

**TOWNSHIP OF RADNOR**  
**Delaware County, Pennsylvania**

**ORDINANCE 2010-40**

AUTHORIZING THE INCURRENCE BY THE TOWNSHIP OF RADNOR OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2010 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO CURRENTLY REFUND THE TOWNSHIP'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 2002, AND TO PAY THE COSTS OF ISSUING THE BONDS; AUTHORIZING THE PREPARATION OF A DEBT STATEMENT AND OTHER DOCUMENTATION; COVENANTING TO CREATE A SINKING FUND AND TO BUDGET, APPROPRIATE AND PAY DEBT SERVICE ON THE BONDS; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP FOR THE PROMPT AND FULL PAYMENT OF THE BONDS; SETTING FORTH THE SUBSTANTIAL FORMS OF THE BONDS; SETTING FORTH THE STATED PRINCIPAL MATURITY OR SINKING FUND REDEMPTION DATES AND AMOUNTS, MAXIMUM INTEREST RATES AND INTEREST PAYMENT DATES, PLACE OF PAYMENT, SINKING FUND PROVISIONS AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION OF A PAYING AGENT AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT OR SUPPLEMENT; FINDING THAT A PRIVATE INVITED SALE OF THE BONDS IS IN THE BEST FINANCIAL INTEREST OF THE TOWNSHIP AND ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITORY; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, pursuant to the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.* (the "**Act**"), the Township of Radnor (the "**Township**") may incur indebtedness for the purposes of refunding prior indebtedness; and

WHEREAS, on October 29, 2002, the Township issued nonelectoral and electoral debt evidenced by its \$25,065,000 principal amount General Obligation Bonds, Series A of 2002 (DCED Approval No. GOB-14768, October 21, 2002) (the "**2002A Bonds**"), the currently outstanding portion of which was issued to (i) advance refund the Township's General Obligation Bonds, Series of 1994 (the "**1994 Bonds**"); (ii) advance refund the Township's General Obligation Bonds, Series of 1997 (the "**1997 Bonds**"); and (iii) advance refund the Township's General Obligation Bonds, Series of 2000 (the "**2000 Bonds**"); and

WHEREAS, the Township has determined to undertake a refinancing program to achieve debt service savings (the "**Refunding Program**") consisting of the current refunding of the portion of the outstanding 2002A Bonds stated to mature on or after December 15, 2011 in the outstanding principal amount of \$14,025,000 (the bonds being so refunded, all of which are nonelectoral debt, are referred to herein as the "**Refunded Bonds**") and

WHEREAS, the 1994 Bonds were issued to finance capital projects, including the construction of a new public works garage, construction of sanitary sewer systems, flood control improvements, fire equipment, traffic signal modernization, improvements to various municipal buildings and grounds, purchase of vehicles and equipment, road and bridge construction and recreational facilities improvements; and

WHEREAS, the 1997 Bonds were issued to finance capital projects, including the completion of a new public works maintenance facility, construction of storm sewers and other storm water management facilities, traffic signal modernization, improvements to various municipal buildings and grounds, road reconstruction, bridge maintenance, replacement of vehicles and equipment, improvements at parks and recreational facilities and construction of sanitary sewers; and

WHEREAS, the 2000 Bonds were issued to finance capital projects, including the purchase of new fire apparatus, construction of storm water management facilities, traffic signal modernization, improvements to various municipal buildings and grounds, road resurfacing, bridge construction, replacement of vehicles and equipment, improvements at parks and recreational facilities and construction of sanitary sewers; and

WHEREAS, the Township has determined to issue its General Obligation Bonds, Series of 2010 (the "**Bonds**") in the maximum aggregate principal amount of \$15,000,000 to finance the Refunding Program and the payment of the costs and expenses of issuing the Bonds; and

WHEREAS, the Board of Commissioners (the "**Board**") of the Township has considered the possible manners of sale provided for in the Act with respect to the sale of the Bonds, such manners of sale being at public sale or private sale by negotiation or upon invitation; and

WHEREAS, the Board has determined that the Bonds: (a) shall be offered for private sale upon invitation (through a bidding process); and (b) shall be offered for sale at a net purchase price of not less than 90% nor more than 110% of the aggregate principal amount of the Bonds issued (including underwriting discount and original issue discount or premium), plus accrued interest (collectively, the "**Purchase Price**"); and

WHEREAS, the Board has determined that the net savings to be generated by the Refunding Program (the "**Required Savings**") must be equal to at least three percent (3%) of the principal amount of the Refunded Bonds; and

