

ORDINANCE NO. 184,2007  
OF THE BOARD OF SUPERVISORS  
OF THE TOWNSHIP OF TILDEN,  
BERKS COUNTY, PENNSYLVANIA

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF TILDEN, BERKS COUNTY, PENNSYLVANIA (THE "TOWNSHIP"), SETTING FORTH ITS INTENT TO ISSUE ITS GENERAL OBLIGATION NOTE, SERIES OF 2008 (THE "NOTE") OF THIS TOWNSHIP IN THE AGGREGATE PRINCIPAL AMOUNT OF TWO MILLION DOLLARS (\$2,000,000.00), PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, AS RE-ENACTED, AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THIS TOWNSHIP; DETERMINING THAT SUCH NOTE SHALL EVIDENCE NONELECTORAL DEBT OF THIS TOWNSHIP; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS TO FINANCE A PROJECT OF THIS TOWNSHIP WHICH CONSISTS OF, AMONG OTHER THINGS: (A) THE DESIGN, ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF TOWNSHIP SANITARY SEWER LINES AND PUMP STATIONS; AND (B) PAYING THE COSTS AND EXPENSES OF ISSUING THE NOTE; SETTING FORTH A REASONABLE ESTIMATE OF THE USEFUL LIFE OF THE PROJECT TO BE FINANCED; MAKING CERTAIN FINDINGS WITH RESPECT TO THE PROJECT; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH NOTE AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH NOTE, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THIS TOWNSHIP; DESIGNATING THE NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" AS DEFINED IN SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); FIXING THE DENOMINATION, DATED DATE, INTEREST PAYMENT DATES, PRINCIPAL PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; APPOINTING A PAYING AGENT AND AUTHORIZING SPECIFIED OFFICERS OF THIS TOWNSHIP TO CONTRACT WITH THE PAYING AGENT; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH NOTE; PROVIDING COVENANTS RELATED TO THE PAYMENT OF DEBT SERVICE APPLICABLE TO SUCH NOTE TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH NOTE, TO THE EXTENT REQUIRED BY THE ACT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH NOTE WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH

AND TRANSFER PROVISIONS WITH RESPECT TO SUCH NOTE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE NOTE, INCLUDING, WITHOUT LIMITATION, THE PREPARATION OF A DEBT STATEMENT AND BORROWING BASE CERTIFICATE, AND THE FILING OF OTHER SPECIFIED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH NOTE, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THIS TOWNSHIP, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THIS TOWNSHIP TO DELIVER THE NOTE UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; SETTING FORTH CERTAIN COVENANTS PRECLUDING THIS TOWNSHIP FROM TAKING ACTIONS WHICH WOULD CAUSE THE NOTE TO BECOME AN "ARBITRAGE BOND," AS THAT TERM IS USED IN THE CODE AND APPLICABLE REGULATIONS PROMULGATED THEREUNDER; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS INsofar AS THE SAME SHALL BE INCONSISTENT; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the Township of Tilden, Berks County, Pennsylvania (the "Township") is a political subdivision and a local government unit of the Commonwealth of Pennsylvania (the "Commonwealth"); and

WHEREAS, this Township desires to incur debt to fund certain capital projects of the Township in accordance with the terms and provisions of the Local Government Unit Debt Act of the Commonwealth, as re-enacted, amended and supplemented (the "Act") through the issuance and sale of its general obligation note in the principal amount of Two Million Dollars (\$2,000,000) to be designated as its "General Obligation Note, Series of 2008", to be dated as set forth therein (the "Note"); and

WHEREAS, the Board of Supervisors of the Township (the "Board"), in contemplation of the issuance and sale of the Note has determined that the Note shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Act, and has determined that a private sale by negotiation is in the best financial interests of this Township; and

WHEREAS, the Board has determined to accept the note purchase proposal attached hereto as Exhibit "A" (the "Proposal") of the purchaser named therein (the "Purchaser"), for the purchase of the Note, such sale to be conditioned upon, among

other things, the receipt of approval from the Department of Community and Economic Development (the "Department") relating to the incurring of the indebtedness to be evidenced by the Note; and

**WHEREAS**, the Board has determined to and desires to accept the Proposal of the Purchaser and to incur nonelectoral debt pursuant to the provisions of the Act

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED**, by the Board of Supervisors of the **TOWNSHIP OF TILDEN, BERKS COUNTY, PENNSYLVANIA**, in lawful session duly assembled, as follows:

**Section 1.** Pursuant to the provisions of this Ordinance, the Board hereby authorizes and directs the issuance of the Note in the principal amount of Two Million Dollars (\$2,000,000). The Note shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Board hereby finds and determines that a private sale by negotiation is in the best financial interests of this Township.

