

AN ORDINANCE OF THE BOARD OF TOWNSHIP COMMISSIONERS
OF THE TOWNSHIP OF SOUTH FAYETTE
(ALLEGHENY COUNTY, PENNSYLVANIA)
ENACTED JUNE 23, 2009
NO. 5 OF 2009

**FORMAL ACTION CONSTITUTING A DEBT ORDINANCE
UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT**

AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2009 IN THE AGGREGATE PRINCIPAL AMOUNT OF EIGHT MILLION FOURTY THOUSAND DOLLARS (\$8,040,000); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF, THE BONDS; ESTABLISHING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY; FIXING THE FORM, INTEREST RATE, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; AUTHORIZING A FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE BONDS.

Bond Counsel:

Law Offices of Wayne D. Gerhold
One Gateway Center
18th Floor - West
Pittsburgh, Pennsylvania 15222

Solicitor:

Jonathan Kamin, Esquire
Goldberg, Kamin & Garvin
1806 Frick Building
437 Grant Street
Pittsburgh, PA 15219-6101

WHEREAS, the Governing Body of the Local Government Unit, after due consideration of the public welfare and with full legal competence pursuant to its enabling legislation, has determined to undertake the Project hereinafter described; and

WHEREAS, the Governing Body of the Local Government Unit desires to incur indebtedness, within constitutional and statutory limitations, in order to undertake the Project; and

WHEREAS, the incurrence of such indebtedness is governed by the provisions of the Local Government Unit Debt Act, as codified by Act of December 19, 1996 (P.L. 1158, No. 177) (55 Pa. C.S. Ch.80-82), as amended (the "Debt Act"), with which this Debt Ordinance and all related proceedings of the Local Government Unit and all duly authorized actions of its officers are intended to comply;

NOW, THEREFORE, BE IT, AND IT HEREBY IS, ENACTED by the affirmative vote of a majority of all members of the Governing Body of the Local Government Unit as follows:

ARTICLE 1--DEFINITIONS

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Debt Ordinance, have the meanings hereby ascribed to them. Moreover, such terms, together with all other provisions of this Debt Ordinance, shall be read and understood in a manner consistent with the provisions of the Debt Act, as generally interpreted by the Department of Community and Economic Development or by courts maintaining competent jurisdiction.

Words or phrases importing the masculine gender shall be read and understood to include the feminine and neuter genders and those importing number shall include singular or plural, both as appropriate to the context. The word "person," in addition to natural persons, shall mean and include corporations, associations and public bodies and their successors unless the context shall indicate otherwise.

"Authentication Date" means that date or those dates, individual to respective Bonds, upon which the Sinking Fund Depository shall have executed and delivered a new and original instrument upon the transfer, exchange or other processing for registration of a Bond, thereby authenticating the same as, and to be, a valid and outstanding obligation of the Local Government Unit.

"Authorized Investments" means: (1) **as to the proceeds of the Bonds and upon application of the "prudent-man" rule:** (a) United States Treasury bills; (b) short-term obligations of the United States Government or its agencies or instrumentalities; (c) deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository; (d) obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; (e) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of the company are in the authorized investments for township funds listed in clauses (a) through (d); and (f) certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Corporation, or the Pennsylvania Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interests in

pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities; and (2) **as to moneys at any time on deposit in the Sinking Fund:** (a) obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America; (b) direct general obligations of the Commonwealth of Pennsylvania, or in any securities in which the Commonwealth may, at such time, invest its moneys; or (c) deposits at interest in time accounts, certificates of deposit or other interest bearing accounts of any bank, bank and trust company (including the Sinking Fund Depository), savings bank, savings and loan association or building and loan association. The authorization set forth above for investment in obligations of the United States of America includes money market funds invested solely in such obligations, including any such funds maintained by the Sinking Fund Depository. To the extent that any such deposits described in (2)(c) above are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits must be secured as public deposits or as trust funds; provided in all events that such investments must be made in a manner consistent with sound business practice and, if required for prompt expenditure, shall be held in demand deposits. In the event, from time to time, and to the extent such investments may periodically require valuation, their value shall be determined on the following bases (and if more than one basis applies, according to the lowest of them): (1) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal*--the arithmetic mean of the bid and asked prices for such investments so published on or immediately prior to such time of determination; (2) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal*--the average bid price established for such investments by any three nationally recognized government securities dealers at the time making a market in such investments or the average bid price published by a nationally recognized pricing service; and (3) as to time deposits, certificates of deposit and bankers' acceptances--the face amount thereof, plus accrued interest.

