ORDINANCE NO. 2007-04

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF LOWER ALLEN DETERMINING TO COMBINE REFUNDING AND CAPITAL PROJECTS FOR FINANCING PURPOSES AS PERMITTED BY THE LOCAL GOVERNMENT UNIT DEBT ACT; AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2007 OF THIS TOWNSHIP, IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,160,000; DESCRIBING THE PROJECTS FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING AN ESTIMATE OF THE USEFUL LIFE OF THE CAPITAL FACILITIES RELATED TO SAID PROJECTS; DETERMINING THAT SAID BONDS SHALL BE SOLD AT INVITED SALE; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THIS TOWNSHIP; ACCEPTING A BID FOR PURCHASE OF SAID BONDS, AT INVITED SALE, AND AWARDING SAID BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SAID BONDS, WHEN ISSUED, SHALL BE GENERAL OBLIGATIONS OF THIS TOWNSHIP; FIXING THE SERIES, SUBSTANTIAL FORM, DENOMINATIONS, DATE, MATURITY DATES, INTEREST RATES, INTEREST PAYMENT DATES, REGISTRATION PRIVILEGES, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, REDEMPTION PROVISIONS AND TAX FREE PROVISIONS OF SAID BONDS; AUTHORIZING EXECUTION, ATTESTATION AND AUTHENTICATION OF SAID BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SAID BONDS AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SAID BONDS AS REQUIRED BY SUCH ACT; APPOINTING A SINKING FUND DEPOSITORY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SAID BONDS WHEN DUE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; SETTING FORTH THAT SAID BONDS HAVE BEEN SOLD AT INVITED SALE; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THIS TOWNSHIP; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF SAID BONDS; DESIGNATING SAID BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS FOR PURPOSES OF SECTION 265 OF THE INTERNAL REVENUE CODE, AS AMENDED; SETTING FORTH CERTAIN COVENANTS RELATED TO PROVISIONS FOR THE REFUNDING OF A PORTION OF THIS TOWNSHIP'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES OF 2005; PROVIDING CERTAIN COVENANTS RELATING TO REQUIRED CONTINUING DISCLOSURE BY THIS TOWNSHIP; PROVIDING FOR THE BOOK ENTRY SYSTEM FOR REGISTRATION OF THE OWNERSHIP OF SAID BONDS; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the Township of Lower Allen, Cumberland County, Pennsylvania (the "Township"), is a municipality (Township of the First Class) existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth") and is a Local Government Unit, as defined in the Local Government Unit Debt Act, as amended, 53 Pa. C.S. Chs. 80-82 (the "Act"), of the Commonwealth; and

WHEREAS, The Board of Commissioners of this Township has undertaken the design, acquisition, construction and equipping of a new Township emergency and municipal services building, including, without limiting the generality of the foregoing, acquiring all related and required land and providing parks and recreational facilities upon a portion of said land (the "Project"); and

WHEREAS, The Board of Commissioners of this Township has obtained cost estimates of the Project from bids and from professional estimates from registered architects and other professionals qualified by experience; and

WHEREAS, The Board of Commissioners of this Township has determined to finance the increased costs and expenses of completion of the Project; and

WHEREAS, The Board of Commissioners of this Township heretofore issued its General Obligation Bonds, Series of 2005, dated as of September 15, 2005, in the aggregate principal amount of $9,995,000 (the "Series of 2005 Bonds"), in accordance with provisions of the Act, for the purpose of providing funds to be used for and toward paying the initially estimated costs and expenses of the Project; and

WHEREAS, The Board of Commissioners of this Township has determined to provide for the payment of the principal of and the interest when due on and after May 15, 2007, as applicable, on all outstanding Series of 2005 Bonds maturing on May 15 of each of the years 2007 to 2010, inclusive (the "Series of 2005 Refunded Bonds"), which undertakings are hereinafter referred to as the "Refunding Project"; and

WHEREAS, The Board of Commissioners of this Township has determined to combine the completion of the Project and the Refunding Project for financing purposes; and

WHEREAS, The Board of Commissioners of this Township has determined to issue a series of general obligation bonds, to be sold at invited sale, pursuant to the Act, to be designated as its General Obligation Bonds, Series of 2007, dated as of May 1, 2007, in the aggregate principal amount of $3,160,000 (the "Bonds"), with proceeds from the sale thereof to be applied for and towards paying costs and expenses of completion of the Project, the Refunding Project and of issuance of the Bonds; and

WHEREAS, Commerce Capital Markets (the "Purchaser") has submitted a bid for purchase of the Bonds; and such bid has been opened, read and considered as required by the Act; and

WHEREAS, The Board of Commissioners of this Township desires to accept the bid of the Purchaser, to award the Bonds to the Purchaser and to incur nonelectoral debt, in the principal amount of $3,160,000, pursuant to provisions of the Act.

