TOWNSHIP OF MIDDLESEX,

Cumberland County, Pennsylvania

ORDINANCE NO. 2-92

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THIS TOWNSHIP DETERMINING TO INCUR DEBT; DETERMINING THAT THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SUCH DEBT SHALL BE FOUR MILLION SIX HUNDRED SIXTY-FIVE THOUSAND DOLLARS ($4,665,000); DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A SERIES OF GUARANTEED WATER REVENUE BONDS - SERIES OF 1992, DATED AS OF MAY 15, 1992, TO BE AUTHORIZED AND TO BE ISSUED BY MIDDLESEX TOWNSHIP MUNICIPAL AUTHORITY IN CONNECTION WITH REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF SUCH AUTHORITY ISSUED IN CONNECTION WITH THE WATER SYSTEM FACILITIES OF SAID AUTHORITY EVIDENCED BY ITS GUARANTEED WATER REVENUE BONDS - SERIES OF 1985, AND PAYING COSTS OF SUCH FINANCING; BRIEFLY DESCRIBING THE PROJECT IN CONNECTION WITH WHICH SUCH LEASE RENTAL DEBT IS TO BE INCURRED AND SPECIFYING THE ESTIMATED REMAINING USEFUL LIFE OF SAID PROJECT; AUTHORIZING AND DIRECTING THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS AND THE SECRETARY OF THIS TOWNSHIP: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT REQUIRED BY SECTION 410 OF THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, (B) TO PREPARE AND TO FILE ANY STATEMENTS REQUIRED BY ARTICLE II OF SAID LOCAL GOVERNMENT UNIT DEBT ACT THAT ARE NECESSARY TO QUALIFY ALL OR ANY PORTION OF SUCH LEASE RENTAL DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING DEBT, AND (C) TO EXECUTE, TO ATTEST AND TO DELIVER, AS APPROPRIATE, A GUARANTY AGREEMENT, DATED AS OF MAY 15, 1992, BETWEEN THIS TOWNSHIP, AS GUARANTOR, SAID AUTHORITY AND FIRST BANK AND TRUST COMPANY OF MECHANICSBURG, AS TRUSTEE UNDER A TRUST INDENTURE, DATED AS OF MAY 15, 1992, OF SAID AUTHORITY, WITH RESPECT TO SAID PROJECT AND SAID BONDS; APPROVING THE FORM OF SAID GUARANTY AGREEMENT; SPECIFYING THE MAXIMUM AMOUNTS OF THE GUARANTY OBLIGATIONS OF THIS TOWNSHIP PURSUANT TO SAID GUARANTY

AGREEMENT AND THE SOURCES OF PAYMENT OF SUCH GUARANTY OBLIGATIONS, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; PROVIDING FOR THE GUARANTY OF THIS TOWNSHIP OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; CREATING A SINKING FUND IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS AS PROVIDED IN SUCH ACT; APPOINTING A SINKING FUND DEPOSITARY IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS; PROVIDING FOR PROPER OFFICERS OF THIS TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SAID PROJECT, SAID PROCEEDINGS UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT AND SAID GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, This Township is a municipality of the Commonwealth of Pennsylvania (the "Commonwealth") and is a "local government unit" under terms of the Local Government Unit Debt Act (the "Act") of the Commonwealth; and

WHEREAS, Middlesex Township Municipal Authority (the "Authority") is a municipality authority organized and existing under the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented (the "Authorities Act") of the Commonwealth; and

WHEREAS, The Authority and this Township have determined that the Authority shall undertake the Refunding Project, as such phrase is defined in the Guaranty Agreement (hereinafter defined), in connection with the Existing Water Facilities, as such phrase is defined in the Guaranty Agreement (hereinafter defined), by issuance of a series of guaranteed water revenue bonds.

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

SECTION 1. This Township authorizes and requests the Authority to undertake such Refunding Project for the purpose of reducing total debt service over the life of the issue.

SECTION 2. This Township determines that the Authority shall incur debt, which shall be lease rental debt of this Township pursuant to the Act, in connection with such Refunding Project in accordance with provisions of Section 1101(1) of the Act.