"Bond Counsel" means Law Offices of Wayne D. Gerhold, Pittsburgh, Pennsylvania.

"Bond Insurance Policy" is a term not relevant to this transaction.

"Bonds" means the \$8,040,000, aggregate principal amount, General Obligation Bonds, Series of 2009 (the "Bonds"), which are hereinafter authorized to be issued, sold and delivered for purposes of the Project, and which constitute instruments imposing an obligation upon the Local Government Unit for the repayment of money borrowed. The Bonds will be printed substantially in the form(s) provided in Section 4.13 and shall fall within the definition of "Security" set forth in, and otherwise will be governed by, Article 8 of the Uniform Commercial Code, to the extent permitted by, and consistent with, the Debt Act. Such term may include a single Bond or several Bonds, representing, in each case, a portion of such Series.

"Dated Date" means July 15, 2009.

"Debt Ordinance" means this document, being the formal action taken by the Local Government Unit according to the requirements of Section 8003 of the Debt Act in order to authorize and incur the debt represented by the Bonds. The term shall apply whether, under the law and current practices of the Local Government Unit, it would normally take formal action by enactment of an ordinance, adoption of a resolution or some other similar means.

"Designated Officer(s)" means and includes, individually or jointly, the President of the Board of Township Commissioners, the Vice President, and the Township Secretary (and their appropriate successors acting by reason of absence or other incapacity), being those duly elected or appointed and acting officials of the Local Government Unit hereby authorized to undertake and perform the actions herein specified, which are necessary and proper to the issuance of the Bonds and compliance with the Debt Act.

"First Interest Payment Date" means December 1, 2009.

"Governing Body" means the Board of Township Commissioners of the Local Government Unit, being that entity authorized by law to fix the rate of, and to levy, taxes within the Local Government Unit.

"Insurer" is a term not relevant to this transaction.

"Interest Payment Date(s)" means, singularly or jointly, June 1 and December 1 of each year that the Bonds are outstanding, commencing with the First Interest Payment Date.

"Local Government Unit" means the Township of South Fayette, a township of the first class, of the Commonwealth of Pennsylvania, duly organized and validly existing under the Constitution and the laws of the Commonwealth, particularly the First Class Township Code Code, (53 P.S. §55101, et seq.) as amended (the "Township Code").

"Mandatory Redemption Date(s)" means, June 1, of the years 2020 through 2023, 2025 through 2028, and 2030 through 2033.

"Maturity Date(s)" means, singularly or jointly: June 1 of the years 2010 through 2019, 2024, 2029 and 2034.

"Optional Redemption Date" means June 1, 2014.

"Project" means the payment of the costs associated with: (1) the acquisition and development of a building for use as a new community center in the Township of South Fayette, (2) the funding a capitalized interest account; (3) the current refinancing of a

General Obligation Note issued in 2005 (the "Prior Note") by the Local Government Unit which was primarily issued for the purpose of the reconstruction of Old Oakdale Road and for park improvements in order to substitute bonds for notes pursuant to Section 8241(b)(5) of the Debt Act; and (4) the payment all costs and expenses incurred by the Local Government Unit in connection with the issuance and sale of the Bonds.

Reasonable estimates of the cost of the indebtedness authorized hereby, which is not less than the principal amount of the indebtedness authorized hereby, together with the exact useful life of the capital assets refinanced or financed from the proceeds of the Bonds (being, on a weighted average, in excess of twenty five (25) years), have been obtained with the assistance of engineers, architects, financial advisors and other persons qualified by experience. Nothing contained herein shall prohibit the Governing Body, under proper enactment of an ordinance and compliance with all provisions of law, from amending, adding to, subtracting from, substituting for or otherwise altering the Project.

"Purchase Price" means \$7,917,968.90, representing 99.375% of the par amount of the Bonds, (minus net original issue discount in the amount of \$71,781.10), plus interest accrued to the date of delivery. .

"Purchase Proposal" means the written agreement of even date for the purchase and sale of the Bonds, as executed and presented by the Purchaser, and accepted by the Local Government Unit by the enactment of this Debt Ordinance.

"Purchaser" means PNC Capital Markets LLC, One PNC Plaza, 249 Fifth Avenue, 25th Floor, Pittsburgh, PA 15222-2707.