WHEREAS, A "Proposal for the Purchase of Bonds", dated November 8, 2010 (the "**Proposal**"), has been received from Public Financial Management, Inc., the Township's financial advisor (the "**Financial Advisor**"), containing the financial parameters for, and conditions to, the underwriting and issuance of the Bonds (the "**Bond Parameters**"), which will be supplemented by an addendum to the Proposal (the "**Addendum**") containing the final terms and to identify the underwriter of the Bonds, consistent with the Bond Parameters and the Required Savings; and

WHEREAS, the Board of Commissioners (the "**Board**") desires to approve the issuance of the Bonds, approve the Refunding Program, and accept the Bond Purchase Proposal of the Financial Advisor.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Township of Radnor and IT IS HEREBY RESOLVED, as follows:

1. **Authorization of the Refunding Program and Incurrence of Indebtedness; and Purpose of the Refunding Program.** The Township hereby approves the Refunding Program as described in the recitals hereto, and shall incur indebtedness in the form of the Bonds, pursuant to the Act, (a) in the aggregate principal amount not to exceed \$15,000,000 for the purpose of providing funds for and toward the costs of the Refunding Program and the financing expenses associated therewith.

It is hereby determined and set forth that the purpose of the Refunding Program with respect to the refunding of the Refunded Bonds is to reduce the total debt service that would otherwise be payable on the Refunded Bonds over the life of the issue. Attached hereto as **Exhibit B** and made a part hereof is the schedule of the anticipated debt service savings in connection with the refinancing of the Refunded Bonds computed in accordance with Section 8242(b) of the Act.

The estimated useful lives of the projects financed with the 1994 Bonds was determined by the Township under its ordinance enacted on February 14, 1994 to be in excess of thirty (30) years; the estimated useful lives of the projects financed with the 1997 Bonds was determined by the Township under its ordinance enacted on July 21, 1997 to range from nine (9) years to thirty (30) years with a weighted average of twenty-three and six-tenths (23.6) years; and the estimated useful lives of the projects financed with the 2000 Bonds was determined by the Township under its ordinance enacted on March 27, 2000 to range from nine (9) years to one hundred (100) years with a weighted average of twenty-three and six-tenths (32) years.

The realistic estimated useful life of such projects are hereby ratified and confirmed, and the principal amount of the Bonds equal to the separate cost of the portions of such projects having an unexpired shorter useful life than the period during which the Bonds will be outstanding has been scheduled to mature prior to the end of such useful life and the balance prior to the end of the longest unexpired useful life.

2. **Authorization of Issuance of the Bonds.** The Township shall issue, pursuant to the Act and this Ordinance, its General Obligation Bonds, Series of 2010, in an aggregate principal amount not to exceed \$15,000,000, in order to provide funds for and toward the costs of the Refunding Program and paying the costs of issuing the Bonds as authorized and provided in Section 1 hereof.

3. **Type of Indebtedness.** The indebtedness evidenced by the Bonds is nonelectoral debt.

4. **Execution of Debt Statement; Bonds and Other Documents.** The President or Vice President of the Board and the Secretary or Treasurer of the Township and their successors are hereby authorized and directed to file the Debt Statement required by Section 8110 of the Act, to execute and deliver the Bonds in the name and on behalf of the Township and to take all other action required by the Act or this Ordinance in order to effect the issuance of the Bonds. Said officers or any of them are further authorized to apply to the Department of Community and

Economic Development for approval of the debt herein authorized and to file with such application a transcript of the proceedings including a certified copy of this Ordinance, the Debt Statement, a Borrowing Base Certificate signed by the appropriate officials of the Township or by the accountants of the Township responsible for auditing its financial affairs, and to take any and all such further action and to execute and deliver such other documents as may be necessary or proper to comply with all requirements of the Act or to carry out the intent and purpose of this Ordinance. Said officers and their successors are further hereby authorized if, in their opinion, it is advisable to do so, to prepare and file such statements and documents as may be required by Section 8024 of the Act in order to qualify all or any portion of the existing indebtedness of the Township or of the above authorized indebtedness as subsidized debt or self-liquidating debt.

5. **Type of Bonds.** The Bonds when issued will be general obligation bonds.