NOW, THEREFORE, BE IT ENACTED, by the Board of Commissioners of the Township of Lower Allen, Cumberland County, Pennsylvania, as follows:

Section 1. The financing of the completion of the Project and the Refunding Project shall be combined for financing purposes by issuance of the Bonds. The purpose of the Refunding Project is to refund the maturity dates of the Series of 2005 Refunded Bonds to a later date, subject to the limitations imposed by the Act. The Board of Commissioners of this Township covenants to proceed with completion of the Project with all due dispatch and diligence.

Section 2. The Board of Commissioners of this Township hereby determines that the Bonds shall be sold at invited sale and hereby determines that invited sale of the Bonds is in the best financial interest of this Township.

Section 3. The Board of Commissioners of this Township does authorize and direct the issuance of general obligation bonds of this Township, pursuant to this Ordinance, in the aggregate principal amount of $3,160,000, dated as of May 1, 2007, to be designated generally as "General Obligation Bonds, Series of 2007", in accordance with the Act, to provide funds for and toward paying costs and expenses of completion of the Project and the Refunding Project and paying costs and expenses of issuance of the Bonds.

Section 4. The Board of Commissioners of this Township determines that the debt, of which the Bonds shall be evidence, to be incurred pursuant to this Ordinance, shall be nonelectoral debt of this Township.

Section 5. A realistic estimate of the useful life of the Project is specified to be not less than 25 years.

Section 6. The Board of Commissioners of this Township accepts the bid of the Purchaser to purchase the Bonds and the Bonds are awarded to the Purchaser, in accordance with terms and conditions of its bid, at a dollar price of $3,138,439.30 (99.3177% of the aggregate principal amount of the Bonds), together with accrued interest on the Bonds from May 1, 2007, to the date of delivery of the Bonds to the Purchaser, if any, the Purchaser having submitted such bid in accordance with provisions of the Act.

Section 7. The Bonds, when issued, will be general obligation bonds of this Township.

Section 8. The Bonds shall be fully registrable as to principal and interest, shall be in the denomination of $5,000 or whole multiples thereof, shall be dated as of May 1, 2007, and shall bear interest from May 1, 2007, at the rates set forth in Section 9 hereof, payable initially on November 15, 2007, and thereafter semiannually on May 15 and November 15 in each year, beginning May 15, 2008, until maturity or, if redeemable, until redeemed.

Section 9. The rates of interest, aggregate principal amounts and maturity dates applicable to the Bonds are as follows:

Interest Rate Per Annum from May 1, 2007, until maturity	Aggregate Principal Amount	Maturity Date
3.50%	$ 5,000	May 15, 2008
3.55%	$315,000	May 15, 2009
3.60%	$325,000	May 15, 2010
3.60%	$115,000	May 15, 2011
3.60%	$320,000	May 15, 2012
3.60%	$125,000	May 15, 2013
3.65%	$130,000	May 15, 2014
3.70%	$135,000	May 15, 2015
3.75%	$140,000	May 15, 2016
3.80%	$145,000	May 15, 2017
3.85%	$155,000	May 15, 2018
4%	$495,000	May 15, 2021
4.05%	$755,000	May 15, 2025

Section 10. The Bonds maturing on May 15, 2013, and thereafter are subject to redemption prior to maturity, at the option of this Township, as a whole, or, from time to time, in part, on May 15, 2012, or on any date thereafter, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. If less than all Bonds of any one maturity are to be redeemed, such Bonds shall be drawn by lot by the Paying Agent hereinafter designated. In the event any Bonds are in a denomination greater than $5,000, a portion of such Bonds shall be redeemed, but portions of Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

The Bonds maturing on May 15, 2021, are subject to redemption prior to maturity, in the amounts required by this Ordinance, on May 15, 2019, and on May 1, 2020, as drawn by lot by the Paying Agent hereinafter designated. The Bonds maturing on May 15, 2025, are subject to redemption prior to maturity in the amounts required by this Ordinance, on May 15 of each of the years 2022 to 2024, inclusive, as drawn by lot by the Paying Agent hereinafter designated. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. In the event any Bonds are in a denomination greater than $5,000, a portion of such Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