**Section 2.** The Board determines that the debt to be incurred pursuant to this Ordinance, and which will be evidenced by the Note, shall be nonelectoral debt of this Township.

**Section 3.** A brief description of the project to be financed with the proceeds of the Note is as follows:

- (i) the design, acquisition, construction, installation, furnishing and equipping of township sanitary sewer lines and pump stations (the "Project"); and
- (ii) the payment of the costs and expenses of issuing the Note.

All of the foregoing are collectively referred to herein as the "Project." The realistic estimated useful life of the capital Project financed is in excess of thirty (30) years. It is hereby certified that an aggregate principal amount of the Note at least equal to the realistic estimated cost of each component of the capital Project shall mature prior to the end of the useful life of the capital Project. The maturity of stated installments of principal of the Note will not be deferred beyond the later of one year after the estimated date for the completion of construction of the capital Project or three years after the date of issuance of the Note.

This Township has obtained bids and/or realistic cost estimates for the cost of the capital Project from registered architects, professional engineers or other persons qualified by experience.

The Board of this Township hereby authorizes and directs its officers, agents and employees to execute all documents and take all actions necessary in connection with effecting the Project.

**Section 4.** Subject to the approval of the Department, as required by the provisions of the Act, the Board shall and does hereby accept the Proposal of the Purchaser, for the purchase of the Note in accordance with the terms and conditions of this Ordinance and Purchaser's Proposal. The sale of the Note shall be for a purchase price equal to 100% of the principal amount of the Note. The authorized officers, of the Township are hereby authorized and directed to accept, to execute and to deliver the Proposal in the name and on behalf of this Township, and the Secretary or Assistant Secretary, as appropriate, of this Township is hereby authorized and directed to attest to such acceptance and execution and to affix the seal of this Township to the Proposal, if necessary. A copy of the Proposal, as presented to this Board and accepted by this Ordinance, is incorporated herein by reference and shall be attached as Exhibit A to this Ordinance and maintained with the minutes of this meeting.

**Section 5.** The Note, when issued, will be a general obligation of this Township. In accordance with the provisions of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), this Township hereby finds, determines and designate the Note as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for the purposes of Section 265(b) of the Code.

**Section 6.** The Note shall be in fully registered form and shall be in substantially the form hereinafter set forth in Section 9. The Note shall be dated as set forth therein and shall bear interest as provided therein and in the Proposal.

**Section 7.** Installments of principal on the Note shall be payable as provided therein and in the Proposal.

The principal of and interest due on the Note may be prepaid as provided therein and in the Proposal.

**Section 8.** The Board appoints the Purchaser having an office located in the Commonwealth of Pennsylvania as the paying agent and sinking fund depository for the Note (the "Paying Agent"). Proper officers of this Township are hereby authorized, empowered and directed to contract with the Paying Agent for its services as paying agent and sinking fund depository in accordance with the terms and conditions of the Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Note to the registered owner of the Note shall be made, when due, in accordance with



the provisions of the Note, at or from the office of the Paying Agent in lawful money of the United States of America.

**Section 9.** The Note shall be in substantially the form set forth in Exhibit "B", which is attached hereto and made a part hereof as though fully set forth herein, with appropriate insertions, omissions and variations.

**Section 10.** The Note shall be executed in the name and on behalf of this Township by the Chairman or Vice Chairman of the Board and the official seal of this Township shall be affixed thereunto, duly attested by the signature of the Secretary or Assistant Secretary of this Township. Said officers are authorized and directed to execute, attest, seal and deliver the Note.

**Section 11.** This Township covenants to and with the registered owner(s), from time to time, of the Note that this Township: (i) shall include the amount of the debt service for the Note for each fiscal year in which such sums are payable in its budget in each fiscal year of this Township; (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Note for such year; and (iii) shall duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal amount of the Note and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Township shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Township shall be specifically enforceable.