6. **Covenant to Pay Debt Service - Pledge of Taxing Power.** The Township hereby covenants with the registered owners of the Bonds: (a) that the Township will include in its budget for each fiscal year for the life of the Bonds, the amount of the debt service on the Bonds which will be payable in each such fiscal year so long as the Bonds shall remain outstanding; (b) that the Township shall appropriate from its general revenues such amounts to the payment of such debt service; and (c) that the Township shall duly and punctually pay or cause to be paid from the sinking fund hereinafter created the principal of the Bonds and the interest thereon on the dates and at the place and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment the Township hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable. The maximum amounts to be budgeted, appropriated and paid pursuant to the foregoing covenants shall not exceed those set forth in **Exhibit C** attached hereto and made a part hereof which are hereby incorporated in the foregoing covenant with the same effect as if the same were specified in the text of such covenant.

7. **Form of Bonds.** The Bonds shall be substantially in the form set forth in **Exhibit A** hereto, with appropriate omissions, insertions and variations.

8. **Terms of Bonds.** The Bonds shall be issued in fully registered form, in the denomination of \$5,000 or any integral multiple thereof and shall be dated the date of issuance thereof or such other date as the Township and the underwriter shall agree. The Bonds shall be issued in the aggregate principal amount not to exceed \$15,000,000. The Bonds shall bear interest from the date thereof payable semiannually on June 15 and December 15 of each year, commencing June 15, 2011, in annual principal amounts not to exceed the maximum principal amount for each fiscal year (each, an "**Interest Payment Date**"). The interest rates on the Bonds shall not exceed five percent (5.00%) per annum. No yield on the Bonds for any stated maturity date in the last two-thirds of the period of the Bonds may be less than that stated for the immediately preceding year. The Bonds shall mature or be subject to sinking fund redemption on June 15 of the years in annual principal amounts not to exceed the maximum principal amount for each fiscal year as set forth in **Exhibit C** hereto.

The Bonds are being amortized so that the debt service on all outstanding debt of the Township following the issuance of the Bonds will be brought more nearly into an overall level annual debt service plan.

The principal of the Bonds shall be payable in lawful money of the United States of America at the corporate trust office of TD Bank, N.A., in Philadelphia, Pennsylvania, which is hereby appointed paying agent and registrar for the Bonds and the sinking fund depository. Interest on the Bonds shall be payable in the manner provided in the form of Bonds set forth in **Exhibit A** hereto.

9. **Redemption of Bonds.** The Bonds shall be subject to redemption prior to maturity, at the option of the Township, as a whole or in part from time to time, in any order of maturity or portion of a maturity as selected by the Township, on a date not earlier than the fifth (5<sup>th</sup>) anniversary of the issuance of such Bonds, or any date thereafter upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption, and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit of security hereunder, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed to the Paying Agent not less than 30 or more than 60 days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the bond register maintained by the Paying Agent. Such notice shall also be mailed to *The Bond Buyer*, or if no longer published, to such substitute financial journal as shall be acceptable to the Paying Agent. Such notice shall be given in the name of the Township, shall identify the Bonds to be redeemed (and, in the case of a partial redemption, of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania and that from the date of redemption interest will cease to accrue. The Paying Agent shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any

defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

**10. Appointment of Securities Depository.** The Depository Trust Company, New York, New York (“DTC”), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system (“DTC Participants”). The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each Bond will be in the aggregate principal amount of such maturity. The Township shall cause the Bonds to be delivered to DTC for the benefit of the purchaser on or before the date of issuance of the Bonds.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the “Beneficial Owner”) will not receive bond certificates and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant’s interest in the Bonds, which will be confirmed in accordance with DTC’s standard procedures. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the Township nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The Township is authorized to execute such documents as may be necessary or desirable in connection with DTC’s services as securities depository including a blanket letter of representation obligating the Township to give certain notices to DTC and to meet certain requirements relating to Bond payments.

If DTC determines to discontinue providing its services as securities depository with respect to the Bonds at any time, the Township officials then holding the offices set forth in Section 4 of this Ordinance are hereby authorized to designate a successor securities depository or to deliver certificates to or upon the order of the registered owners of the Bonds.

The Township shall give notice or cause the Paying Agent to give notice, to DTC in accordance with the Blanket Letter of Representations for the redemption or other retirement of all of the Bonds. The Township will provide for the form of notice. Upon receipt of such notice, DTC will forward the notice to the DTC Participants for subsequent forwarding of such notice to the Beneficial Owners of the Bonds. The Township will pay the customary charges for such mailing.

**11. Sale of Bonds.** The Bonds shall be sold competitively at a private sale upon invitation as hereinafter set forth in Section 14. After due consideration, the Board of Commissioners hereby finds and determines, on the basis of the advice and recommendation of its Financial Advisor and all available information, that such an invited private sale of the Bonds is in the best financial interest of the Township. The form and use of various materials utilized in connection with such private sale, including the Invitation to Bid, are hereby approved and ratified.