Section 11. The principal of the Bonds shall be payable to the registered owners at the corporate trust office of Commerce Bank, National Association (herein sometimes referred to as the "Paying Agent", which term shall include any duly appointed alternate or successor paying agent), located in Philadelphia, Pennsylvania, in lawful moneys of the United States of America. Payment of the interest due on the Bonds shall be paid to the registered owners thereof by check drawn on the Paying Agent mailed to the registered owners thereof at their addresses as they appear on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on the first day of May and November, respectively, as applicable, in each year (the "Record Date"), irrespective of any transfer or exchange of the Bonds subsequent to the applicable Record Date. In the event this Township shall default in the payment of interest due on the Bonds at the time the same is due and payable, such defaulted interest will be payable to the registered owners thereof by check drawn on the Paying Agent mailed to the registered owners at their addresses as they appear on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date"), established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owners thereof not less than 15 days preceding the Special Record Date. Such notice shall be mailed to the registered owners shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth business day preceding the date of mailing.

In any case where the date of maturity of any Bonds or an interest payment date or the date fixed for redemption of any Bonds, as applicable, 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 interest or principal or redemption price, as applicable, need not be made on such date but may be made by the Paying Agent on the next succeeding business day with the same force and effect as if made on the date of maturity, interest payment date or the date fixed for redemption, as applicable, and no interest shall accrue for the period after such date.

Section 12. The form of the Bonds and the form of the Paying Agent's Certificates to be endorsed thereon, shall be substantially as follows, with appropriate insertions, omissions and variations:

Section 13. The Bonds shall be executed in the name of and in behalf of this Township by the manual or facsimile signature of the President or Vice President of the Board of Commissioners of this Township and the official seal of this Township or a facsimile thereof shall be affixed thereunto and the manual or facsimile signature of the Secretary or Assistant Secretary of this Township shall be affixed thereunto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Bonds.

The Paying Agent, by a duly authorized officer, hereby is authorized, requested and directed to authenticate the Bonds by execution of the Certificate of Authentication attached to the Bonds.

Section 14. This Township covenants to and with the registered owners, from time to time, of the Bonds, pursuant to this Ordinance, that this Township, as appropriate, shall include the amount of the debt service for each fiscal year of this Township in which such sums are payable in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of the Bonds and the applicable interest thereon on the dates and at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, 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 enforceable specifically.

The amounts of the debt service of the Bonds for each fiscal year of this Township in which such sums are payable are as follows:

Fiscal Year Ending December 31	Amount of Debt Service
2007	$ 64,700.35
2008	$124,975.00
2009	$429,296.25
2010	$427,855.00
2011	$209,935.00
2012	$407,105.00
2013	$204,095.00
2014	$204,472.50
2015	$204,602.50
2016	$204,480.00
2017	$204,100.00
2018	$208,361.25
2019	$207,177.50
2020	$205,677.50
2021	$203,977.50
2022	$206,932.50
2023	$204,541.25
2024	$206,846.25
2025	$198,948.75

Section 15. There is created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as Sinking Fund - General Obligation Bonds, Series of 2007 (the "Series of 2007 Sinking Fund"), which sinking fund shall be administered in accordance with applicable provisions of the Act and into which funds shall be deposited for prompt and full payment of all obligations of the Bonds when due.

Within the Series of 2007 Sinking Fund there is created a Term Bonds Account - Series of 2007 Bonds.

The Bonds maturing on May 15, 2021, and on May 15, 2025 (the "2007 Term Bonds"), are subject to retirement by mandatory redemption or purchase prior to maturity and by payment at maturity out of moneys in the Term Bonds Account - Series of 2007 Bonds (as hereinafter provided). Such retirement (subject to prior retirement from other available moneys) shall be effected as follows:

On or before April 5, 2019, on or before April 5 of each year thereafter, or so long as any 2007 Term Bonds of the particular maturity then being retired shall remain outstanding, this Township shall deposit in the Term Bonds Account - Series of 2007 Bonds the aggregate principal amount as may be required to purchase, redeem or pay upon maturity, as applicable, the following aggregate principal amounts of 2007 Term Bonds of the particular maturity then being retired on or prior to the next succeeding May 15 out of the Term Bonds Account - Series of 2007 Bonds, as hereinafter provided:

May 15, 2019. . . .$160,000	May 15, 2022. . . .$180,000
May 15, 2020. . . .$165,000	May 15, 2023. . . .$185,000
May 15, 2021. . . .$170,000	May 15, 2024. . . .$195,000
	May 15, 2025. . . .$195,000

or such lesser aggregate principal amount as on the particular date shall represent all 2007 Term Bonds of the particular maturity then being retired which are then outstanding; and after all 2007 Term Bonds shall have been retired, no further deposits shall be made to the Term Bonds Account - Series of 2007 Bonds.

