

**TOWNSHIP OF ANTRIM
FRANKLIN COUNTY, PENNSYLVANIA**

ORDINANCE NO. 320

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF ANTRIM, FRANKLIN COUNTY, PENNSYLVANIA (THE "TOWNSHIP"), AUTHORIZING AND DIRECTING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2011, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$9,010,000 (THE "NOTE"), AS PERMITTED BY AND PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA. C.S. § 8001 *ET SEQ.*, AS AMENDED AND SUPPLEMENTED, FOR THE PURPOSE OF PROVIDING FUNDS TO BE APPLIED FOR AND TOWARD (I) THE CURRENT REFUNDING OF THE ANTRIM TOWNSHIP MUNICIPAL AUTHORITY'S, GUARANTEED SEWER REVENUE BONDS, SERIES OF 2005 (THE "2005 BONDS") AND GUARANTEED SEWER REVENUE BONDS, SERIES OF 2006 (THE "2006 BONDS", AND TOGETHER WITH THE 2005 BONDS, COLLECTIVELY, THE "REFUNDED BONDS"), AND (II) PAYING THE COSTS OF ISSUING THE NOTE (THE "PROJECT"); DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THE TOWNSHIP; DETERMINING THAT THE NOTE SHALL BE SOLD AT INVITED SALE; ACCEPTING A PROPOSAL FOR PURCHASE OF THE NOTE, AT INVITED SALE, AND AWARDING THE NOTE AND SETTING FORTH RELATED PROVISIONS; FIXING THE SUBSTANTIAL FORM, DATE, MATURITY DATE, INTEREST RATE, INTEREST PAYMENT DATES, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST AND PREPAYMENT PROVISIONS OF THE NOTE; AUTHORIZING EXECUTION AND ATTESTATION OF THE NOTE; PROVIDING THAT THE NOTE, WHEN ISSUED, SHALL BE A GENERAL OBLIGATION NOTE OF THE TOWNSHIP; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO THE NOTE AS REQUIRED BY SAID DEBT ACT, AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP IN SUPPORT THEREOF; DESCRIBING THE PROJECTS FOR WHICH DEBT EVIDENCED BY THE REFUNDED BONDS WAS ORIGINALLY INCURRED AND REAFFIRMING THE ESTIMATED USEFUL LIVES OF SAID PROJECTS; CREATING A SINKING FUND IN CONNECTION WITH THE NOTE AS REQUIRED BY SUCH DEBT ACT; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF THE NOTE WHEN DUE; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; AUTHORIZING AND DIRECTING THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING A DEBT STATEMENT AND A BORROWING BASE CERTIFICATE, WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; DECLARING THAT THE DEBT TO BE INCURRED TOGETHER WITH OTHER INDEBTEDNESS OF THE TOWNSHIP, NOT TO BE IN EXCESS OF ANY LIMITATION IMPOSED BY SUCH DEBT ACT UPON THE INCURRING OF DEBT BY THE TOWNSHIP; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON ARBITRAGE STATUS OF THE NOTE; DESIGNATING THE NOTE AS

A QUALIFIED TAX-EXEMPT OBLIGATION UNDER SECTION 265 (B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; CREATING A CLEARING ACCOUNT AND AN ESCROW FUND; SETTING FORTH CERTAIN COVENANTS RELATING TO PROVISIONS FOR REDEMPTION AND RETIREMENT OF THE 2005 BONDS AND THE 2006 BONDS, RESPECTIVELY; APPROVING AND AUTHORIZING EXECUTION OF AN ESCROW AGREEMENT; APPOINTING AN ESCROW AGENT; AUTHORIZING THE PURCHASE OF ESCROW INVESTMENTS; AUTHORIZING THE PAYMENT OF EXPENSES; PROVIDING GUIDELINES FOR PERMITTED INVESTMENTS; APPROVING AND AUTHORIZING EXECUTION OF A TERMINATION AGREEMENT; APPROVING AND AUTHORIZING EXECUTION OF A LEASE AGREEMENT; AUTHORIZING AND DIRECTING APPROPRIATE OFFICERS OF THE TOWNSHIP TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; 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, Township of Antrim, Franklin County, Pennsylvania (the "Township"), is a municipality 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, 53 Pa. C.S.A. § 8001 *et seq.*, as amended and supplemented, of the Commonwealth (the "Debt Act"); and

WHEREAS, Antrim Township Municipal Authority (the "Authority") is a municipal authority existing under provisions of the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. § 5601 *et seq.*, as amended and supplemented, pursuant to an ordinance of the Township; and

WHEREAS, the Authority heretofore acquired and constructed a sewage collection and transportation system, including related and necessary facilities, in and for rendering sewer service in and for a portion of the Township, all of which facilities constitute part of the Sewer System, as such term is defined in the Lease, hereinafter identified, and referred to herein; and

WHEREAS, the Authority, as lessor, heretofore entered into an Agreement of Lease, dated as of September 15, 1986, as amended and supplemented by the First Supplemental Agreement of Lease, dated as of March 1, 1993, the Second Supplemental Agreement of Lease, dated as of December 1, 1998, the Third Supplemental Agreement of Lease, dated as of December 1, 2000, the Fourth Supplemental Agreement of Lease, dated as of March 15, 2001 and the Fifth Supplemental Agreement of Lease, dated as of January 15, 2006, and the Sixth Supplemental Agreement of Lease, dated as of March 15, 2006 (collectively, the "Lease"), with the Township, as lessee, pursuant to which the Sewer System, as defined in the Lease, was leased to the Township, for use and operation upon terms and conditions therein specified; and