**12. Creation of and Deposits in Sinking Fund.** The Township covenants that there shall be and there is hereby established and that it shall hereafter maintain a sinking fund designated "Sinking Fund – General Obligation Bonds, Series of 2010" to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the Township, but subject to withdrawal only by the Paying Agent.

The Township covenants and agrees to deposit in the Sinking Fund no later than each Interest Payment Date the debt service payable on the Bonds on such dates, which shall not exceed the maximum amounts set forth in **Exhibit C** hereto.

Pending application to the purpose for which the Sinking Fund is established, the President or Vice President of the Board or the Treasurer of the Township is hereby authorized and directed to cause the monies therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the Act. All income received on such deposits or investments of monies in the Sinking Fund during each applicable period shall be added to the Sinking Fund and shall be credited against the deposit next required to be made in the Sinking Fund.

The Paying Agent is hereby authorized and directed, without further action by the Township, to pay from the Sinking Fund the principal of and interest on the Bonds as the same become due and payable in accordance with the terms thereof and the Township hereby covenants that such monies, to the extent required, will be applied to such purpose.

All monies deposited in the Sinking Fund for the payment of the Bonds which have not been claimed by the registered owners thereof after two years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the Township. Nothing contained herein shall relieve the Township of its liability to the registered owners of the unrepresented Bonds.

**13. No Taxes Assumed.** The Township shall not assume the payment of any tax or taxes in consideration of the purchase of the Bonds.

**14. Award and Sale of Bonds.** The Township shall award and sell the Bonds at a price of no less than ninety percent (90%) and no more than one hundred ten percent (110%) of the principal amount of the Bonds (including original issue discount or premium and the underwriter's discount) plus accrued interest from the dated date of the Bonds to the date of delivery and in accordance with the other terms and conditions contained or incorporated in the Bond Purchase Proposal from the Financial Advisor dated November 8, 2010 which is hereby approved and accepted. A copy of said Bond Purchase Proposal shall be attached to this Ordinance and lodged with the official minutes of this meeting and is hereby incorporated herein by reference. The proper officers of this Township are hereby authorized and directed to endorse the acceptance of this Township on said contract and to deliver executed copies thereof to the Financial Advisor. The Township Manager or Director of Finance is authorized to accept the Addendum to the Bond Purchase Proposal setting forth the final terms and to identify the underwriter of the Bonds, within the Bond Parameters set forth in this Ordinance and at such time

as the Required Savings are achieved. The Required Savings must be equal to at least three percent (3%) of the principal amount of the Refunded Bonds.

15. **Contract with Paying Agent.** The proper officers of the Township are authorized to contract with T.D. Bank, N.A., Philadelphia, Pennsylvania, in connection with the performance of its duties as the Paying Agent and Sinking Fund Depository on usual and customary terms, including an agreement to observe and comply with the provisions of this Ordinance and of the Act.

16. **Redemption of Refunded Debt.** The Township hereby calls the Refunded Bonds (the "**Refunded Debt**") for redemption on or about December 15, 2010. The Township Manager or Director of Finance is authorized to set the exact redemption date, but such date shall be not later than ninety (90) days after the issuance date of the Bonds. The Township shall deposit with the paying agent for the Refunded Debt (the "**Refunded Debt Paying Agent**"), the amounts required to pay the principal of and interest on the Refunded Debt to the date of redemption. The officers of the Township are hereby authorized and directed to execute all documents and to take such other action as may be necessary or advisable to effect the redemption and payment of the Refunded Debt. Upon redemption of the Refunded Debt, any excess moneys shall be transferred by the Refunded Debt Paying Agent to the Paying Agent, and the Paying Agent shall deposit the same in the Sinking Fund.

17. **Federal Tax Covenants.** The Township hereby covenants not to take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of the Bonds. The Township further covenants that it will make no investments or other use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code. The Township further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

The Township hereby represents and warrants, after due investigation and to the best of its knowledge, that (i) the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code and (ii) the aggregate face amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code (which includes qualified 501(c)(3) bonds but not any other private activity bonds) issued or to be issued by the Township (and all "subordinate entities" thereof) during the 2010 calendar year is not reasonably expected to exceed \$30,000,000 (other than certain other obligations not required to be taken into account for purposes of Section 265 of the Code). The Township hereby designates all of the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code. The Township hereby authorizes the proper officers of the Township to execute a certificate to that effect at the time of closing.