Moneys so deposited in the Term Bonds Account - Series of 2007 Bonds, as provided in the preceding paragraph, shall be applied to payment upon maturity and/or purchase or redemption of the 2007 Term Bonds as required by this Section 15, as follows:

Commencing on or before April 6 of each of the years 2019 to 2025, inclusive, so long as any 2007 Term Bonds of the particular maturity then being retired shall remain outstanding, and until and including the following April 10, the Paying Agent, in behalf of this Township, shall purchase from moneys available in the Term Bonds Account - Series of 2007 Bonds as many 2007 Term Bonds of the particular maturity then being retired at the time outstanding as can be purchased at lowest prices offered at the time by bondholders, which in no case shall exceed the principal amount thereof, together with accrued interest to the date of purchase (which accrued interest shall be paid out of moneys available for such purpose in the Series of 2007 Sinking Fund). On or before April 11 of each of the years 2019, 2020 and 2022 to 2024, inclusive, so long as any 2007 Term Bonds of the particular maturity then being retired shall remain outstanding or as soon after such April 11 as shall suit the convenience of the Paying Agent and shall allow sufficient time to mail the notice of redemption, the Paying Agent shall draw by lot for redemption on the following May 15, such aggregate principal amount of 2007 Term Bonds of the particular maturity then being retired as shall represent the difference between the aggregate principal amount of the 2007 Term Bonds of the particular maturity then being retired fixed for purchase or redemption on or prior to the following May 15, in accordance with the schedule set forth in the preceding paragraph, and the principal amount thereof which the Paying Agent shall have purchased during the immediately preceding period, as above provided.

Upon selection by lot of the particular 2007 Term Bonds to be redeemed, as above provided, the Paying Agent shall provide for the mailing of an appropriate notice of redemption relating to such 2007 Term Bonds so drawn for redemption, in the manner provided in the Bonds.

Section 16. This Township appoints Commerce Bank, National Association as the sinking fund depositary with respect to the sinking fund created pursuant to Section 15.

Section 17. This Township covenants to make payments out of the sinking fund created pursuant to Section 15 or out of any other of its revenues or funds, at such times and in the annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due.

Section 18. The President or Vice President of the Board of Commissioners of this Township and the Secretary or Assistant Secretary, respectively, of this Township, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to verify and to file the debt statement required by Section 8110 of the Act; (b) to prepare or have prepared and to file, as required and if necessary, with the Department of Community and Economic Development (the "Department") of the Commonwealth, reports required by Section 8026 of the Act which are necessary to qualify any lease rental debt or nonelectoral debt of this Township, which is subject to exclusion as self-liquidating debt, for exclusion from the appropriate debt limit of this Township as self-liquidating debt; (c) to prepare, execute and file the application with the Department, together with a complete and accurate transcript of proceedings relating to the incurring of debt, of which debt the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action, including, without limiting the generality of the foregoing, execution and delivery of necessary and appropriate certificates, receipts, affidavits and other documents necessary and desirable in connection with delivery of the Bonds to the Purchaser.

Section 19. The President or Vice President of the Board of Commissioners of this Township and the Secretary or Assistant Secretary, respectively, of this Township are authorized and directed to contract with Commerce Bank, National Association for its services

as sinking fund depositary in connection with the sinking fund created pursuant to Section 15 and as paying agent and registrar in connection with the Bonds.

Section 20. It is declared that the debt to be incurred hereby is within the limitation imposed by the Act upon the incurring of such debt by this Township

Section 21. Proper officers of this Township are authorized and directed to deliver the Bonds, upon execution, attestation and authentication thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 22. This Township covenants that it will not invest or reinvest any proceeds derived from the Bonds, the effect of which investment would cause the Bonds to become obligations, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions contained herein, this Township shall expend or, as applicable, shall cause the Authority to expend, proceeds derived from the sale of the Bonds in the manner and at the times required under Section 103 and Sections 141 to 150, inclusive, of the Internal Revenue Code of 1986, as amended, which failure to so expend would cause the Bonds to be "arbitrage bonds", within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or to become obligations, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

This Township shall timely execute and file whatever reports and documents and make such rebates as may be necessary to assure that the Bonds are not "arbitrage bonds" and that the interest on the Bonds will remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

Reference to the Internal Revenue Code of 1986, as amended, herein shall mean and include the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township shall follow the advice of counsel with respect to any such investments, expenditures and the filing of reports and related actions in order to assure compliance with the provisions of this Section 22.