WHEREAS, the Authority heretofore entered into a Trust Indenture, dated as of September 15, 1986, as amended and supplemented by the First Supplemental Indenture, dated as of March 1, 1993, the Second Supplemental Indenture, dated as of December 1, 1998, the Third Supplemental Indenture, dated as of December 1, 2000, the Fourth Supplemental Indenture, dated as of March 15, 2001, the Fifth Supplemental Indenture, dated as of January 15, 2005 and the Sixth Supplemental Indenture, dated as of March 15, 2006 (collectively, the "Indenture"), with Manufacturers and Traders Trust Company (the "Trustee"), Harrisburg, Pennsylvania, as successor trustee to Susquehanna Trust and Investment

Company and The Citizens National Bank of Greencastle, as trustee, to secure Guaranteed Sewer Revenue Bonds and Sewer Assessment Revenue Bonds of the Authority, and under which Indenture the Authority did assign, transfer and pledge unto the Trustee, its successors in the trust and its assigns, forever, to the extent provided in the Indenture, *inter alia*, all right, title and interest of the Authority in and to the Lease and all rentals payable thereunder, in and to the Receipts and Revenues from the Sewer System, as such phrase is defined in the Indenture, and in and to the Receipts from Assessments, as such phrase is defined in the Indenture; and

WHEREAS, the Authority heretofore issued its (i) Guaranteed Sewer Revenue Bonds, Series of 2005, in the aggregate principal amount of \$7,410,000 (the "2005 Bonds"), and (ii) Guaranteed Sewer Revenue Bonds, Series of 2006, in the aggregate principal amount of \$6,445,000 (the "2006 Bonds"), under the provisions of the Indenture; and

WHEREAS, the 2005 Bonds are presently outstanding in the aggregate principal amount of \$5,795,000 and the 2006 Bonds are presently outstanding in the aggregate principal amount of \$4,780,000; and

WHEREAS, the 2005 Bonds and the 2006 Bonds are the only bonds outstanding under the Indenture; and

WHEREAS, under the provisions of the Lease, the Township is obligated to make payments to the Authority in an amount sufficient to pay, among other things, the principal of and interest on the 2005 Bonds and the 2006 Bonds when due; and

WHEREAS, as additional security the Township has also provided its guaranty of the debt service payments on both the 2005 Bonds and the 2006 Bonds; and

WHEREAS, proceeds of the 2005 Bonds were applied to refinance (i) the Guaranteed Sewer Revenue Bond, Series of 1998 (the "1998 Bonds"), which 1998 Bonds were issued to finance the design, construction, acquisition and installation of various capital improvements to the Sewer System (the "1998 Improvement Project"), and (ii) the Guaranteed Sewer Revenue Bonds, Series of 2000 (the "2000 Bonds"), which 2000 Bonds were issued to finance the design, construction, acquisition and installation of various capital improvements to the Sewer System, known as the Northern Region Service Area (the "2000 Improvement Project"); and

WHEREAS, by Ordinance duly enacted on December 14, 2004, the Board of Supervisors heretofore determined that the remaining useful life of the 1998 Improvement Project was at least 24 years and the remaining useful life of the 2000 Improvement Project was at least 26 years; and

WHEREAS, by Ordinance duly enacted on February 27, 2006, the Board of Supervisors heretofore determined that the remaining useful life of the facilities being refinanced by the issuance of the 2006 Bonds was at least 14 years; and

WHEREAS, the Authority and the Township desire, in accordance with the provisions of the Indenture, to undertake to refinance, in whole, the debt evidenced by the 2005 Bonds and the 2006 Bonds by the redemption of the 2005 Bonds and the 2006 Bonds, as provided in the 2005 Bonds and the 2006 Bonds, respectively, and as permitted by the Indenture, in order to reduce the total debt service from that of the 2005 Bonds and the 2006 Bonds, respectively, as permitted pursuant to Section 8241(b)(1) of the Debt Act, which undertaking herein is referred to herein as the "Refunding Project"; and

WHEREAS, the Board of Supervisors of the Township has determined to incur nonelectoral debt in the maximum principal amount of \$9,010,000 by issuance and sale of its Note, hereinafter identified, in accordance with provisions of the Debt Act, for the purpose of providing funds to be used, together with other moneys available for the purpose, for and toward funding the Refunding Project and paying the costs and expenses related to issuance of said Note; and

WHEREAS, the Board of Supervisors of the Township has received proposals for the purchase of said Note from firms invited by the Board of Supervisors of the Township to submit such proposals; and

WHEREAS, Banc of America Public Capital Corp (the "Purchaser") has submitted a bid for purchase of said Note (the "Proposal"), and such bid has been opened, read and considered as required by the Debt Act; and

WHEREAS, the Board of Supervisors of the Township desires to accept the Proposal of the Purchaser, to award said Note to the Purchaser and to incur nonelectoral debt, in the amount set forth herein, pursuant to provisions of the Debt Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board of Supervisors of the Township, as follows:

Section 1. The Project. The Board of Supervisors of the Township hereby undertakes as a project the Refunding Project. The description of the Refunding Project contained in the recitals to this Ordinance is hereby incorporated into this Section by reference as if set out here at length.