"Rating Agency" means Standard & Poor's Rating Service, 25 Broadway, New York, NY 10004.

"Record Date(s)" means, singularly or jointly, May 15 and November 15 of each year during the term of the Bonds, as each such date precedes a respective Interest Payment Date.

"Redemption Price" means 100% of the principal amount, together with accrued interest to the date fixed for redemption.

"Sinking Fund Depository" means The Bank of New York Mellon Trust Company, N.A. Pittsburgh, Pennsylvania, a bank or bank and trust company (or wholly owned subsidiary of the same) located and lawfully conducting a banking or trust business in the Commonwealth of Pennsylvania, having its designated corporate trust office in Pittsburgh, Pennsylvania. Said bank shall assume, undertake and perform the duties of the Sinking Fund Depository specified by this Debt Ordinance or contained in the Debt Act, and shall further act as Paying Agent and Registrar in respect of the Bonds, according to the provisions of this Debt Ordinance and the Debt Act and in compliance at all times with then-current industry standards and practices.

Notwithstanding the foregoing, if and only in the event, the payment of the Bonds has been insured to the owners thereof by a duly issued and outstanding Bond Insurance Policy, such Sinking Fund Depository must be, and remain at all times, acceptable to the Insurer, who is empowered to request that the Local Government Unit appoint a successor for cause shown.

"Solicitor" means Jonathan Kamin, Goldberg, Kamin & Garvin, 1806 Frick Building, 437 Grant Street, Pittsburgh, PA 15219-6101.

"Term Bonds" means the \$1,490,000 principal amount of the Bonds, bearing interest at the rate of 4.400% and scheduled to mature June 1, 2024, but which shall be mandatorily redeemed in part, on June 1 of the years 2020, 2021, 2022, and 2023 in the principal amounts of \$270,000, \$285,000, \$300,000 and \$310,000 respectively; the \$1,880,000 principal amount of the Bonds, bearing interest at the rate of 4.850% and scheduled to mature June 1, 2029, but which shall be mandatorily redeemed in part, on June 1 of the years 2025, 2026, 2027, and 2028 in the principal amounts of \$340,000, \$355,000, \$375,000 and \$395,000 respectively; and the \$2,410,000 principal amount of the Bonds, bearing interest at the rate of 5.125% and scheduled to mature June 1, 2034, but which shall be mandatorily redeemed in part, on June 1 of the years 2030, 2031, 2032, and 2033 in the principal amounts of \$435,000, \$455,000, \$480,000 and \$505,000 respectively.

--END OF ARTICLE I--

ARTICLE 2--AUTHORIZATION OF DEBT

Section 2.01. Incurrence. The Local Government Unit hereby authorizes and directs the incurrence of nonelectoral debt in an amount equal to the aggregate principal amount of the Bonds for the purposes of the Project; such debt shall be evidenced by the Bonds, to be issued, sold and delivered according to the provisions of this Debt Ordinance and the Debt Act, as general obligations of the Local Government Unit.

Section 2.02. Preparation of Debt Statement: Exclusion of Indebtedness. The Designated Officers are hereby authorized and directed to prepare and verify under oath or affirmation, according to the requirements of Sections 8002 and 8110 of the Debt Act, the Debt Statement of the Local Government Unit, including therewith a certification of the Borrowing Base, and, if desired, any statements required by Chapter 81, Subchapter B of the Debt Act necessary to qualify all or any portion of this, or any prior outstanding, debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; all previous actions of Designated Officers in this regard are hereby ratified and confirmed.

Section 2.03. Proceedings Before the Department. The Designated Officers are hereby further authorized and directed to prepare and file all proceedings of the Local Government Unit relative to this incurrence of debt with the Department of Community and Economic Development and to respond to all inquiries or requests and to perform all other actions necessary to enable the Department to certify its approval to issue, sell and deliver the Bonds.

Section 2.04. Stated Maturity Dates. The Local Government Unit hereby finds and determines that: (1) the Bonds are to be issued with: (a) a final stated maturity date which does not exceed the sooner to occur of forty years or the useful life of the Project; and (b) an initial stated installment or maturity of principal which has not been deferred beyond one year from the date of expected completion of the Project; and (2) the stated maturities, or principal installments subject to mandatory redemption, of the Bonds have been fixed either: (a) so as to amortize the Bonds on at least an approximately level debt service plan during the period specified for the payment of principal under Section 8142(c) of the Debt Act; or (b) in the alternative, in the event that an Exhibit B has been properly completed and is attached to this Debt Ordinance and thereby incorporated by reference herein, so that the debt service on outstanding debt of the Local Government Unit (being the Bonds, together with such other debt as has been identified on Exhibit B) will be brought more nearly into an over-all level annual debt service plan.