SECTION 3. Such debt will constitute lease rental debt of this Township pursuant to the Act, shall be in the aggregate principal amount of Four Million Six Hundred Sixty-Five Thousand Dollars ($4,665,000), shall be evidenced by obligations to be issued by the Authority under the Authorities Act and shall consist of a series of guaranteed water revenue bonds, to be known generally as "Guaranteed Water Revenue Bonds - Series of 1992," dated as of May 15, 1992 (the "Series of 1992 Bonds"), which shall have the benefit of and shall be secured by the guaranty obligations of this Township pursuant to the Guaranty Agreement (hereinafter mentioned and identified).

SECTION 4. This Township specifies that the estimated remaining useful life of such Existing Water Facilities is at least 20 years.

SECTION 5. This Township, as guarantor, shall enter into a Guaranty Agreement, dated as of May 15, 1992 (the "Guaranty Agreement"), substantially in the form referred to in Section 6, with the Authority and First Bank and Trust Company of Mechanicsburg (the "Trustee"), as trustee under a Trust Indenture, dated as of May 15, 1992 (the "Trust Indenture"), of the Authority, with respect to such Refunding Project, and the Series of 1992 Bonds, under terms and provisions of which Guaranty Agreement, *inter alia*, this Township shall guaranty, unconditionally, for the benefit of the holders, from time to time, of the Series of 1992 Bonds, full and prompt payment of Debt Service, as such phrase is defined in the Guaranty Agreement, to the extent provided in the Guaranty Agreement, as such shall be due and payable with respect to the Series of 1992 Bonds.

The Guaranty Agreement shall be for the life of the Series of 1992 Bonds and shall set forth terms, conditions, provisions, covenants and agreements to be observed by this Township, the Authority and the Trustee in relation to the Water System, as that phrase is defined in the Guaranty Agreement, and the Series of 1992 Bonds.

SECTION 6. The Guaranty Agreement shall be substantially in the form presented to this meeting, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved, shall be filed with the Secretary of this Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

SECTION 7. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary of this Township, respectively, are authorized and directed to prepare, to certify and to file the debt statement, as such phrase is defined in the Act, required by Section 410 of the Act, in behalf of this Township, and to prepare and to file any statements required by Article II of the Act that are necessary to qualify all or any portion of the debt of this Township for exclusion from the appropriate debt limit as self-liquidating debt.

The Chairman or Vice Chairman of the Board of Supervisors and the Secretary of this Township are authorized and directed to prepare and to execute an appropriate borrowing base certificate for filing with the Department of Community Affairs (the "Department") of the Commonwealth, as required by the Act.

SECTION 8. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary of this Township, as applicable, are authorized and directed to execute, to attest, to acknowledge and to deliver the Guaranty Agreement, in behalf of this Township, substantially in the form approved in Section 6; Subject, however, to applicable provisions of the Act.

SECTION 9. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary of this Township are authorized and directed to make application to the Department for approval with respect to the Guaranty Agreement, as required by Section 411(b) of the Act, and for approval with respect to the exclusion of such lease rental debt as self-liquidating debt; and in connection with such application, this Township shall pay to the Department the filing fee as required by Section 803 of the Act, as amended, the payment of which filing fee is authorized and approved.

SECTION 10. The guaranty obligations of this Township, with respect to the Series of 1992 Bonds, as set forth in the Guaranty Agreement in the form referred to in Section 6, which shall be payable, if and as necessary, semiannually, shall be as are set forth in Exhibit A which is attached hereto and made part hereof.

The phrase "Fiscal Year", as provided in the Guaranty Agreement, as used in such Exhibit A, shall mean the fiscal year of this Township.

SECTION 11. The guaranty obligations of this Township, as set forth in Section 10, shall be payable from the tax and other general revenues of this Township.