Section 23. This Township hereby determines for purposes of the Internal Revenue Code of 1986, as amended, that each of the Bonds shall be and hereby is designated as a "qualified tax exempt obligation" to the extent the Bonds are acquired by any "financial institution", as defined in Section 265(b)(5) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township hereby reasonably anticipates that the total amount of qualified tax exempt obligations (other than private activity bonds) which will be issued by it and all subordinate entities during the calendar year 2007 will not exceed $10,000,000, within the meaning of and computed as provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Township hereby represents that it is a qualified small issuer within the meaning of Section 265(b)(3)(C) of the Internal Revenue Code of 1986, as amended.

Section 24. This Township will not use any portion of the proceeds of the Bonds in a manner that would cause the Bonds to be private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended.

Section 25. Proper officers of this Township are authorized and directed to make application with Financial Security Assurance Inc. for municipal bond insurance with respect to the Bonds and upon initial delivery of the Bonds to pay the required premium for such municipal bond insurance. Notwithstanding any other provisions of this Ordinance, the Paying Agent or this Township, as appropriate, shall immediately notify Financial Security Assurance Inc. if at any time there are insufficient moneys to make any payments of principal and/or interest on the Bonds as required and immediately upon the occurrence of any event of default under this Ordinance.

Section 26. The Board of Commissioners of this Township does authorize and direct proper officers of this Township, on or about May 1, 2007, to irrevocably deposit, in trust, with the Paying Agent, in its capacity as successor paying agent for the Series of 2005 Bonds, an amount of moneys which, together with interest to be earned on the investment of a portion thereof, shall be sufficient to:

a. pay interest due on outstanding Series of 2005 Refunded Bonds on May 15 and November 15 of each of the years 2007 to 2009, inclusive, and on May 15, 2010; and

b. pay upon maturity the principal due on outstanding Series of 2005 Refunded Bonds.

The Paying Agent, in its capacity as successor paying agent for the Series of 2005 Bonds, is irrevocably authorized and directed to apply moneys available for the purpose for and toward payment of the principal of and interest due on all outstanding Series of 2005 Refunded Bonds when due and payable, according to the intent hereof and of the Series of 2005 Refunded Bonds. Proper officers of this Township are authorized and directed to take all necessary action in connection with the retirement upon maturity in accordance with the terms and conditions hereof of all outstanding Series of 2005 Refunded Bonds.

Section 27. This Township, simultaneously with delivery of the Bonds to the Purchaser, shall enter into an Irrevocable Escrow Agreement, to be dated as of the date of execution and delivery thereof (the "Escrow Agreement"), with the Paying Agent, in its capacity as successor paying agent for the Series of 2005 Refunded Bonds, as contemplated by provisions of Section 8250 of the Act, so that simultaneously with such delivery of the Bonds all then outstanding Series of 2005 Refunded Bonds ($1,560,000) no longer shall be deemed to be outstanding for the purpose of determining the net debt of this Township.

The President or Vice President of the Board of Commissioners of this Township and the Secretary or Assistant Secretary of this Township are authorized and directed to execute, to attest and to seal, as appropriate, and to deliver the Escrow Agreement, in behalf of this Township, simultaneously with delivery of the Bonds to the Purchaser, in the form as such officers shall approve, their execution of the Escrow Agreement to constitute conclusive evidence of such approval; and a copy of the Escrow Agreement, in the form so approved, shall be filed with the Secretary of this Township, for inspection, at reasonable times, by interested persons requesting such inspection.

Section 28. In compliance with rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, the Township hereby covenants and agrees that:

(a) This Township annually shall deliver to each NRMSIR (as defined hereafter) and the SID (as defined hereafter), if any, within 180 days after the end of each fiscal year of this Township beginning with its fiscal year ending December 31, 2007:

(1) a copy of its annual financial statements prepared in accordance with guidelines adopted by the Government Accounting Standards Board and the American Institute of Certified Public Accounts' Audit Guide, Audits of State and Local Government; Provided, however, that unaudited financial statements will be provided if audited financial statements are not at the time available and audited financial statements will be

substituted for unaudited financial statements as soon as they are available; and

(2) an update of the information in the Official Statement contained in the following headings:

"Township Finances"

"Township Pension Plan"

(b) In a timely manner, this Township shall deliver to each NRMSIR and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults;

(3) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on any credit enhancement reflecting financial difficulties;

(5) Substitution of any credit or liquidity provider, or their failure to perform;

(6) Modifications to rights of Bondholders;

(7) Bond calls;

(8) Defeasances;

(9) Release, substitution or sale of property securing repayment of the Bonds;

(10) Rating changes; or

1. Adverse tax opinions or events affecting the tax-exempt status of the security.

(c) In a timely manner, this Township shall give to the Paying Agent, each NRMSIR and to the SID, if any, notice of any failure by this Township to provide any information required pursuant to subsection (a) above within the time limit specified therein.

