal of and interest on the 1984 Sewer Bonds and the Township hereby covenants that such moneys, to the extent required, will be applied to such purpose, as follows:

- (a) The Depositary shall pay all interest on the 1984 Sewer Bonds as and when the same shall become due and payable and the principal of all 1984 Sewer Bonds, as and when such Bonds shall mature by their express terms.
- (b) In the event of issuance of Additional Bonds under Article III, the Supplemental Ordinance under which said Additional Bonds are issued may provide for the purchase and redemption of such Additional Bonds out of additional moneys to be deposited in the Debt Service Account.
- (c) The Depositary shall on or before May 1 of the year 2004, so long as any 1984 Sewer Bonds maturing at that time shall remain Outstanding, take all steps necessary to select by lot, to call for redemption and redeem on May 1 of the years indicated in the following schedule at a redemption price of 100% of principal amount, plus interest accrued to the date of redemption, the following annual principal amounts of said Bonds, or such lesser principal amount as shall at the time be all of said Bonds remaining Outstanding:

| <u>May 1</u> <u>Year</u> | <u>Amount</u> | <u>May 1</u> <u>Year</u> | <u>Amount</u> |
|-----------------------------|---------------|-----------------------------|---------------|
| 1992 | \$ 50,000 | 1998 | \$ 90,000 |
| 1993 | \$ 55,000 | 1999 | \$100,000 |
| 1994 | \$ 60,000 | 2000 | \$110,000 |
| 1995 | \$ 65,000 | 2001 | \$120,000 |
| 1996 | \$ 70,000 | 2002 | \$135,000 |
| 1997 | \$ 80,000 | 2003 | \$145,000 |

During the years in which 1984 Sewer Bonds are to be redeemed as above provided and prior to the selection by lot of such Bonds for redemption, the Township shall be authorized to accept tenders for the purchase of such Bonds of the maturity currently designated for redemption out of moneys on deposit in the Debt Service Account, at prices not exceeding 100% of principal amount and interest accrued to the date of purchase. The principal amount of said Bonds required to be redeemed in any year shall be reduced by the amount of said Bonds so purchased.

Upon selection of Bonds to be redeemed by lot as above provided, the Depositary is hereby authorized and directed to notify the registered holders of the the Bonds so drawn by lot for redemption, and upon presentation of such Bonds by the holders thereof, the Depositary shall pay the redemption price together with accrued interest to the holders thereof, out of money on deposit in the Debt Service Account, and shall also pay the costs of redemption out of moneys which the Township hereby agrees to deposit in said Account.

If the Township shall determine to include in any notice of redemption given by the Depositary as above provided, the redemption of additional 1984 Sewer Bonds out of moneys in the Bond Redemption and Improvement Account or other available funds, and shall give the Depositary written notice thereof in time for the Depositary to include such additional Bonds in its drawing by lot, then the additional Bonds to be redeemed shall be included in the drawing by lot and in the redemption notice.

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

Section 5.04. Bond Redemption and Improvement Account. There shall be deposited in the Bond Redemption and Improvement Account such amounts, if any, as the Township may from time to time transfer from the Sewer Revenue Account pursuant to and within the limits of Section 5.02 and any other funds paid by the Township to the Depositary for the purpose of redeeming Bonds prior to maturity. The proceedings for the redemption of Bonds out of moneys deposited in the Bond Redemption and improvement Account shall be conducted by the Township in accordance with the terms and conditions of this Ordinance and the particular Bond or Bonds to be redeemed.

Section 5.05. Performance of Guaranty. The Township covenants to levy and impose such taxes and to appropriate such amounts as may from time to time become necessary to make up any deficiency in Sinking Fund deposits for the 1984 Sewer Bonds in order to fully perform and discharge the Township's guaranty of such Bonds.