Section 2. Incurrence of Indebtedness. For the purpose of providing funds for and toward the payment of costs, as such term is used in the Debt Act, of the Refunding Project, the incurring of nonelectoral debt by the Township in the maximum principal amount of \$9,010,000 is hereby authorized. Such debt shall be evidenced by the issuance of a general obligation note of the Township designated generally as its "General Obligation Note, Series of 2011", in the principal amount of \$9,010,000 (the "Note").

Section 3. Approval of Invited Sale. The Board of Supervisors of the Township hereby determines that the Note shall be sold at invited sale and hereby determines that invited sale of the Note is in the best financial interest of the Township.

Section 4. Acceptance of Proposal. The Board of Supervisors of the Township accepts the Proposal of the Purchaser to purchase the Note; and the Note is awarded and sold to the Purchaser at an invited sale at a dollar price of \$9,010,000 (100% of the principal amount). The proper officers of this Township are authorized and directed to execute and deliver an acceptance of the Proposal to the Purchaser. One counterpart of the Proposal shall be filed with the records of the Township.

Section 5. Maturity Date and Interest Rates. The Note shall bear interest at the fixed rate of 2.72% per annum (the "Fixed Rate"), from the date of delivery of the Note to May 1, 2020. The Note matures on May 1, 2020 (the "Maturity Date").

Section 6. Appointment of Paying Agent, Registrar and Sinking Fund Depository. The Township hereby appoints Banc of America Public Capital Corp, having an office in Lancaster, Pennsylvania, and New York, New York, as paying agent ("Paying Agent") and registrar ("Registrar") for the Note and sinking fund depository ("Sinking Fund Depository") with respect to the Sinking Fund created pursuant to Section 12. The appropriate officers of the Township are authorized and directed to

contract with Banc of America Public Capital Corp, for its services as Sinking Fund Depository, Paying Agent and Registrar at such charges, if any, as shall be appropriate and reasonable for such services. The Township may, by resolution, from time to time appoint a successor Paying Agent, Sinking Fund Depository or Registrar to fill a vacancy or for any other reason.

Section 7. Denomination and Interest Payment Dates. The Note shall be fully registerable as to principal and interest and shall be dated as of the date of issuance and delivery thereof, anticipated to be on or about March 3, 2011. The Note shall be issued in the denomination of \$9,010,000, and shall bear interest from the date of issuance hereof at the Fixed Rate specified in Section 5 hereof, payable initially on May 1, 2011, and on each May 1 and November 1 (each, an "Interest Payment Date") thereafter, from the immediately preceding Interest Payment Date to which interest has been paid, unless: (a) the Note is registered as of an Interest Payment Date, in which event the Note shall bear interest from such Interest Payment Date; or (b) the Note is registered prior to May 1, 2011, in which event the Note shall bear interest from the date of issuance; or (c) as shown by the records of the Paying Agent, interest on the Note shall be in default, in which event the Note shall bear interest from the date on which interest was last paid, until the principal sum thereof is paid.

Principal on the Note shall be due in the minimum installments as set forth in Exhibit A attached hereto and incorporated herein on May 1 of each year, unless prepaid as provided herein.

The principal of and interest on the Note shall be payable in lawful moneys of the United States of America to the registered owner at the office of Banc of America Public Capital Corp, in Lancaster, Pennsylvania, or New York New York, or such other office from time to time designated by written notice to the then registered owner (the "Office of the Paying Agent").

If the date for payment of the principal of or interest on the Note shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the Office of the Paying Agent is located are authorized by law or executive order to close, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or on a day on which such banking institutions are authorized to close (a "Business Day"), and payment on such subsequent Business Day shall have the same force and effect as if made on the date fixed for such payment.

Section 8. Note Register, Registration and Transfer. The Township shall cause to be kept at the Office of the Paying Agent a register (the "Note Register") in which, subject to such reasonable regulations as it may prescribe, the Township shall provide for the registration of the Note and the registration of transfers of the Note. No transfer of the Note shall be valid unless the Note is surrendered at the Office of the Paying Agent and registered in the Note Register.

Whenever the Note is presented or surrendered for registration of transfer it shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Registrar, duly executed by the registered owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer of the Note, but the Township may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Note.

The Township and the Paying Agent shall not be required to register the transfer of the Note during a period beginning 5 days before any Interest Payment Date and ending on the close of business on such Interest Payment Date.

Section 9. Execution of Note. The Note shall be executed in the name of and in behalf of the Township by the manual signatures of the Chairman or Vice Chairman of Board of Supervisors of the Township and the official seal of the Township shall be affixed thereunto and the manual signature of the Secretary of the Township shall be affixed thereunto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Note.

Section 10. General Obligation Covenant. The Note is hereby declared to be a general obligation of the Township. The Township covenants to and with the registered owners, from time to time, of the Note, pursuant to this Ordinance, that the Township, as appropriate, shall include the amount of the debt service for each fiscal year of the Township in which such sums are payable in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of the Note and the applicable interest thereon on the dates and at the place and in the manner stated in the Note, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant of the Township shall be enforceable specifically.