(d) This Township shall send to the Paying Agent:

(1) Copies of any information delivered to each NRMSIR and the SID, if any, pursuant to subsections (a) or (b) above; and

1. Concurrently with the delivery of any information required pursuant to subsection (a) or (b) above, a certificate signed by an authorized officer or official of this Township that it has filed such information with each NRMSIR, and SID, if any.

(e) The Township agrees that the provisions of this Section shall be for the benefit of the registered holders and beneficial owners of the Bonds and shall be enforceable by the registered holders and beneficial owners of the Bonds, provided that the registered holder's and the beneficial owner's right to enforce the provisions of the undertakings set forth in this Section shall be limited to a right to obtain specific enforcement of the obligations of this Township hereunder, as appropriate, and any failure by this Township to comply with its obligations hereunder shall not be an event of default with respect to the Bonds or an event of default under this Ordinance.

(f) This Section may be amended without the consent of the registered holders and beneficial owners of the Bonds, to the extent required or permitted by any amendment and any official interpretation to SEC Rule 15c2-12, as determined by nationally recognized bond counsel.

(g) "NRMSIR" means a nationally recognized municipal securities information repository, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12.

"SID" means the state information depository, if any, recognized by the Securities and Exchange Commission pursuant to SEC Rule 15c2-12.

This Township reserves the right to terminate its obligations to provide annual financial information and notices of material events, as set forth above, if and when this Township no longer remains an "obligated person" with respect to the Bonds within the meaning of SEC Rule 15c2-12.

The undertakings of this Township under this Section are intended to be for the benefit of the registered holders and beneficial owners of the Bonds and shall be enforceable by the registered holders and beneficial owners of the Bonds; Provided that the registered holder's and beneficial owner's right to enforce the provisions of these undertakings shall be limited to a right to obtain specific enforcement of the obligations of this Township, as appropriate, and any failure by this Township to comply with its obligations under this Section shall not be an event of default with respect to the Bonds or an event of default under this Ordinance.

Section 29. The Bonds shall be made available for purchase under a book-entry only system available through the Depository Trust Company, a New York corporation ("DTC"). At or prior to settlement for the Bonds, this Township and the Paying Agent shall execute or signify their approval of a Representation Letter in substantially the form presented to this meeting (the "Representation Letter") and hereby approved. The appropriate officers of this Township and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Ordinance, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

Section 30. Notwithstanding the foregoing provisions of this Ordinance, the Bonds shall initially be issued in the form of one fully registered bond for the aggregate principal amount of the Bonds of each maturity and the following provisions shall apply with respect to the registration, transfer and payment of the Bonds:

(a) Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds of the same series, interest rate and maturity registered in the name of such nominee or nominees of DTC.

(b) No person other than DTC or its nominees shall be entitled to receive from this Township or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books (the "Register") maintained by the Paying Agent in connection with discontinuing the book-entry system as provided in subparagraph (g) below or otherwise.

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal, redemption price or interest on such Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this Township or the Paying Agent with respect to the principal or interest on the Bonds to the extent of the sum or sums so paid.

(d) This Township and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, redemption price or interest on the Bonds, giving any notice permitted or required to be given to holders of Bonds under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by holders of Bonds and for all other purposes

whatsoever; and neither this Township nor the Paying Agent shall be affected by any notice to the contrary. Neither this Township nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being a registered owner of Bonds, with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any such participant; (3) the payment by DTC or any such participant of any amount in respect of the principal or interest on the Bonds; (4) any notice which is permitted or required to be given to holders of the Bonds under this Ordinance; and (5) any consent given or other action taken by DTC as holder of the Bonds.

(e) So long as the Bonds or any portion thereof are registered in the name of the DTC or any nominee thereof, all notices required or permitted to be given to the holders of such Bonds under this Ordinance shall be given to DTC as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Ordinance by this Township or the Paying Agent with respect to any consent or other action to be taken by holders of Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that this Township or the Paying Agent may establish a special record date for such consent or other action. This Township or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either: (1) after notice to this Township and the Paying Agent, DTC determines to resign as securities depository for the Bonds; or (2) after notice to DTC and the Paying Agent, this Township determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of this Township. In either of such events (unless in the case described in clause (2) above, this Township appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of this Township or the Paying Agent for the accuracy of such designation. Whenever DTC requests this Township and the Paying Agent to do so, this Township and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 31. The Board of Commissioners of this Township authorizes the Official Statement prepared by Milt Lopus & Associates, financial advisor to this Township and the information contained therein to be used by the Purchaser in connection with the public offering and sale of the Bonds. This Township consents to the use prior to the date of enactment of this Ordinance of the Preliminary Official Statement prepared in connection with the public offering of the Bonds.