SECTION 12. This Township shall covenant in the Guaranty Agreement and does hereby covenant to and with the Trustee, the Authority and the holders of the Series of 1992 Bonds that shall be Outstanding, as such term is defined in the Trust Indenture, that this Township: (1) shall include the Debt Service, as such phrase is defined in the Guaranty Agreement, payable in respect of its guaranty pursuant to the Guaranty Agreement, for each Fiscal Year, as such phrase is defined in the Guaranty Agreement, in which such sums are payable in its budget for that Fiscal Year; (2) shall appropriate such amounts from its tax or other general revenues for payment to the Trustee of its obligations under the Guaranty Agreement; and (3) shall duly and punctually pay or cause to be paid from its sinking fund (hereinafter referred to) or any other of its revenues or funds the amount payable in respect of such guaranty, at the dates and place and in the manner provided in the Guaranty Agreement, at the principal corporate trust office of the Trustee, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment in respect of such guaranty, this Township shall and does pledge, irrevocably, its full faith, credit and taxing power. The foregoing covenants of this Township shall be enforceable specifically.

For the purposes of complying with the foregoing covenant, this Township covenants that it shall budget the amounts set forth in Exhibit A which is attached hereto and made part hereof, such amounts being such Debt Service with respect to the Series of 1992 Bonds for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Trustee such amounts; Subject, however, to provisions of the Guaranty Agreement with respect to credit for certain sums that shall be available for such Debt Service under the Trust Indenture, all as more fully set forth in the Guaranty Agreement.

This Township also shall covenant in the Guaranty Agreement and does hereby covenant that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required under the Guaranty Agreement, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or otherwise to satisfy its obligations under the Guaranty Agreement, it shall include any amounts so payable by it in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay or shall cause to be paid its obligations incurred under the Guaranty Agreement, in the manner therein stated, according to the true intent and meaning thereof.

This Township hereby establishes a "sinking fund," as such phrase is defined or applied in the Act, as amended and supplemented from time to time, with respect to its obligations under the Guaranty Agreement with respect to such guaranty, and First Bank and Trust Company of Mechanicsburg, Mechanicsburg, Pennsylvania, is hereby appointed "sinking fund depositary" and "paying agent," as such phrases are defined or applied in the Act, as amended and supplemented from time to time, to the extent necessary with respect to obligations of this Township under the Guaranty Agreement with respect to such guaranty.

SECTION 13. Proper officers of this Township are authorized and directed to execute all documents and to do all other acts as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of this Township under the Guaranty Agreement.

SECTION 14. Reference in this Ordinance to specified officers of this Township shall include and shall be construed to include, if and as applicable, their respective successors in office.

SECTION 15. This Ordinance shall become effective in accordance with provisions of the Act.

SECTION 16. In the event any provision, section, sentence, clause, or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this Ordinance, it being the intent of this Township that such remainder shall be and shall remain in full force and effect.

SECTION 17. All other ordinances or parts of ordinances which are inconsistent herewith shall be and the same expressly are repealed.

DULY ENACTED AND ORDAINED, this 20th day of April, 1992, by the Board of Supervisors of the Township of Middlesex, Cumberland County, Pennsylvania, in lawful session duly assembled.

TOWNSHIP OF MIDDLESEX,
Cumberland County, Pennsylvania

By: Robert M. Eppley
(Vice) Chairman of the Board
of Supervisors

ATTEST:

John S. Blair
Secretary

(SEAL)

TOWNSHIP OF MIDDLESEX,

Cumberland County, Pennsylvania

EXHIBIT A

Debt Service, as such phrase is defined in the Guaranty Agreement referred to in the Ordinance to which this is attached, with respect to the Series of 1992 Bonds, as such phrase is defined in such Ordinance (in the maximum aggregate principal amount of $4,665,000), to be issued by Middlesex Township Municipal Authority, is as follows:

[See Following Page]

Butcher & Singer **Exhibit A**

Refinancing Analysis For Middlesex Township Municipal Authority
Proposed Refunding Bonds, Series 1992
Debt Service Summary & Savings Analysis - New Bonds 20-Apr-92