The maximum amounts of the debt service for each fiscal year of the Township in which such sums are payable are set forth in Exhibit A, attached hereto and incorporated herein.

Section 11. Prepayments.

(a) **Optional Prepayment.** The Note is subject to prepayment prior to maturity, at the option of the Township, as a whole, or, from time to time, in part, on May 1, 2015 or on any date thereafter, in either case upon payment of the principal amount thereof, together with accrued interest to the date fixed for prepayment.

If less than all of the outstanding principal amount of the Note is to be prepaid, such prepayment shall be applied to the installment of principal last to become due and shall not affect the obligation of the Township to pay the remaining installments of principal and interest as scheduled under the Note.

(b) **Mandatory Prepayment.** Payments of minimum installments of principal of the Note shall be due annually on May 1 of each year commencing May 1, 2011, as set forth in Exhibit A attached hereto, which Exhibit A is incorporated herein as though fully set forth in this Section.

(c) **Notices.** Notices, if any, with respect to optional prepayments shall be given in the manner and at the times provided in the Note.

Section 12. Creation of Sinking Fund.

(a) **Deposit.** There hereby is established, pursuant to Section 8221 of the Debt Act, a sinking fund for the Note, to be known as "Township of Antrim, Series of 2011 Note Sinking Fund" (the "**Sinking Fund**") into which the Township covenants to deposit, and into which the proper officers of the Township are hereby authorized and directed to deposit (i) on or before May 1, 2011, and on or before each May 1 and November 1 thereafter to and including May 1, 2020, amounts sufficient to pay the interest on the Note due on such dates, and (ii) on or before May 1, 2011 and on or before each May 15 thereafter to and including May 1, 2020, amounts sufficient to pay the principal of the Note due at maturity or pursuant to the mandatory prepayment requirements hereof. Should the amounts covenanted to be paid into the Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal, whether by reason of funds already on deposit in the Sinking Fund or

by reason of optional deposits as described in subsection (c) below, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) Application of Funds. All sums in the Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted in Section 10 hereof to be paid as the same from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the Sinking Fund, to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and as permitted by Section 25 hereof. The Sinking Fund shall be kept as a separate account at the Sinking Fund Depository. The Sinking Fund Depository, without further authorization other than as herein contained, shall pay from the moneys in the Sinking Fund, the principal of and interest on the Note as and when due to the registered owner thereof.

(c) Optional Deposits. Notwithstanding the foregoing, in the case of optional prepayment of the Note as permitted by Section 11 hereof, the Treasurer is hereby authorized and directed to deposit from time to time before the optional prepayment date funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Note so prepaid and the interest thereon to the date of prepayment.

Section 13. Cost and Realistic Useful Life. Reasonable cost estimates have been obtained for the Refunding Project with the assistance of persons qualified by experience. The cost of the Refunding Project is at least \$9,010,000.

The useful lives of the 1998 Improvement Project, the 2000 Improvement Project and the facilities refinanced with proceeds of the 2006 Bonds, respectively, as hereinbefore set forth are hereby reaffirmed. The useful life of the 1998 Improvement Project, which was originally funded with the 1998 Bonds, which 1998 Bonds were refunded with the 2005 Bonds, which are now being refunded with a portion of the proceeds of the Note, is presently at least eighteen (18) years. The useful life of the 2000 Improvement Project, which was originally funded with the 2000 Bonds, which 2000 Bonds were refunded with the 2005 Bonds, which are now being refunded with a portion of the proceeds of the Note, is presently at least twenty (20) years. The useful life of the facilities refinanced with proceeds of the 2006 Bonds, which 2006 Bonds are now being refunded with a portion of the proceeds of the Note, is presently at least nine (9) years. Therefore, the maturities of the Bonds are in accordance with Section 8142(a)(2) of the Debt Act.

In accordance with Section 8142(b)(1) of the Debt Act, the principal installments of the Note have been fixed so as to amortize the Note on at least an approximately level annual debt service plan during the term of the Note.

Section 14. Advertising. The action of the officers of the Township in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The proper officers of the Township or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the Township within 15 days after final enactment. The Secretary of the Township is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 15. Filing with Department of Community and Economic Development. The Chairman or Vice Chairman of Supervisors and the Secretary of the Township are hereby authorized and directed: (a) to prepare, verify and file with the Pennsylvania Department of Community and Economic Development (the "Department"), a debt statement as required by Section 8110 of the Act; (b) to prepare, execute and file with the Department the borrowing base certificate to be appended to the debt statement referred to in subparagraph (a) of this Section; (c) to prepare, execute and file the application

with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to prepare and file originally and thereafter, as required, with the Department, appropriate statements required by Section 8026 of the Act which are necessary to qualify all or any portion of the debt of the Township, which is subject to exclusion as self-liquidating debt, for exclusion from the appropriate debt limit of the Township as self-liquidating debt; (e) to pay or to cause to be paid to the Department all filing fees required by the Act in connection with the foregoing; and (f) to take other required, necessary and/or appropriate action.

For such purpose, the Board of Supervisors of the Township hereby directs the firm of Brinjac Engineering, Inc., Harrisburg, Pennsylvania, Consulting Engineers, to prepare an engineering report in conformance with Section 8026 of the Act, with respect to the Sewer System and with respect to the Note.