Section 5.06. Investment of Sinking Fund. Pending application to the purposes for which the several accounts in the Sinking Fund are established, the President, Vice President, Treasurer or Secretary of the Board of Commissioners is hereby authorized and directed to cause the moneys in such accounts to be invested or deposited in Investment Obligations. All income received on such deposits or investments during each applicable semi-annual or annual period shall be added to such account and, in the case of the Debt Service Account, shall be credited against the deposits next required to be made into such account under subparagraph (b) of Section 5.02. The Township covenants that it will not invest or authorize the Depositary to invest any of the proceeds of the Bonds or any other funds in any investments which would have caused such Bonds to be "arbitrage bonds" as such term is defined in Section 103(c) of the Internal Revenue Code and the regulations issued thereunder and the Township further covenants to comply and to cause the Depositary to comply with said Section 103(c) and said regulations throughout the term of all such Bonds.

Section 5.07. Extension Agreements and Security Deposits. The Township

may enter into agreements from time to time with property owners, builders, developers or other municipalities providing for the construction of extensions to the Sewer System, providing either for the deposit with the Township of the cost of construction or for the payment of the cost of such construction at the expense of the property owner, developer, builder, or municipality, and providing for refunds to the property owner, builder, developer, or municipality making such deposit or paying the cost of such construction of portions of the sewer rates, paid by new users who connect with such extensions and enter into contracts for sewer service with the Township. The amount of any such refund shall be approved by the Consulting Engineer and shall not exceed such part of the rates charged to such new users as will remain after making provision for a proper share of the Operating Expenses. Such refunds shall be payable during a period to be stated in the agreement not exceeding 20 years and the total refunds shall not exceed the amount of the deposit without interest, or if there be no deposit the amount without interest expended for construction by the property owner, builder, developer, or municipality. Such refunds shall be payable from moneys available in the Sewer Revenue Account under subsection (d) of Section 5.02. The Township may also enter into agreements for extensions to the Sewer System providing that the entire cost is to be paid by the property owner, builder, developer or municipality with no right of refund. The Township may require the posting of security deposits by users of the Sewer System to be held by Township to guarantee payment of the sewer rates and charges, allowing withdrawal of income and principal from the security deposit as the Township and user shall determine.

Section 5.08. Redemption of All Bonds. In the event that the Township shall desire to redeem and pay all Outstanding Bonds, and the moneys in the several accounts in the Sinking Fund or in any one or more of said Accounts together with other available funds, are sufficient to effect such redemption or payment, including in addition to principal and interest, redemption premium, if any, cost of redemption and proper charges and expenses of the Depositary, said accounts or any one or more of said accounts as the

case may be, may be discontinued and the money therein applied toward such redemption or payment.

Section 5.09. Cancellation of Bonds. All Bonds and coupons which shall be paid, purchased or redeemed by the Township or Depositary pursuant to the terms and provisions of this Ordinance or of any Supplemental Ordinance, and all unmatured coupons appertaining to Bonds which shall have been redeemed or purchased, shall be cancelled and cremated or otherwise destroyed by the Depositary which shall furnish the Township with its certificates of cremation or destruction.

ARTICLE VI

PROCEEDINGS UNDER THE ACT AND APPOINTMENT OF DEPOSITARY

Section 6.01. Debt Statement and Proceedings Authorizing 1984 Sewer Bonds. The President or Vice President and Secretary or Treasurer of the Township Board of Commissioners are hereby authorized and directed to execute and file the debt statement required by Section 410 of the Act, and to apply to the Department of Community Affairs for approval of the proceedings authorizing the issuance of the 1984 Sewer Bonds, and to execute and file with said Department any and all documents required to be submitted as part of said application.

Section 6.02. Self-Liquidating Debt. The proper officers of the Township are hereby authorized and directed to prepare, execute and file such statements and other documents as may be required by Article II of the Act in order to qualify all or any portion of the 1984 Sewer Bonds and any other indebtedness of the Township as self liquidating debt.