Section 2.05. Compliance with Section 8144 of the Debt Act. Attached hereto as Exhibit C and thereby incorporated herein, is a schedule of interest rate yields which demonstrate compliance with Section 8144 of the Debt Act.

--END OF ARTICLE 2--

ARTICLE 3--SECURITY FOR DEBT; SINKING FUND

Section 3.01. General Obligation Covenant. The Bonds shall be general obligations of the Local Government Unit. The Local Government Unit hereby covenants with the owners from time to time of the Bonds to: (1) include the amount necessary to service the debt on the Bonds, for each fiscal year in which such sums are payable, in its budget for that year; (2) appropriate such amounts from its general revenues to the payment of the debt service; and (3) duly and punctually pay, or cause to be paid, from its Sinking Fund or from any other of its revenues or funds, the principal of and the interest on the Bonds at the dates and place and in the manner stated in the Bonds, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Bonds, the Local Government Unit hereby irrevocably pledges its full faith, credit and taxing power. The exact amounts of debt service hereby covenanted to be paid are set forth in Exhibit A, attached to this Debt Ordinance and incorporated by reference herein.

As provided in the Debt Act, the foregoing covenants are specifically enforceable. Notwithstanding the foregoing, nothing contained herein shall prohibit or restrain the authorization, issuance, sale or delivery of additional general obligation bonds or notes of the Local Government Unit on a parity with this Series of Bonds, upon adoption of an appropriate covenant to budget, appropriate and pay additional taxes and other revenues and funds for the payment and security of such additional obligations.

Section 3.02. Creation of Sinking Fund. The Local Government Unit hereby creates, and orders to be established (in its name and identified by reference to the Bonds), a Sinking Fund for the payment of the Bonds with the Sinking Fund Depository, and further covenants to maintain such Sinking Fund until the Bonds are paid in full. The Designated Officer is hereby authorized and directed to contract with the Sinking Fund Depository for its services in such capacity, together with its services as Paying Agent and Registrar for the Bonds.

Section 3.03. Deposits into Sinking Fund. The Local Government Unit covenants with the owners of the Bonds, and a Designated Officer (according to the duties specified in Section 8223 of the Debt Act) is hereby authorized and directed, to withdraw from the General Fund (or in the event debt service charges have been capitalized, from any Project fund hereafter established with the proceeds of the Bonds, as authorized in Section 11.04) and to deposit into the Sinking Fund on or before the appropriate Interest Payment Dates (or as and when otherwise due by their terms and in order to provide same-day, available funds for timely payment), amounts sufficient to pay: (1) the interest on the Bonds then outstanding; and (2) the principal of the Bonds then maturing or subject to redemption on each such Interest Payment Date as set forth in Section 3.01.

Section 3.04. Investment of Sinking Fund. All moneys in the Sinking Fund not required for prompt expenditure may, in accordance with written or telephonic (if

subsequently confirmed in writing according to the reasonable practices and requests of the Sinking Fund Depository) instructions of a Designated Officer, be invested in Authorized Investments.

Authorized Investments must mature or must be subject to redemption, withdrawal or collection in their full amount at the option of the Sinking Fund Depository not later than the date upon which moneys are required to be paid to owners of the Bonds. All moneys in the Sinking Fund must be applied exclusively to the payment of the Bonds as the same from time to time becomes due and payable. All moneys deposited into the Sinking Fund and all investments and proceeds thereof shall be subject to a perfected security interest for the benefit of the owners of the Bonds. Income received from any deposit or investment within the Sinking Fund shall remain within and be a part of the Sinking Fund and all such amounts may be applied in reduction or completion of any amount covenanted under Section 3.01 hereof to be deposited therein; provided, however, that the obligation of the Local Government Unit to pay the Bonds is, and shall remain, absolute, and may not be satisfied or reduced merely by the deposit of moneys into the Sinking Fund or from the expectation of earnings thereon.