**Section 12.** This Township hereby covenants to create and there is hereby created, pursuant to the Act, a sinking fund for the Note, to be known as "Sinking Fund - General Obligation Note, Series of 2008" (the "Sinking Fund"), which sinking fund shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

**Section 13.** The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Fund created pursuant to Section 12. This Township covenants and agrees to deposit in the Sinking Fund, on or before each Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Payment Date all of the principal of, if any, and accrued interest becoming due with respect to the Note. After such deposit, the Paying Agent shall, without further authorization or direction from this Township or any of its officials, withdraw moneys from the Sinking Fund and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

If the date for payment of the principal of or the interest on the Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then the payment of such principal or interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions in the Commonwealth are authorized to close, with the same force and effect as if made on the nominal date for payment of the principal or the interest, and no interest shall accrue after such due date.

The Note shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Note in the registration books of this Township maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Note(s) of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time. After delivering any such a new Note or Note the Paying Agent may destroy the Note surrendered for the transfer.

This Township and the Paying Agent may deem and treat the persons in whose names the Note shall be registered on the registration books of this Township maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Note shall be overdue or not, and payment of the principal of and/or interest on the Note shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Note provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of this Township upon the Note so paid, to the extent of the sum or sums so paid, and neither this Township nor the Paying Agent shall be affected by any notice to the contrary.

This Township shall cause to be kept, and the Paying Agent shall keep, at the designated office of the Paying Agent, books for the registration, exchange and transfer of the Note in the manner provided herein and therein so long as the Note shall remain outstanding. Such registration, exchanges and transfers shall be made without charge to holders of the Note, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

**Section 15.** Proper officials of this Township, and, if applicable, their duly qualified respective successors, are hereby authorized and directed, in the name and on

behalf of this Township: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare and to file with the Department any statements required by the Act that are necessary to qualify all or any portion of the debt of this Township, which is subject to exclusion as self-liquidating or subsidized debt, for exclusion from the appropriate debt limit of this Township as self-liquidating or subsidized debt; (c) to prepare, execute and file with the Department, as required by the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Note, including the debt statement and borrowing base certificate; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (e) to pay or to cause to be paid from proceeds of the Note or otherwise, all costs and expenses incurred by this Township in connection with the issuance of the Note; (f) to advertise the enactment of this Ordinance, as required by the Act; and (g) to take any and all other necessary action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Note, to the extent not inconsistent with this Ordinance or applicable law.

**Section 16.** It is hereby declared that the debt to be evidenced by the Note, together with all other indebtedness of this Township, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by this Township.

**Section 17.** The proper officers of this Township are hereby authorized and directed to deliver the Note to the Purchaser, upon receipt of full and proper payment of the purchase price therefore and to pay or cause to be paid the costs of issuance of the Note; provided, however, that such delivery and such payments shall be effected only after the Department has certified its approval pursuant to the Act.

**Section 18.** This Township covenants to and with the registered owners of the Note that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of the Note, would cause the Note to be an "arbitrage bond," as that term is defined in Section 148 of the Code and the applicable regulations thereunder. This Township further covenants that it will comply with the requirements of such Section 148 (including, but not limited to subsection (f) thereof) and with the regulations thereunder throughout the term of this issue. In addition, the Chairman or Vice Chairman of the Board and attested by the Secretary or Assistant Secretary of this Township, being the official(s) responsible for issuing the Note, are hereby authorized and directed to execute, attest and deliver, in the name and on behalf of this Township, any and all documents or other instruments which Counsel may reasonably request in connection with the

with the providing of its opinion that the Note is not an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations promulgated thereunder, including, with limitation, a certificate dated the date of issuance and delivery of the Note, which certificate shall set forth the reasonable expectations of this Township as to the amount and use of the proceeds of the Note.

**Section 19.** 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 the remainder of this Ordinance shall remain in full force and effect.