Section 6.03. Contract with Depositary. The Beaver Trust Company is hereby appointed paying agent for the Bonds and sinking fund depositary for the purposes of this Ordinance and the Act. The proper officers of the Township are hereby authorized to enter into a contract with the Depositary in connection with the performance of its

duties as paying agent and sinking fund depositary on usual and customary terms, including an agreement on the part of the Depositary to observe and comply with the provisions of this Ordinance and of the Act, and an agreement on the part of the Township to pay the fees and charges of the Depositary out of the Sewer Revenue Account in the Sinking Fund as an Operating Expense of the Sewer System.

Section 6.04. Execution of Bonds; other Action. The proper officers of the Township are hereby authorized to execute the 1984 Sewer Bonds in accordance with Section 2.04 hereof, to deliver the 1984 Sewer Bonds to the successful Bond purchasers upon receipt of the purchase price therefor, and to take such other action as may be necessary or proper to effect the issuance of said Bonds or otherwise to comply with the Act or this Ordinance.

ARTICLE VII

PARTICULAR COVENANTS OF THE TOWNSHIP

Section 7.01. Payment of Bonds. The Township covenants that it will promptly pay out of its Sewer System Revenues and other moneys as provided in this Ordinance and if such payment is guaranteed out of its general revenues, the principal of and interest on every Bond issued and to be issued hereunder and secured hereby at the place and on the dates and in the manner specified herein and in said Bonds appertaining thereto, according to true intent and meaning thereof.

Section 7.02. Operation and Repair of Sewer System. The Township covenants that it will (a) maintain the Sewer System and every part thereof in good repair, working order and condition; (b) continuously operate the Sewer System; and (c) from time to time make all needful and proper repairs, renewals and replacements of the Sewer System and all ordinary improvements, extensions and betterments thereto which may be necessary or proper to provide or maintain adequate service.

Section 7.03. Insurance. The Township covenants that so long as any of the

Bonds are Outstanding (a) that it will insure (to the extent that Builders Risk insurance shall not be carried by the contractors during construction) any physical structures of the Sewer System in a responsible insurance company or companies authorized to do business under the laws of the Commonwealth of Pennsylvania, against loss or damage by fire or other casualty on such reasonable amounts and of such types as is usually carried for like properties and as may be approved by the Consulting Engineers; (b) that it will maintain public liability and property damage insurance with responsible insurance companies authorized to do business under the laws of the Commonwealth of Pennsylvania in such amounts as may be approved by the Township Solicitor; (c) that it will at all times cause its Treasurer and all other officers and employees of the Township handling funds of the Township to be bonded in adequate amounts by responsible bonding companies; and (d) that it will in case of any loss or damage covered by insurance commence as expeditiously as may be possible and diligently to prosecute the repair or replacement of the damaged and destroyed Sewer System property so as to restore the same to use.

All insurance policies shall be open to the inspection of the Depositary, and the bondholders and their representatives at all reasonable times.

Section 7.04. Accounts and Audits. The Township shall at all times maintain an accurate system of accounts of the Sewer System and keep proper books of record and account relating to the Sewer System. The Township shall cause such accounts and records to be audited annually by a competent certified public accountant, and not later than ninety (90) days after the close of such fiscal year, shall furnish copies of such reports to the Depositary, to the successful Bond purchasers so long as the 1984 Sewer Bonds remain Outstanding and, upon written request, to any bondholder. The accountant shall report among other things upon the maintenance of the Sinking Fund and accounts therein as required by Article V, the investment and securing of moneys as required by Section 1004 of the Act, and compliance of the Township with the Sewer Rate Covenant.

Section 7.05. Employment of Consulting Engineers. The Township covenants

and agrees that it will employ as Consulting Engineers, so long as any Bonds shall remain outstanding, an engineering firm having a favorable reputation for skill and experience in the construction and operation of sewer systems. It shall be the duty of the Consulting Engineers, in addition to the other duties imposed elsewhere in this Ordinance, to make general inspections of the Sewer System and of the operating records and policies of the Township and to make recommendations as to operating methods and changes, if any, in operating policies deemed advisable, and as to renewals, replacements, additions, extensions, betterments and improvements to the Sewer System.