Section 32. 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 33. All ordinances or parts of ordinances insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 34. This Ordinance shall become effective in accordance with Section 8003 of the Act.

DULY ENACTED AND ORDAINED this 26th day of March, 2007.

ATTEST:
(Corporate Seal)

Dawna S Lutes
~~(Assistant)~~ Secretary

TOWNSHIP OF LOWER ALLEN
Cumberland County, Pennsylvania
BOARD OF COMMISSIONERS

~~By:~~ John T. Stuart
~~(Vice)~~ President

(FORM OF BOND)

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to the Township or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, Cede & Co., has an interest herein.

Registered — Registered

No. — $

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CUMBERLAND

TOWNSHIP OF LOWER ALLEN

GENERAL OBLIGATION BOND, SERIES OF 2007

Interest Rate	Maturity Date	Dated Date of Series	CUSIP
%	May 15, 20	May 1, 2007	547824

Registered Owner: CEDE & CO.

Principal Sum: $

The TOWNSHIP OF LOWER ALLEN, Cumberland County, Pennsylvania (the "Township"), a municipality (Township of the First Class) existing under laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself indebted and promises to pay to the registered owner of this General Obligation Bond, Series of 2007 (the "Bond"), on the above stated maturity date, unless this Bond shall be redeemable and duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for, the above stated principal sum, and to pay interest thereon at the above stated annual rate of interest, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding interest payment date, in which event this Bond shall bear interest from such succeeding interest payment date, or unless this Bond is registered and authenticated on or prior to November 1, 2007, in which event this Bond shall bear interest from May 1, 2007, such interest to be payable initially on November 15, 2007, and thereafter semiannually on the fifteenth days of May and November in each year until maturity hereof or, if this Bond shall be redeemable and payment of the redemption price of this Bond shall have been made or provided for, until the date fixed for redemption hereof.

The principal of this Bond is payable to the registered owner hereof in lawful moneys of the United States of America upon presentation hereof at the corporate trust office

of COMMERCE BANK, NATIONAL ASSOCIATION (the "Paying Agent", which term shall include any duly appointed alternate or successor paying agent), located in Philadelphia, Pennsylvania, or at the duly designated office of any alternate or successor paying agent. Payment of the interest due hereon shall be paid to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on the first day of May and November, respectively, in each year (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. In the event the Township shall default in the payment of interest due hereon at the time the same is due and payable, such defaulted interest will be payable to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date"), established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owner hereof not less than 15 days preceding the Special Record Date. Such notice shall be mailed to the registered owner shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth business day preceding the date of mailing.

This Bond is one of a series of bonds of the Township, known generally as "General Obligation Bonds, Series of 2007" (the "Bonds"), all of like tenor, except as to dates of maturity, denominations, rates of interest and provisions for redemption, in the aggregate principal amount of $3,160,000.

The Bonds are issued in accordance with provisions of the Local Government Unit Debt Act, as amended, 53 Pa. C.S. Chs. 80-82 (the "Act"), of the Commonwealth, and by virtue of a duly enacted Ordinance (the "Ordinance") of the Board of Commissioners of the Township. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Township and the registered owners, from time to time, of the Bonds.

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

The Bonds maturing on May 15, 2013, and thereafter are subject to redemption prior to maturity, at the option of the Township, as a whole or, from time to time, in part, on May 15, 2012, or on any date thereafter, in each case upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. If less than all Bonds of any one maturity are to be redeemed, such Bonds or a portion thereof shall be drawn by lot by the Paying Agent. In the event any Bonds are in a denomination greater than $5,000, a portion of such Bonds may be redeemed, but portions of Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

The Bonds maturing on May 15, 2021, are subject to redemption prior to maturity, in the amounts required by the Ordinance, on May 15, 2019, and on May 15, 2020, as drawn by lot by the Paying Agent. The Bonds maturing on May 15, 2025, are subject to redemption prior to maturity, in the amounts required by the Ordinance, on May 15 of each of the years 2022 to 2024, inclusive, as drawn by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. In the event any Bonds are in a denomination greater than $5,000, a portion of such Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

Notice of any such redemption shall be mailed by the Paying Agent by first class mail to each registered owner of the Bonds to be redeemed to the address of such registered owner as it appears in the registration books maintained by the Paying Agent at least 30 days and not more than 45 days before the redemption date; Provided, however, that failure to give notice of redemption by mailing such notice to the registered owner of any Bond to be redeemed shall not affect the validity of any proceedings for the redemption of any Bonds. If a