**Section 20.** All ordinances or resolutions or parts of ordinances or resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

**Section 21.** This Ordinance shall be effective in accordance with the Act.

**DULY ENACTED AND ORDAINED THIS 1<sup>st</sup> DAY OF DECEMBER, 2007 BY  
THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF TILDEN, BERKS  
COUNTY, PENNSYLVANIA, IN LAWFUL SESSION DULY ASSEMBLED.**

**TOWNSHIP OF TILDEN,  
Berks County, Pennsylvania**

By: Troy R. Hall  
(Vice) Chairman

(SEAL)

Attest: Cheryl A. Haas



**EXHIBIT "A"**



### FORM OF PROPOSAL – 3-YEAR TERM

The Bank (the "Bank" or "Lender") hereby agrees to the purchase of the General Obligation Note, Series of 2008 (the "Note"), to be issued by the Township of Tilden, Berks County, Pennsylvania (the "Township") in the proposed principal amounts of \$2,000,000, subject to the terms and conditions set forth in the term sheet (the "Term Sheet"), which is attached hereto and incorporated hereby by this reference. The final aggregate principal amount of any one maturity or the entire issue itself shall not differ from the original principal amount of any one maturity or the entire issue itself as presented on the Preliminary Note Amortization Schedule by more than \$100,000. The Bank agrees to be legally bound to such terms from the date of the Form of Bid to the Closing Date of the Note.

**Interest Rate.** The Township shall only consider proposals which clearly express the rate of interest and/or the method of setting such rate of interest and the maximum rate of interest to be charged during the full term of the Note. Therefore, a qualified lender must respond to I or II below, or any combination, if the Bank wishes to provide an option.

#### **I. Fixed Rate of Interest**

A fixed rate of interest for the term of the Note equal to 3.45% per annum, tax-free, bank-qualified. The rate is based on an actual/360 day count basis. This fixed rate has the ability to prepay based on prevailing market rate conditions. The loan is to be fully funded at closing on or about January 15, 2008, and matures on January 15, 2011. **Please be advised that the Township can reinvest the loan proceeds at a higher interest rate equivalent to the 90-day T-Bill with a present rate of 4.01%.**

#### **II. Variable Rate of Interest**

**Initial Interest Rate:** The initial variable interest rate on the Note shall be equal to 30-day London Inter-Bank Offering Rate ("30-Day LIBOR) **minus 125** basis points (or its equivalent), currently 4.24%, for a period of two (2) years expiring on January 15, 2010.

**Interest Rate Reset:** After the initial interest rate period, the rate shall be reset at fixed rate of 3.70% maturing on January 15, 2011. This rate is based on an actual/360 day count basis. This fixed rate has the ability to prepay based on prevailing market rate conditions.

**Maximum Cap Interest Rate:** In no instance shall the interest rate ever exceed 9.0%.

III. Line of Credit

A variable rate of interest for the term of the Note equal to 30-day London Inter-Bank Offering Rate ("30-Day LIBOR") minus 100 basis points (or its equivalent), currently 4.49%. This loan matures January 15, 2011.

The fixed rates quoted above are indicative as of Thursday, November 1, 2007.

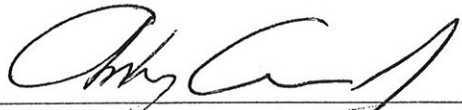
Cost & Expenses

The Bank shall request the reimbursement of its legal fees only \$2,500.

The Bank acknowledges that the Township reserves the right to reject any and all proposals received in connection with this request for proposals.

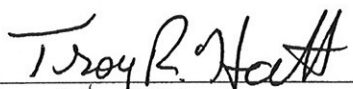
Wachovia Bank, N.A.  
Name of Bank

(610) 655-2855 Phone/(610) 655-1027 Fax  
Phone and Fax Number

  
\_\_\_\_\_  
Anthony Calvaresi, Senior Vice President  
Authorized Officer

November 1, 2007  
Date

Approved by:

  
\_\_\_\_\_  
Township of Tilden  
Authorized Officer

December 1, 2007  
Date

**EXHIBIT "B"**

Dated: \_\_\_\_\_, 2008

**TOWNSHIP OF TILDEN, BERKS COUNTY, PENNSYLVANIA  
General Obligation Note, Series of 2008**

KNOW ALL MEN BY THESE PRESENTS that the TOWNSHIP OF TILDEN, BERKS COUNTY, PENNSYLVANIA (the "Township"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth") promises to pay to the order of Wachovia Bank, National Association (the "Bank") or registered assigns, the principal sum of Two Million Dollars (\$2,000,000), or such lesser particular sum as shall represent the unpaid balance of such principal sum, and to pay interest on the principal sum hereof advance to the Township, which, from time to time, shall be outstanding and shall remain unpaid, until the principal sum hereof fully shall have been paid, at an interest rate of 3.45% through January 15, 2011. Commencing on July 15, 2011 and on each successive January 15 and July 15 thereafter to and including January 15, 2011, the Township shall pay to the Bank interest on the unpaid balance of the Note at the interest rate per annum set forth above. On January 15, 2001, the Township shall pay the balance of principal in full.