The Consulting Engineers shall make and file annually with the Township a written report upon the Sewer System and the operation thereof during the prior yearly period and setting forth its recommendations for the ensuing year. The Township shall furnish copies of such reports to the Depositary and the successful Bond purchasers so long as any Bonds remain Outstanding and shall furnish copies to bondholders upon written request. The proposed annual operating budgets of the Township shall be submitted to the Consulting Engineers for approval or recommendations prior to final adoption by the Township.

Section 7.06. Annual Budget. The Township covenants that prior to the commencement of each fiscal year it will adopt in the manner provided by law and file with the Depositary and successful Bond purchasers, so long as any Bonds remain Outstanding, an Annual Budget for each fiscal year, commencing with the year 1984, setting forth the estimated gross sewer revenues, the estimated Operating Expenses and the annual Debt Service Requirements of the Bonds for each such fiscal year for the Sewer System. Each such annual budget shall be approved by the Consulting Engineers and shall, as far as practicable, be prepared on the basis of quarterly requirements in the annual period covered. The Township shall not make any payment or requisition for Operating Expenses in excess of the amount of the Annual Budget then in effect. Any budget may be amended or supplemented at any time, but such amended or supplemented

budget shall not supersede any prior Annual Budget until it shall have been approved in writing by the Consulting Engineer and authorized by resolution of the Township, and until copies have been filed with the Depositary and successful Bond purchasers as provided above.

Section 7.07. Taxes on Sewer System and Revenues; Covenant Against Liens. The Township covenants that as long as the Bonds or any of them shall be Outstanding (a) it will pay all taxes and assessments, if any, or other municipal or governmental charges lawfully levied or assessed upon the Sewer System, or upon any part thereof, or upon its Sewer System Revenues, when the same shall become due, and will duly observe and comply with all valid requirements of any municipal or governmental authority relative to any such properties and will not create or suffer to be created any lien or charge upon such properties, or any part thereof or upon the revenues or other income therefrom except the lien and charge of the Bonds secured hereby upon such revenues, (b) that it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, any such lien or charge and also all lawful claims and demands for labor, materials, supplies or other items which, if unpaid, might by law become a lien upon such property or any part thereof or other revenues therefrom; (c) that none of its Sewer System Revenues will be used for any purpose other than as provided herein; and (d) that no contracts shall be entered into or any action taken by which the rights of Bondholders might be impaired or diminished; provided, however, that nothing in this section contained shall require the Township to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings. Except as expressly provided in this Section 7.07, the Township shall not assume the payment of any tax or taxes in consideration of the purchase of the Bonds.

Section 7.08. Sale of Sewer System Properties. The Township covenants, except as in this Ordinance otherwise provided and permitted, that as long as the Bonds

or any of them shall be Outstanding, it will not sell or otherwise dispose of the Sewer System or any part thereof, or any of its Sewer System Revenues, and that it will promptly pay or contest any liens or judgment constituting liens on the property which may be filed against it. The Township may, however, from time to time, as set forth above, sell or permit the sale of any machinery, fixtures, apparatus, tools, instruments, or other movable property or any materials used in connection therewith, which are no longer needed or useful in connection with the operation and maintenance of the Sewer System, and the proceeds thereof shall be applied to the replacement of the property so sold or disposed of or shall be deposited in the Sewer Revenue Account in the Sinking Fund. The Township may from time to time, as set forth above, sell such real estate, forming part of the Sewer System, as the Township determines shall not be necessary or useful in connection with the maintenance and operation of the Sewer System, provided the Consulting Engineers shall, in writing, approve such sale. The proceeds of any sale of real estate shall be deposited in the Sewer Revenue Account in the Sinking Fund.

Section 7.09. Interest Not to Be Funded. In order to prevent any accumulation of claims for interest after maturity, the Township covenants and agrees that it will not directly or indirectly extend or assent to the extension of the time of payment of any claim for interest on, any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding such claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, such claim for interest shall not be entitled in case of any default hereunder, to the benefit or security of this Ordinance except subject to the prior payment in full of the principal of all Bonds issued and Outstanding hereunder, and of all claims for interest which shall not have been so extended or funded.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Default. If the Township shall fail to pay the principal of or interest on the Bonds when due or shall otherwise default in the performance of any of its obligations hereunder, under the Bonds or under the Act, the registered owners of the Bonds, as the case may be, shall be entitled to all of the rights and remedies provided by the Act in the event of such default.