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

Section 16. Approval. The appropriate officers of the Township are authorized and directed to deliver the Note, upon execution and attestation thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval of the required filing pursuant to Section 8204 of the Debt Act or such approval of the required filing shall be deemed to have occurred, as provided in Section 8206 of the Debt Act.

Section 17. Internal Revenue Code Covenants.

(a) **General.** The Township hereby covenants with the registered owners, from time to time, of the Note that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Note, and that it will comply with the requirements of that section and the Regulations throughout the term of the Note.

(b) **Rebate.** The Township covenants, if it does not satisfy any rebate exception under the Code, that it will rebate to the United States Department of Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Note in an amount which exceeds the amount which would have been derived from the investment of proceeds of the Note at a yield not in excess of the yield of the Note.

(c) **Filing.** The Township will file with the IRS Form 8038-G and any other forms or information required by the Code to be filed in order to permit the interest on the Note to be excluded from gross income for federal income tax purposes.

Section 18. Disposition of Proceeds in Accordance with the Code. The Township covenants that it will not invest or reinvest any proceeds derived from the Note, the effect of which investment would cause the Note to become an obligation, the interest on which does not remain excludible from gross income under Section 103 of the Code.

Notwithstanding any other provisions contained herein, the Township shall expend proceeds derived from the sale of the Note in the manner and at the times required under Section 103 and Sections 141 to 150, inclusive, of the Code, which failure to so expend would cause the Note to be an "arbitrage

bond (note)", within the meaning of Section 148 of the Code, or to become obligations, the interest on which does not remain excludible from gross income under Section 103 of the Code.

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

Section 19. Designation as "Qualified Tax-Exempt Obligation". The Township hereby determines for purposes of the Code that the Note shall be and hereby is designated as a "qualified tax exempt obligation" to the extent the Note is acquired by any "financial institution", as defined in Section 265(b)(3) of the Code, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

The Township hereby reasonably anticipates that the total amount of qualified tax exempt obligations (other than non 501(c)(3) private activity bonds) which will be issued by it and all subordinate entities during the calendar year 2011 will not exceed \$10,000,000, within the meaning of Section 265(b)(3) of the Code, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

The Township will not use any portion of the proceeds of the Note in a manner that would cause the Note to be a private activity bond within the meaning of Section 141 of the Code.

Section 20. Clearing Account and Escrow Fund.

(a) **Clearing Account.** The Township hereby creates with the Paying Agent a special fund to be known as the Township of Antrim 2011 Clearing Account (the "Clearing Account") which shall be held as a trust fund for the benefit of the Township until disbursed in accordance with the provisions hereof. The Township shall deliver the net proceeds (including accrued interest, if any) derived from the sale of the Note to the Paying Agent for deposit to the Clearing Account. Upon written directions from the Township signed by the Chairman or Vice Chairman of the Board of Supervisors, the Paying Agent shall pay, out of the Clearing Account, the costs and expenses of the issuance of the Note, shall transfer to the Authority or to the Trustee, on behalf of the Authority, the specified amount in order to provide for the refunding of the 2005 Bonds on the date fixed for redemption thereof and shall deposit the specified amounts to the Escrow Fund described in Section 20(b) hereof. The written direction from the Township shall state the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

(b) **Escrow Fund.** The Township hereby creates with Manufacturers and Traders Trust Company, as escrow agent (the "Escrow Agent"), a special, irrevocable fund with respect to the 2006 Bonds (the "Escrow Fund") to be held pursuant to the Escrow Agreement, hereinafter defined. The Chairman or Vice Chairman of the Board of Supervisors and Secretary of the Township are authorized and directed to execute, attest and deliver, on behalf of the Township, an irrevocable escrow agreement with respect to the 2006 Bonds in the form hereinafter approved (the "Escrow Agreement") providing for, *inter alia*, the establishment of an irrevocable escrow account, the investment and application of moneys to be deposited therein and such other provisions as are necessary and appropriate in connection with the retirement of the 2006 Bonds as contemplated by this Ordinance. Such Escrow Agreement shall

be in form and substance and contain such provisions as are satisfactory to Note Counsel, to the Solicitor to the Township and the officers of the Township executing the same and such form hereby is approved.

Section 21. Redemption of 2005 Bonds and 2006 Bonds. The Township hereby desires to refund the 2005 Bonds and the 2006 Bonds and hereby requests the Authority to take the appropriate action necessary in order to effectuate the redemption of the 2005 Bonds and the 2006 Bonds in accordance with the respective terms thereof and with the Indenture. The Township requests that the Authority exercise its option to call for redemption the 2005 Bonds on March 3, 2011 and the 2006 Bonds on May 1, 2011. Such redemption shall be accomplished in the manner and upon terms and conditions provided in the Lease and the Indenture.