The principal amount hereof shall be advanced in full by the Bank to the Township at settlement.

Whenever the due date for payment of the principal of or interest due on this Note shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday Sunday, legal holiday or a day upon which banking institutions in the Commonwealth are authorized by law or executive order to close with the same force and effect as if made on the due date for payment of principal or interest and no interest shall accrue thereon for any period after such due date.

This Note is issued under and pursuant to provisions of the Ordinance enacted by the Board of Supervisors of the Township on December 1, 2007 (the "Ordinance") and is authorized to be issued under the Local Government Unit Debt Act of the Commonwealth, as re-enacted and amended (the "Act"), without the assent of electors. The Note is subject to provisions and is entitled to benefit of the Ordinance. The terms and provisions of the Ordinance are hereby incorporated by reference as if set



set forth fully herein.

**This Note may be prepaid by the Township, at its option, in whole or in part, at any time and from time to time without payment of any premium or prepayment penalty.** All payments made by the Township shall be applied first to the payment in full of accrued, unpaid and outstanding interest and then to the reduction of the unpaid principal balance of this Note. All payments of principal or interest due hereunder shall be payable to the Bank in its capacity as paying agent (the "Paying Agent"), at its principal office in lawful money of the United States of America in immediately available funds which, at the time of payment, shall be legal tender for the payment of all debts, public and private.

The Township has covenanted in the Ordinance, to and with the registered owner(s) hereof, that it: (i) shall include the amount of the debt service for the Note, for each fiscal year of the Township in which such amounts are payable, in its budget for that fiscal year; (ii) that it shall appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year; and (iii) that it shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal amount of the Note and the interest due thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof and for such budgeting, appropriation and payment the Township has pledged, irrevocably, its full-faith, credit and taxing power. In the Ordinance, the Township has covenanted to and with registered owners of the Note that it will make no use of the proceeds of the Note, or do or suffer any other action, which, if such use or action had been reasonably expected on the date of issuance of the Note, would cause the Note to be "arbitrage bonds" as such term is defined in Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder. The Township has further covenanted that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of the Note.

This Note does not pledge the credit or taxing power of the Commonwealth; nor shall this Note be deemed an obligation of the Commonwealth; nor shall the Commonwealth be liable for payment of the principal of or interest on this Note.

This Note is transferable by the registered owner hereof, but only upon surrender of this Note to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Township and the Paying Agent, duly executed by the registered owner of this Note or his attorney-in-fact or legal representative, for registration of transfer. Upon surrender, the Paying Agent shall enter any transfer of ownership of this Note in the registration books maintained for the purpose and shall deliver this Note to the transferee with

transferee with notation of such registration written hereon. The Township and the Paying Agent shall deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Note shall be overdue) for the purposes of receiving payment of on account of principal hereof and interest due hereon and for all other purposes, and the Township and the Paying Agent shall not be affected by any notice to the contrary.

*This Note has been designated, in the Ordinance, by the Township, as a "qualified tax-exempt obligation", within the meaning of Section 265(b)(3)(B) of the Code.*

**No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Township or of any successor body, as such, either directly or through the Township or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Note.**

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the Township to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Note or in the creation of the debt of which this Note is evidences, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the Township is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the Township has established with the Paying Agent, as sinking fund Depository, a sinking fund for this Note and shall deposit therein amounts sufficient to pay the principal of and interest on this Note as the same shall become due and payable; and that for the promptly and full payment of all obligations of this Note, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

IN WITNESS WHEREOF, Township of Tilden, Berks County, Pennsylvania has caused this Note to be executed in its name and in its behalf by its Chairman or Vice Chairman and its official seal to be affixed hereto, duly attested by its Secretary or Assistant Secretary, all as of the \_\_\_\_ day of \_\_\_\_\_, 2008.