Notwithstanding the foregoing, if municipal bond guaranty insurance shall be issued by Ambac Indemnity Corporation ("Ambac Indemnity") for the 1984 Sewer Bonds, then neither the Paying Agent, the registered owners of the Bonds, nor any trustee appointed to represent same, shall have any right to bring an action in assumpsit to recover the principal of or interest on the Bonds or to accelerate the payment of the principal of the Bonds unless the Township shall have defaulted on its obligation to deposit the amounts required for the payment of the principal of or interest on the Bonds when due and the American Municipal Bond Assurance Corporation shall have defaulted on its obligation to promptly deposit funds with the Beaver Trust Company, as Fiscal Agent (the "Fiscal Agent") sufficient for the payment of all of the Bonds then in default after receiving notice of such default from the Paying Agent or said trustee or any bondholder. Ambac Indemnity upon deposit by it in an account with the Fiscal Agent of an amount equal to all principal and interest then in default for the payment of all 1984 Sewer Bonds then in default, shall have the right to declare the principal of all of the Bonds then outstanding and the interest accrued thereon immediately due and payable by written notice to the Township, the Paying Agent and the trustee, if any, and such principal and interest shall thereupon become immediately due and payable.

No amendment, modification or waiver of any provision of any document authorizing the issuance of the Bonds may be made which relates to the acceleration of the payment of the principal of or interest on the 1984 Sewer Bonds before the stated

maturity thereof, without the prior written consent of Ambac Indemnity and any such attempted amendment, modification or waiver without such consent shall be of no force and effect.

Ambac Indemnity shall be deemed to be the holder of the Bonds insured by Ambac Indemnity: (i) at all times for the purpose of the initiation by Bondholders of any action to be undertaken by the Fiscal Agent at the Bondholder's request, and (ii) following an Event of Default for all other purposes.

(A) As long as the Bond Insurance shall be in full force and effect, the Issuer and the Trustee agree to comply with the following provisions:

(a) if five (5) days prior to an Interest Payment Date the Fiscal Agent determines that there will be insufficient funds in the Funds and Accounts to pay the principal of or interest on the Bonds on such Interest Payment Date, the Fiscal Agent shall so notify Ambac Indemnity. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both.

(b) the Fiscal Agent shall, after giving notice to Ambac Indemnity as provided in (a) above, make available to Ambac Indemnity and the United States Trust Company of New York, as insurance trustee for Ambac Indemnity, the registration books of the Issuer maintained by the Trustee, and all records relating to the Funds and Accounts maintained under this Indenture.

(c) the Fiscal Agent shall provide Ambac Indemnity and the United States Trust Company of New York with a list of registered owners of Bonds entitled to receive principal or interest payments from Ambac Indemnity under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with United States Trust Company of New York (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from Ambac Indemnity, and (ii) to pay principal upon Bonds surrendered to United States Trust Company of New York by

the registered owners of Bonds entitled to receive full or partial principal payments from Ambac Indemnity.

(d) the Fiscal Agent shall, at the time it provides notice to Ambac Indemnity pursuant to (a) above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from Ambac Indemnity (i) as to the fact of such entitlement, (ii) that Ambac Indemnity will remit to them all or part of the interest payments next coming due, (iii) that should they be entitled to receive full payment of principal from Ambac Indemnity they must tender their Bonds (along with a form of transfer of title thereto) for payment to United States Trust Company of New York, as insurance trustee for Ambac Indemnity, and not the fiscal Agent, and (iv) that should they be entitled to receive partial payment of principal from Ambac Indemnity they must tender their Bonds for payment thereon first to the fiscal Agent, who shall note on such Bonds the portion of the principal paid by the Fiscal Agent, and then, along with a form of transfer of title thereto, to Ambac Indemnity, which will then pay the unpaid portion of principal.