Bond in a denomination in excess of $5,000 is partially redeemed then, upon surrender thereof to the Paying Agent, there shall be issued to the registered owner thereof, without charge therefor, a fully registered Bond or Bonds for the unredeemed balance of such partially redeemed Bond, of like series, designation, maturity date, interest rate and in any authorized denomination; Provided, however, that should this Bond be registered in the name of the Depository Trust Company ("DTC") or Cede & Co., as nominee for DTC, or any other nominee of DTC or any successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed. On the date designated for redemption, if moneys for payment of the principal and accrued interest are being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Ordinance authorizing issuance of the Bonds and registered owners of such Bonds shall have no rights with respect to such Bonds or portions thereof, except to receive payment of the principal of and accrued interest on such Bonds or portions thereof to the date fixed for redemption.

It hereby is certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Bond or in creation of the debt of which this Bond is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Bond, together with any other indebtedness of the Township, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Township.

The Township has covenanted, in the Ordinance, with registered owners, from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the Township, as appropriate, shall include the amount of the debt service, for each fiscal year of the Township in which sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Township has and does pledge, irrevocably, its full faith, credit and taxing power. The Act provides that the foregoing covenant of the Township shall be enforceable specifically.

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

This Bond shall be transferable upon registration records of the Township kept at a designated office of the Paying Agent, by the registered owner hereof in person or by his duly authorized attorney, upon surrender hereof at a designated office of the Paying Agent, together with a written instrument of transfer duly executed by the registered owner hereof or his duly authorized attorney, and thereupon the Township shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount and series, designation, maturity date and interest rate as the surrendered Bond. The Township and the Paying Agent may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever. The Township and the Paying Agent shall not be required to: (i) issue or transfer any Bonds during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such interest payment date; or (ii) issue or transfer any Bonds during a period beginning at the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be mailed; or (iii) issue or transfer any Bonds during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of Bonds to receive notice of any Special Record Date

and ending at the close of business on the Special Record Date; or (iv) issue or transfer any Bonds selected or called for redemption.

This Bond is issuable only in the form of a fully registered Bond, without coupons, in the denomination of $5,000 or any whole multiple thereof. This Bond or this Bond, together with any other Bonds, at the option of the registered owner hereof, may be exchanged for an aggregate principal amount of a registered Bond or Bonds of the same series, designation, maturity date and interest rate of any authorized denomination.

This Bond shall not be valid or enforceable until this Bond shall have been duly authenticated by the Certificate of Authentication attached hereto signed by a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF, the TOWNSHIP OF LOWER ALLEN, Cumberland County, Pennsylvania, as provided by the Act and in the Ordinance, has caused this Bond to be executed in its name and in its behalf by the President of the Board of Commissioners of the Township, and the official seal of the Township to be affixed hereunto duly attested by its Secretary.

TOWNSHIP OF LOWER ALLEN
Cumberland County, Pennsylvania
BOARD OF COMMISSIONERS

ATTEST:
(Corporate Seal)

~~(Assistant)~~ Secretary

~~(Vice)~~ President

(FORM OF CERTIFICATES)

CERTIFICATE OF AUTHENTICATION,
CERTIFICATE AS TO OPINION AND
CERTIFICATE AS TO INSURANCE

It is certified that:

(i) This Bond is one of the Bonds, of the Series designated therein, described in the Ordinance referred to in this Bond;

(ii) The Opinion of Mette, Evans & Woodside, Harrisburg, Pennsylvania, attached hereto is an original Opinion which was signed and dated as of the date of initial delivery hereof; and

(iii) The Statement of Insurance attached hereto refers to an original financial guaranty insurance policy issued by Financial Security Assurance Inc. which is on file at our corporate trust office located in Harrisburg, Pennsylvania, where the same may be inspected.

COMMERCE BANK,
NATIONAL ASSOCIATION,
Paying Agent

By: _____
Authorized Officer

DATE OF REGISTRATION AND AUTHENTICATION: May 1, 2007

(FORM OF STATEMENT OF INSURANCE)

STATEMENT OF INSURANCE

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments due of principal of and interest on this Bond to Commerce Bank, National Association, Philadelphia, Pennsylvania, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the corporate trust office of the Paying Agent located in Harrisburg, Pennsylvania, and a copy thereof may be obtained from Financial Security or the Paying Agent.

(FORM OF ASSIGNMENT AND TRANSFER)

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

Please Insert Social Security or other Tax Identifying Number of Assignee(s)

_____

_____

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints Attorney, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

_____

NOTICE: The signature(s) to this Assignment must correspond with the name(s) appearing in the within Bond in every particular, without alteration, enlargement or any change whatsoever.