**TOWNSHIP OF TILDEN,  
BERKS COUNTY, PENNSYLVANIA**

By: \_\_\_\_\_  
(Vice) Chairman

(Seal)

Attest: \_\_\_\_\_  
(Assistant) Secretary

## ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_  
hereby sells, assigns and transfers unto:

\_\_\_\_\_  
Name (the "Transferee")

\_\_\_\_\_  
Address

Social Security or Federal Employer Identification No. \_\_\_\_\_ the  
within Note and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_  
as attorney to transfer the within Note on the books kept for registration thereof, with  
full power of substitution in the premises.

Date: \_\_\_\_\_

**NOTICE:** No transfer will be issued in the name of the Transferee unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied. If the Transferee is a trust, the names and Social Security or Federal Employer Identification Numbers of the settlor and beneficiaries of the trust, the Federal Employer Identification Number and date of the trust and the name of the trustee should be supplied.

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REGISTRATION RECORD

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NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF, ACTING AS REGISTRAR, ON BEHALF OF THE TOWNSHIP OF TILDEN, BERKS COUNTY, PENNSYLVANIA

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Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
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**EXHIBIT "C"**

**DEBT SERVICE SCHEDULE**

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Amortization Schedule

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Compound Period ..... : Semiannual

Nominal Annual Rate .... : 3.450 %

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CASH FLOW DATA

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Event	Date	Amount	Number	Period	End Date
1 Loan	01/15/2008	2,000,000.00	1		
2 Payment	07/15/2008	Interest Only	5	Semiannual	07/15/2010
3 Payment	01/15/2011	2,034,500.00	1		

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AMORTIZATION SCHEDULE - Normal Amortization

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	Date	Payment	Interest	Principal	Balance
Loan	01/15/2008				2,000,000.00
1	07/15/2008	34,500.00	34,500.00	0.00	2,000,000.00
2008 Totals		34,500.00	34,500.00	0.00	
2	01/15/2009	34,500.00	34,500.00	0.00	2,000,000.00
3	07/15/2009	34,500.00	34,500.00	0.00	2,000,000.00
2009 Totals		69,000.00	69,000.00	0.00	
4	01/15/2010	34,500.00	34,500.00	0.00	2,000,000.00
5	07/15/2010	34,500.00	34,500.00	0.00	2,000,000.00
2010 Totals		69,000.00	69,000.00	0.00	
6	01/15/2011	2,034,500.00	34,500.00	2,000,000.00	0.00
2011 Totals		2,034,500.00	34,500.00	2,000,000.00	
Grand Totals		2,207,000.00	207,000.00	2,000,000.00	

### CERTIFICATE

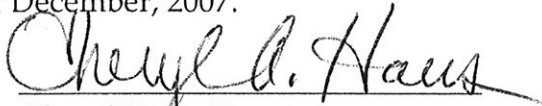
I, the undersigned, (Assistant) Secretary of the Township of Tilden, Berks County, Pennsylvania (the "Township"), hereby certify that attached hereto is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Board of Supervisors of the Township at a meeting duly advertised and held on the 1<sup>st</sup> day of December, 2007; said Ordinance duly has been recorded in the minute book of the Board of Supervisors; a notice with respect to the intent to enact said Ordinance has been published as required by law; said Ordinance was available for public inspection by any interested citizen requesting the same in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, and such notice; and said Ordinance has not been amended, altered, modified 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 Act No. 1986-84 of the General Assembly of the Commonwealth of Pennsylvania, approved July 3, 1986, as amended, by advertising the time and place of said meeting in accordance therewith.

I further certify that the total number of members of the Board of Supervisors of the Township is three (3); the vote of members of the Board of Supervisors of the Township upon said Ordinance was called and duly recorded upon the minutes of said meeting; and members of the Board of Supervisors of the Township voted upon said Ordinance in the following manner:

<u>Name</u>	<u>Office</u>	<u>Vote</u>
Troy Hatt	Chairman	<u>yes</u>
Russell Werley	Vice Chairman	<u>yes</u>
Judy E. Romig	Supervisor	<u>yes</u>

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 1<sup>st</sup> day of December, 2007.

  
Cheryl Hays, Secretary  
of the Township of Tilden,  
Berks County, Pennsylvania

(SEAL)