(e) Ambac Indemnity shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Fiscal Agent shall note Ambac Indemnity's rights as subrogee on the registration books of the Issuer maintained by the Fiscal Agent upon receipt from Ambac Indemnity of proof of the payment of interest thereon to the registered owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Fiscal Agent shall note Ambac Indemnity's rights as subrogee on the registration books of the Issuer maintained by the Fiscal Agent upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.

The Fiscal Agent may be removed at any time, at the request of Ambac

Indemnity, for any breach of the Trust set forth herein. Every successor Fiscal Agent appointed pursuant to the provisions, this section shall be a trust company or bank in good standing located in or incorporated under the laws of the State duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$500,000,000.

In the event that the principal and redemption price, if applicable, and interest due on the bonds shall be paid by Ambac Indemnity pursuant to a policy issued by it with respect to these Bonds, the assignment and pledge of the Trust Estate or rights hereunder and all covenants, agreements and other obligations of the Township to the Bondholders shall continue to exist and Ambac Indemnity shall be subrogated to the rights of such Bondholders.

Section 8.02. Amendments. In addition to Supplemental Ordinances authorized under Article III, the Township may, from time to time and at any time, adopt a Supplemental Ordinance (a) to cure any ambiguity, or formal defect or omission in this Ordinance or in any Supplemental Ordinance, or (b) to grant to and confer upon the bondholders any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondholders. This Ordinance may also be amended or modified from time to time, except with respect to the interest payable upon the Bonds, or with respect to the dates of maturity or redemption provisions of the Bonds, or with respect to this Section 8.02 by a Supplemental Ordinance adopted by the Township, a certified copy of which shall be filed with the Depositary and successful Bond purchasers, with the written approval of the owners or holders of not less than 67% in principal amount of the Bonds Outstanding, other than Bonds provision for the payment or redemption of which shall have been made on or before the effective date of such Supplemental Ordinance. Within the meaning of this Section 8.02 provision for the redemption of Bonds shall have been made if the Bonds are no longer deemed to be Outstanding under Section 1110(b) of the Act.

Section 8.03. Satisfaction and Release of Lien. When the principal of and interest on all Bonds then Outstanding and all other sums payable by the Township under this Ordinance shall have been paid, or provision shall have been made for payment of same by deposit in a trust or fiduciary account with the Paying Agent, of an amount of moneys or direct obligations of the United States of America (which are not callable or otherwise redeemable by any person other than the holder thereof) which together with the interest thereon when due will be sufficient to pay the principal of and interest on all Bonds then Outstanding at maturity and all other sums payable by the Township under this Ordinance, the right, title and interest of the Depositary and Paying Agent under this Ordinance shall thereupon cease and the Depositary and Paying Agent, on demand of the Township, shall release the lien of this Ordinance and shall execute such documents to evidence such release as may be reasonably required by the Township and shall turn over to the Township or to such person, body or authority as may be entitled to receive the same, all balances remaining in any funds hereunder.

Section 8.04. 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 insofar as the same relate to the Bonds, in the name and on behalf of the Township.

Section 8.05. 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 provision had never been contained therein.

Section 8.06. Scope of Ordinance. Nothing in the Ordinance expressed or implied, is intended or shall be construed to confer upon, or to give any person, firm or

corporation other than the parties hereto, and the holders of the bonds, any right, remedy or claim under or by reason of the Ordinance or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Ordinance contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and the holders of the bonds.

Section 8.07. Repealer. All ordinances and parts of ordinances heretofore adopted to the extent that the same are inconsistent in any manner herewith are hereby repealed.

ENACTED AND ORDAINED BY THE BOARD OF ~~COUNTY~~ COMMISSIONERS OF THE TOWNSHIP OF HOPEWELL this 25th day of July, 1984.

TOWNSHIP OF HOPEWELL

By: Vincent D. Erano
President or Vice President

(SEAL)

Attest: Carol Stanurak
Secretary or Treasurer