--END OF ARTICLE 3--

ARTICLE 4--TERMS AND PROVISIONS OF THE BONDS

Section 4.01. Dates, Maturity Amounts and Interest Rates. The Bonds will be identified by the Dated Date, will be dated as of the Authentication Dates, will bear (or accrue) interest at the rate(s)(or yield(s)), payable (or compounded) on the appropriate Interest Payment Dates, and will mature on the Maturity Dates and in the principal amounts (or maturity amounts) set forth in Section 3.01.

Section 4.02. Optional Redemption. The Bonds are subject to optional redemption prior to maturity. The Bonds scheduled to mature on a date after the Optional Redemption Date may be redeemed prior to maturity at the option of the Local Government Unit (1) in whole, on the Optional Redemption Date or on any date thereafter, or (2) in part, from time to time, on the Optional Redemption Date or on any date thereafter, by lot within a maturity, upon payment of the applicable Redemption Price.

Section 4.03. Mandatory Redemption. Term Bonds (if any) shall be redeemed prior to maturity by the Sinking Fund Depository without further authorization on the appropriate Mandatory Redemption Dates and in the appropriate principal amounts set forth in Article 1 and Section 3.01 hereof upon payment of the applicable Redemption Price.

Section 4.04. Form, Numbers. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, in fully registered form, without coupons and numbered according to the practice and discretion of the Sinking Fund Depository; provided, however, the Bonds will also carry CUSIP numbers as a convenience to owners.

Section 4.05. Interest Payments; Accrual. The Bonds will bear interest, payable in arrears, initially on the First Interest Payment Date and then on each Interest Payment Date subsequent for the respective preceding period; provided, that interest may be paid from an Interest Payment Date next preceding the date of a Bond except when the date of such Bond is a date to which interest has been so paid, then from the date of such Bond, or when either (1) the date of such Bond is prior to the First Interest Payment Date, or (2) no interest has been paid, then from the Dated Date.

Section 4.06. Record Date; Payments on Default. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date, Redemption Date or Maturity Date shall be entitled to receive the amounts payable on such payment date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such payment date.

When, if, and to the extent, the Local Government Unit defaults in the payment of any amount due on such dates, any moneys collected for such payment, as and when collected from time to time, may be paid to the persons in whose names Bonds are

registered at the close of business on a Special Record Date established by the Sinking Fund Depository, notice of which has been mailed to all Registered Owners of Bonds not less than ten days prior to such date.

Section 4.07. Funds for Payment. The Bonds are payable at the offices of the Sinking Fund Depository in the coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time and place of payment; provided, however, in the absence of written demand for such payment by the Registered Owner, received by the Sinking Fund Depository not later than the Record Date, all payments of the Bonds will be made by check or draft drawn on the Sinking Fund Depository and mailed, first class, postage prepaid, to the owner at the address that appears in the Register, following presentation at the offices of the Sinking Fund Depository.

Section 4.08. Registration and Transfer. The Local Government Unit will cause the Sinking Fund Depository to keep, in its capacity as Registrar, a Register in which, subject to reasonable regulations, the Local Government Unit will provide for the registration of Bonds and the registration of transfers and exchanges of Bonds. No transfer or exchange of any Bond will be valid unless made at the offices of the Sinking Fund Depository and registered in the Register.

Upon surrender for registration of transfer of any Bond, the Local Government Unit will execute, and the Sinking Fund Depository will authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same yield and maturity, and in the same principal amount, as the Bond so surrendered.

Any Bond is exchangeable for other Bonds of the same yield and maturity, in any authorized denomination, in the same principal amount as the Bond or Bonds presented for exchange. Upon surrender for exchange of any Bond, the Local Government Unit shall execute, and the Sinking Fund Depository shall authenticate and deliver in exchange therefor, the new Bond or Bonds which the Registered Owner making the exchange shall be entitled to receive.

All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the Local Government Unit, evidencing the same indebtedness and entitled to the same benefits under this Debt Ordinance as the Bonds surrendered for such registration of transfer or exchange. All Bonds so surrendered shall be cancelled and may be destroyed by the Sinking Fund Depository.

Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Local Government Unit and the Sinking Fund Depository, duly executed by the owner thereof or the duly authorized agent or legal representative of the owner.

No service charge shall be imposed on any Registered Owner for any transfer or exchange of any Bond, but the Local Government Unit may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Local Government Unit, nor the Sinking Fund Depository, shall be required to: (1) issue, or register the transfer or exchange of, any Bond during a period of fifteen (15) business days before any date of selection of Bonds to be redeemed; or (2) register the transfer or exchange of any Bond after it has been selected for redemption.