Section 22. Deposit to Escrow Fund. In connection with the redemption of the 2006 Bonds, the Board of Supervisors does authorize and direct proper officers of the Township, on or before the date of initial delivery of the Note, to irrevocably deposit, in trust, with the Escrow Agent, an amount of moneys which, together with other funds available for the purpose and interest to be earned upon investment of a portion thereof, if any, shall be sufficient to:

- (1) Pay on May 1, 2011, the accrued interest on all outstanding 2006 Bonds due on May 1, 2011;
- (2) Pay on May 1, 2011, the principal of the 2006 Bonds stated to mature on May 1, 2011;
- (3) Pay on May 1, 2011, the principal, upon redemption, of all outstanding 2006 Bonds as of May 1, 2011, the date fixed for redemption; and
- (4) Pay all costs and expenses when due related to the foregoing, including fees and expenses of the Escrow Agent, with respect to payment of the principal of and interest on the 2006 Bonds to be retired, as provided herein.

The Escrow Agent is irrevocably authorized and directed to apply moneys available for the purpose for and toward payment of the principal of and interest on applicable 2006 Bonds according to the intent hereof. Proper officers of the Township are authorized and directed to take all necessary action in connection with the retirement of the 2006 Bonds.

Section 23. Purchase of Escrow Investments. The Township authorizes the Escrow Agent and/or PFM Asset Management LLC to subscribe for or arrange for the purchase of, on behalf of, and as agent for, the Township certain securities (the "Escrow Securities") consisting of, noncallable securities of the United States of America or to arrange for the purchase of noncallable securities of the Commonwealth in accordance with the Escrow Agreement or to arrange for the purchase of time deposits or certificates of deposit, which satisfy the requirements of Section 8250 of the Debt Act, all in accordance with the Escrow Agreement.

The Secretary of the Township is hereby authorized to execute and deliver written directions to one of the above-named officers and/or the financial advisor of the Township to purchase said securities of the United States on behalf of the Township, or to purchase said securities of the Commonwealth or to purchase said time deposits or certificates of deposit.

The above-named officers and/or the financial advisor of the Township are hereby authorized to certify and deliver a copy of this Ordinance upon subscription of the above-mentioned securities and/or to

deliver a copy hereof certified by the Secretary of the Township upon subscription for the above-mentioned securities, or thereafter.

Section 24. Payment of Expenses. All expenses incurred in connection with issuance of the Note, shall be paid out of the proceeds derived from the issuance of the Note and the proper officers and officials are authorized to sign and deliver requests for payment of such expenses.

Section 25. Investment. Any moneys in the Sinking Fund not required for prompt expenditure may, at the direction of the Township, be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds in accordance with the Debt Act. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the registered owners of the Note.

Section 26. Termination Agreement. The Township shall cause the Authority to secure from the Trustee the release, cancellation, discharge and conveyance of the lien of the Indenture. The Chairman or Vice Chairman of the Board of Supervisors and Secretary of the Township are authorized and directed to execute, attest and deliver, on behalf of the Township, as lessee, simultaneously with the delivery of the Note and the release of the lien on the Indenture, a Termination Agreement in substantially hereinafter approved (the "Termination Agreement") with the Authority, as lessor, pursuant to which the Lease and all terms and conditions therein will be terminated and cancelled. The Termination Agreement shall be in form and substance and contain such provisions as are satisfactory to Note Counsel, to the Solicitor to the Township and the officers of the Township executing the same and such form hereby is approved.

Section 27. Lease Agreement. The Chairman or Vice Chairman of the Board of Supervisors and Secretary of the Township are authorized and directed to execute, attest and deliver, on behalf of the Township, as lessee, subject to the prior or concurrent termination of the Lease, a Lease Agreement in substantially hereinafter approved (the "Lease Agreement") with the Authority, as lessor, pursuant to which the "Sewer System," as such term is defined in the Lease Agreement, will be leased to the Township for operation and use. The Lease Agreement shall set forth the terms and provisions to be observed by the Township and the Authority with respect to the Sewer System. The Lease Agreement shall be in form and substance and contain such provisions as are satisfactory to Note Counsel, to the Solicitor to the Township and the officers of the Township executing the same and such form hereby is approved.

Section 28. General Authorization. The officers and officials of the Township including the Chairman or Vice Chairman of Board of Supervisors and the Secretary of the Township, are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Note, all in accordance with this Ordinance.

Section 29. Authorization of Officers. Any authorization granted to, power conferred on, or direction given to the Chairman of the Board of Supervisors and the Secretary of the Township, shall be deemed to run to the Vice Chairman of the Board of Supervisors or Assistant or Acting Secretary of the Township, respectively, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

Section 30. Form of Note. The form of Note shall be substantially in the form attached hereto as Exhibit B, which form hereby is incorporated herein and, together with such changes as shall be deemed appropriate by the officers of the Township executing the same, hereby is approved.

Section 31. Severability. 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 the Township that such remainder shall be and shall remain in full force and effect.

Section 32. Repealer. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 33. Effective Date. This Ordinance shall become effective in accordance with Section 8003 of the Debt Act.

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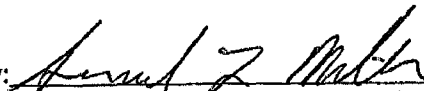
DULY ENACTED AND ORDAINED this 25th day of January, 2011, by the Board of Supervisors of the Township of Antrim, Franklin County, Pennsylvania, in lawful session duly assembled.