Date	Principal	Price	Proceeds	Coupon	Yield	Interest	Gross Total D/S	Gross Annual D/S
01-Jun-92	0	100.000%		3.400%	3.400%	0	0	0
01-Dec-92						146,368	146,368	
01-Jun-93	170,000	100.000%	170,000	3.400%	3.400%	134,420	304,420	450,788
01-Dec-93						131,530	131,530	
01-Jun-94	180,000	100.000%	180,000	4.000%	4.000%	131,530	311,530	443,060
01-Dec-94						127,930	127,930	
01-Jun-95	185,000	100.000%	185,000	4.400%	4.400%	127,930	312,930	440,860
01-Dec-95						123,860	123,860	
01-Jun-96	195,000	100.000%	195,000	4.700%	4.700%	123,860	318,860	442,720
01-Dec-96						119,278	119,278	
01-Jun-97	205,000	100.000%	205,000	5.100%	5.100%	119,278	324,278	443,555
01-Dec-97						114,050	114,050	
01-Jun-98	220,000	100.000%	220,000	5.300%	5.300%	114,050	334,050	448,100
01-Dec-98						108,220	108,220	
01-Jun-99	230,000	100.000%	230,000	5.500%	5.500%	108,220	338,220	446,440
01-Dec-99						101,885	101,885	
01-Jun-2000	245,000	100.000%	245,000	5.700%	5.700%	101,885	346,885	448,790
01-Dec-2000						94,913	94,913	
01-Jun-2001	255,000	100.000%	255,000	5.850%	5.850%	94,913	349,913	444,825
01-Dec-2001						87,454	87,454	
01-Jun-2002	275,000	100.000%	275,000	6.000%	6.000%	87,454	362,454	449,908
01-Dec-2002						79,204	79,204	
01-Jun-2003	295,000	100.000%	295,000	6.100%	6.100%	79,204	374,204	453,408
01-Dec-2003						70,206	70,206	
01-Jun-2004	310,000	100.000%	310,000	6.150%	6.150%	70,206	380,206	450,413
01-Dec-2004						60,674	60,674	
01-Jun-2005	335,000	100.000%	335,000	6.250%	6.250%	60,674	395,674	456,348
01-Dec-2005						50,205	50,205	
01-Jun-2006	355,000	100.000%	355,000	6.300%	6.300%	50,205	405,205	455,410
01-Dec-2006						39,023	39,023	
01-Jun-2007	375,000	100.000%	375,000	6.450%	6.450%	39,023	414,023	453,045
01-Dec-2007						26,929	26,929	
01-Jun-2008	405,000	100.000%	405,000	6.450%	6.450%	26,929	431,929	458,858
01-Dec-2008						13,868	13,868	
01-Jun-2009	430,000	100.000%	430,000	6.450%	6.450%	13,868	443,868	457,735
	4,665,000		4,665,000			2,979,261	7,644,261	7,644,261

CERTIFICATE

I, the undersigned, Secretary of the Township of Middlesex, Cumberland County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Board of Supervisors of the Township, in accordance with law, at a meeting duly held on April 20, 1992, at which meeting a quorum was present; said Ordinance has been certified and recorded by me, as Secretary of the Township, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. ; the total number of members of the Board of Supervisors of the Township is three (3); the vote of the members of the Board of Supervisors of the Township, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as Secretary, as follows:

Robert M. Eppley	-
Dale M. Melane	-
David D. Nukill	-

a notice with respect to the intent to enact said Ordinance has been advertised, as required by law, in a newspaper of general circulation in the Township; said Ordinance was available for inspection by any interested citizen requesting the same, in accordance with the Pennsylvania Local Government Unit Debt Act and such notice; and said Ordinance has not been amended, altered or repealed, as of the date of this Certificate.

I further certify that the Board of Supervisors of the Township met the advance notice requirements of the Sunshine Act, Act No. 1986-84 of the General Assembly of the Commonwealth of Pennsylvania, approved July 3, 1986, by advertising said meeting and by posting prominently a notice of said meeting at the principal office of the Township or at the public building in which said meeting was held, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 20th day of April, 1992.

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Secretary

(SEAL)