The Bonds shall be initially registered in accordance with instructions submitted to the Sinking Fund Depository by the Purchaser.

Section 4.09. Execution and Authentication. The Bonds shall be executed on behalf of the Local Government Unit by the Designated Officers, and shall have a facsimile of the corporate seal of the Local Government Unit affixed thereto, duly attested. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Sinking Fund Depository. No Bond shall be valid until the Certificate of Authentication shall have been duly executed and such authentication shall be the conclusive and only proof that any Bond has been issued pursuant to, and is entitled to any benefits conferred under, the provisions of this Debt Ordinance. To the extent that any one signature on a Bond (including the signature of the officer of the Sinking Fund Depository) is manual, all other signatures may be by facsimile.

Section 4.10. Notices. Selection of Bonds for Redemption. If applicable, notice of any redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the applicable redemption date, to the Registered Owners of Bonds to be redeemed at the addresses which appear in the Bond Register on the fifth business day preceding the date selected for the mailing of such notice and to the Insurer, if any, and the Rating Agency. 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 Bond. If the Local Government Unit shall have duly given notice of redemption and shall have deposited funds for the payment of the Redemption Price of the Bonds with the Sinking Fund Depository, interest on such Bonds shall cease to accrue after such redemption date.

Notices of redemption shall be dated and must state: (1) the redemption date; (2) the Redemption Price; (3) if less than all outstanding Bonds are to be redeemed, the identification numbers and the respective principal amounts of the Bonds to be redeemed; (4) the applicable CUSIP numbers of the Bonds called for redemption (if then generally in use, but shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in the notice and that reliance may be placed only on the identification numbers printed on the Bonds); (5) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to

accrue from and after said date; and (6) that such Bonds are to be surrendered for payment at the designated corporate trust office of the Sinking Fund Depository.

If less than all Bonds maturing on any one date are to be redeemed at any time, the Sinking Fund Depository shall select by lot the Bonds to be redeemed at such time.

Any portion of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Prior to selecting Bonds for redemption, the Sinking Fund Depository shall assign numbers to each \$5,000 portion of any Bond of a denomination larger than \$5,000 and shall treat each portion as a separate Bond in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any Bond for redemption of a portion thereof, the Sinking Fund Depository shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same maturity and in any authorized denominations requested by the owner in a principal amount equal to the unredeemed portion of the Bond surrendered.

Section 4.11. Temporary Bonds. Bonds in definitive form shall be fully engraved or printed or lithographed on steel-engraved borders. Until bonds in definitive form are ready for delivery, the Local Government Unit may execute, and upon request the Sinking Fund Depository shall authenticate and deliver, in lieu thereof and subject to the same provisions, limitations and conditions, one or more printed, lithographed, or typewritten bonds in temporary form, substantially in the form described in Section 4.13, hereinafter described, and with appropriate omissions, variations and insertions. Until exchanged for bonds in definitive form, such bonds in temporary form shall be valid obligations entitled to the benefit of this Debt Ordinance. The Local Government Unit shall, without unreasonable delay, prepare, execute and deliver to the Sinking Fund Depository, and thereupon, upon the presentation and surrender of any bond or bonds in temporary form, the Sinking Fund Depository shall authenticate and deliver, in exchange therefor, a bond or bonds in definitive form of the same principal (or maturity) for the same aggregate maturity amount as the bond or bonds in temporary form surrendered. Such exchange shall be made by the Local Government Unit at its own expense and without making any charge therefor.

Section 4.12. Bonds Lost or Destroyed. Upon receipt by the Local Government Unit and the Sinking Fund Depository of evidence satisfactory to both of them that any outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, the Local Government Unit may, in its discretion, execute and thereupon the Sinking Fund Depository shall authenticate and deliver a new Bond of the same maturity and of like tenor in exchange and substitution for, and upon surrender and cancellation of, the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, lost or stolen. The Local Government Unit may, for each new Bond authenticated and delivered under the provisions of this Section, require the payment of expenses, including counsel fees. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be destroyed, lost or stolen, shall constitute an original additional and independent contractual obligation on the part of the Local Government Unit whether or not the Bond so alleged to be destroyed, lost or stolen be at any time

enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Debt Ordinance with all other Bonds issued hereunder, and all limitations and debt limits imposed by the Debt Act shall be increased to the extent necessary to validate such new Bonds.

Section 4.13. Form of the Bonds. The Bonds will be substantially in the following form(s):