ATTEST:

TOWNSHIP OF ANTRIM
Franklin County, Pennsylvania



Secretary

By: 

Chairman of Board of Supervisors

(SEAL)

EXHIBIT A

\$9,010,000
TOWNSHIP OF ANTRIM
FRANKLIN COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE, SERIES OF 2011

DEBT SERVICE SCHEDULE

<i>Date</i>	<i>Principal</i>	<i>Rate</i>	<i>Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>
3/3/11					
5/1/11	630,000.00	2.720%	39,483.82	669,483.82	
11/1/11			113,968.00	113,968.00	783,451.82
5/1/12	960,000.00	2.720%	113,968.00	1,073,968.00	
11/1/12			100,912.00	100,912.00	1,174,880.00
5/1/13	990,000.00	2.720%	100,912.00	1,090,912.00	
11/1/13			87,448.00	87,448.00	1,178,360.00
5/1/14	1,005,000.00	2.720%	87,448.00	1,092,448.00	
11/1/14			73,780.00	73,780.00	1,166,228.00
5/1/15	1,040,000.00	2.720%	73,780.00	1,113,780.00	
11/1/15			59,636.00	59,636.00	1,173,416.00
5/1/16	1,070,000.00	2.720%	59,636.00	1,129,636.00	
11/1/16			45,084.00	45,084.00	1,174,720.00
5/1/17	1,015,000.00	2.720%	45,084.00	1,060,084.00	
11/1/17			31,280.00	31,280.00	1,091,364.00
5/1/18	945,000.00	2.720%	31,280.00	976,280.00	
11/1/18			18,428.00	18,428.00	994,708.00
5/1/19	980,000.00	2.720%	18,428.00	998,428.00	
11/1/19			5,100.00	5,100.00	1,003,528.00
5/1/20	375,000.00	2.720%	5,100.00	380,100.00	
11/1/20			-	-	380,100.00
Totals	9,010,000.00		1,110,755.82	10,120,755.82	10,120,755.82

EXHIBIT B

FORM OF NOTE

\$9,010,000

\$9,010,000

**UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF FRANKLIN
TOWNSHIP OF ANTRIM
General Obligation Note, Series of 2011**

Interest Rate
2.72%

Dated Date
March 3, 2011

Maturity Date
May 1, 2020

The TOWNSHIP OF ANTRIM, Franklin County, Pennsylvania (the "Township"), a municipality existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, acknowledges itself to be indebted to and promises to pay to Banc of America Public Capital Corp, or registered assigns, the principal sum of NINE MILLION TEN THOUSAND AND 00/100 Dollars (\$9,010,000), payable in the stated minimum principal installments set forth in Exhibit "A" attached hereto and incorporated herein on May 1 of each year, beginning May 1, 2011, unless this Note shall have been prepaid, in whole, as herein permitted, and to pay interest on the unpaid principal balance (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable initially on May 1, 2011, and on each May 1 and November 1 (each, an "Interest Payment Date") thereafter, from the immediately preceding Interest Payment Date to which interest has been paid, unless: (a) this Note is registered as of an Interest Payment Date, in which event this Note shall bear interest from such Interest Payment Date; or (b) this Note is registered prior to May 1, 2011, in which event this Note shall bear interest from the date of issuance; or (c) as shown by the records of the Paying Agent, interest on this Note shall be in default, in which event this Note shall bear interest from the date on which interest was last paid, until the principal sum thereof is paid.

This Note shall bear interest from the Dated Date stated above to the Maturity Date stated above at the fixed rate of 2.72%.

Payments of principal hereof, in whole or in part, and of interest hereon shall be made in any coin or currency of the United States of America which, at time of payment, shall be legal tender for payment of public and private debts, at the office of Banc of America Public Capital Corp (the "Paying Agent" which term shall include any duly appointed alternate or successor paying agent), in Lancaster, Pennsylvania, or New York New York (the "Office of the Paying Agent" which term shall include any other office so designated by the Paying Agent). So long as Banc of America Public Capital Corp shall be the registered owner hereof, payment of any part of the principal of and interest on this Note by or in behalf of the Township shall be valid and effective to satisfy and discharge fully the obligations of the Township or its Paying Agent, with respect to such payments of principal and interest, without surrender hereof to the Paying Agent for appropriate notation upon the Payment Record attached hereto and made part hereof. So long as the registered owner hereof shall not be Banc of America Public Capital Corp, payment of any part of the principal of and interest on this Note shall be made only upon surrender hereof by the registered owner at the Office of the Paying Agent (or the office of any successor Paying Agent) for appropriate notations with respect to such payments of principal and interest and any unrecorded prior payments of principal and interest upon the Payment Record. Such notations upon the Payment Record shall satisfy and discharge fully the obligations of the Township with respect to such payments of principal and interest, and such notations upon the Payment Record shall be conclusive and binding upon

the registered owner hereof. Final payment of principal and interest appertaining hereto shall be made only upon surrender hereof to the Paying Agent.

If the date for payment of the principal of or interest on this Note shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the municipality where the Office of the Paying Agent is located are authorized by law or executive order to close, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or on a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the date fixed for such payment.

This Note is subject to prepayment prior to maturity, at the option of the Township, in whole or, from time to time, in part on May 1, 2015 or on any date thereafter, in either case upon payment of principal, plus accrued interest on the principal amount so prepaid to the date fixed for prepayment. Any partial prepayment of principal shall be applied to the installment of principal last to become due hereunder and shall not affect the obligation of the Township to pay the remaining minimum installments of principal and interest as herein provided. The registered owner hereof, by acceptance hereof, agrees that any such prepayment may be made by the Township without any prior notice, of any nature whatsoever, to the registered owner hereof.

This Note is a general obligation note of the Township issued in accordance with provisions of the Local Government Unit Debt Act, 53 Pa.C.S.A § 8001 *et seq.*, as amended and supplemented (the "Debt Act"), and by virtue of a duly enacted ordinance (the "Ordinance") of the Board of Supervisors. The Debt Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the Township and the registered owner, from time to time, of this Note.

It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the Township, if any, is not in excess of any limitation imposed by the Debt Act upon the incurring of debt by the Township. The Township has covenanted in the Ordinance with the registered owners, from time to time, of this Note that the Township, as appropriate, shall include the amount of debt service, for each fiscal year of the Township in which sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township has and does pledge, irrevocably, its full faith, credit and taxing power. The Debt Act provides that the foregoing covenant of the Township shall be enforceable specifically.

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

This Note, immediately upon execution and delivery hereof by the Township, shall be registered, both as to principal and interest, in the name of the owner, on records of the Township to be kept for that purpose by the Paying Agent, such registration to be noted hereon by a duly authorized representative of the Paying Agent. After such registration, no transfer hereof shall be valid unless made by the registered

owner hereof in person or by his duly authorized attorney and similarly noted upon said records and hereon. Rights of any registered owner hereof, subsequent to the initial registered owner hereof, shall not exceed rights of the predecessor registered owner hereof.

The Township and the Paying Agent shall not be required to register the transfer of this Note during the period beginning 5 days before any Interest Payment Date and ending at the close of business on the related Interest Payment Date.

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

IN WITNESS WHEREOF, the **TOWNSHIP OF ANTRIM**, Franklin County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Note to be executed in its name and in its behalf by its (Vice) Chairman of Board of Supervisors and the official seal of the Township to be affixed hereunto and the signature of the Secretary of the Township to be affixed hereunto in attestation thereof and to be delivered as of this 3rd day of March, 2011.

ATTEST:

**TOWNSHIP OF ANTRIM,
Franklin County, Pennsylvania**

Secretary

By: _____
Chairman of Board of Supervisors

(SEAL)

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED
REPRESENTATIVE OF BANC OF AMERICA PUBLIC CAPITAL CORP,
LANCASTER, PENNSYLVANIA (THE "PAYING AGENT")

DATE OF REGISTRY	NAME OF REGISTERED OWNER	REGISTERED BY AUTHORIZED REPRESENTATIVE OF THE PAYING AGENT
March 3, 2011	Banc of America Public Capital Corp	

EXHIBIT A

PAYMENT RECORD

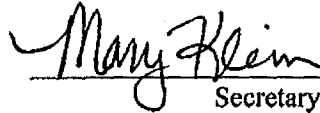
Semi-annual Installments of Principal and Interest			Principal Prepayments		Amount of Principal Remaining Unpaid	Signature of Authorized Officer of the Paying Agent; Date
Due Date of Minimum Installments of Principal and of Interest	Amount of Minimum Installment of Principal Paid	Amount of Accrued Interest Paid	Date of Prepayment	Amount of Principal Prepaid		
5/1/2011	\$ 635,000	\$		\$	\$	
11/1/2011	\$	\$		\$	\$	
5/1/2012	\$ 970,000	\$		\$	\$	
11/1/2012	\$	\$		\$	\$	
5/1/2013	\$ 1,000,000	\$		\$	\$	
11/1/2013	\$	\$		\$	\$	
5/1/2014	\$ 1,010,000	\$		\$	\$	
11/1/2014	\$	\$		\$	\$	
5/1/2015	\$ 1,045,000	\$		\$	\$	
11/1/2015	\$	\$		\$	\$	
5/1/2016	\$ 1,075,000	\$		\$	\$	
11/1/2016	\$	\$		\$	\$	
5/1/2017	\$ 1,020,000	\$		\$	\$	
11/1/2017	\$	\$		\$	\$	
5/1/2018	\$ 945,000	\$		\$	\$	
11/1/2018	\$	\$		\$	\$	
5/1/2019	\$ 980,000	\$		\$	\$	
11/1/2019	\$	\$		\$	\$	
5/1/2020	\$ 330,000	\$		\$	\$	

CERTIFICATE

I, the undersigned, Secretary of the Township of Antrim, Franklin County, Pennsylvania (the "Township"), certify that: the foregoing Ordinance was enacted by the affirmative vote of a majority of the entire Board of Supervisors of the Township at a meeting convened and held according to law on January 25, 2011; said Ordinance was enacted by an aye and nay vote; said Ordinance and the vote thereon has been recorded in the minutes of said meeting; and said Ordinance remains in effect, unaltered and unamended, as of the date of this Certificate.

I further certify that the meeting at which the Board of Supervisors of the Township enacted said Ordinance was a public meeting duly held after giving public notice of the date, time and place of such meeting by posting, publishing and mailing such notice at the time and in the manner required by Act No. 84 of the General Assembly of the Commonwealth of Pennsylvania, approved July 3, 1986.

IN WITNESS WHEREOF, I affix my hand and the official seal of the Township, this 25th day of January, 2011.


Secretary

(SEAL)