18. **Execution and Authentication of Bonds.** As provided in Section 4, the Bonds shall be executed by the President or the Vice President of the Board and the Secretary or



Treasurer of the Township and each such execution shall be by manual or facsimile signature. If any officer whose signature appears on the Bonds shall cease to hold such office before the actual delivery date of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such person had remained in such office until the actual delivery date of the Bonds. The Bonds shall be authenticated by the manual signature of an authorized representative of the Paying Agent.

**19. Application of Bond Proceeds.** The purchase price for the Bonds payable by the underwriter shall be paid to the Paying Agent on behalf of the Township. Upon receipt of the purchase price for the Bonds, the Paying Agent shall deposit the same in a settlement account. From the settlement account, the Paying Agent shall pay, or establish reserves for payment of, the costs and expenses of the financing, and shall deposit the proceeds related to the Projects in an appropriate Township account, and the proper officers of the Township are authorized to direct the Paying Agent to pay such amounts on behalf of the Township and to make such deposit, all as set forth in written directions to the Paying Agent. The net proceeds of the Bonds shall be deposited with the Refunded Debt Paying Agent as provided in Section 16 hereof.

**20. Approval of Official Statement.** The Township Manager or the Director of Finance is hereby authorized to approve and “deem final” the Preliminary Official Statement for the Bonds for purposes of United States Securities and Exchange Commission Rule 15c2-12. A final Official Statement containing the final terms of the Bonds, shall be prepared and delivered to the underwriter within seven (7) business days from the date of establishment of the final terms of the Bonds, and the Township hereby approves the use thereof in connection with the public offering and sale of the Bonds.

**21. Continuing Disclosure.** The Township hereby authorizes and directs the appropriate officers to execute and deliver a Continuing Disclosure Agreement or a supplement to an existing Continuing Disclosure Agreement of the Township (the “**Continuing Disclosure Agreement**”) if and to the extent required by law. The Township further covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Ordinance, failure of the Township to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder; however, the Paying Agent, any Participating Underwriters (as defined in the Continuing Disclosure Agreement), or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Township to comply with its obligations under this Section.

**22. Covenant to Pledge Sufficient Funds.** The Township hereby covenants and agrees that, concurrently with the issuance of and payment for the Bonds, the Township will have irrevocably pledged with the Refunded Debt Paying Agent an amount sufficient to pay the redemption price on the Refunded Debt on the date of redemption thereof.

**23. Officers Authorized to Act.** For the purpose of expediting the closing and the issuance and delivery of the Bonds, or in the event that the President of the Board or the Secretary of the Township shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or any of them may be authorized to take pursuant to this Ordinance, the Vice President of the Board or the Assistant

Secretary or Assistant Treasurer of the Township, respectively, are hereby authorized and directed to execute documents, or otherwise to act on behalf of the Township in their stead.

24. **Bond Insurance.** If deemed financially advantageous to the Township in connection with the issuance of the Bonds, the officers of the Township are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on the Bonds, to pay the premium for such policy from the proceeds of the Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the Bonds issued under this Ordinance may include a statement of the terms of such insurance policy and the Authentication Certificate of the Paying Agent appearing on each Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Paying Agent.

25. **Contract with Bond Owners.** This Ordinance constitutes a contract with the registered owners of the Bonds outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

26. **Binding Effect of Covenants and Agreements.** All covenants, obligations and agreements of the Township set forth in this Ordinance and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Township to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the Township and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Ordinance, all rights, powers and privileges conferred and duties and liabilities imposed upon the Township or the members thereof by the provisions of this Ordinance or the documents authorized hereby shall be exercised or performed, by such members, officers or other representatives of the Township as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any supervisor, officer, agent or employee of the Township in his or her individual capacity and neither the Commissioners of the Township nor any officer executing the other documents authorized by this Ordinance shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

27. **Bond Counsel.** The Township hereby appoints Cozen O'Connor to act as Bond Counsel to the Township with respect to the transactions contemplated by this Ordinance.

28. **Further Action.** The proper officers of the Township are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the Township.

29. **Severability.** In case any one or more of the provisions contained in this Ordinance or in any Bond shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said Bonds, and this Ordinance or said Bonds shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

**30. Repealer.** All Ordinance and parts of Ordinance heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

31. **Effective Date.** This Ordinance shall take effect on the earliest date permitted by the Act.

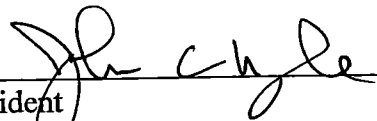
ENACTED this 8<sup>th</sup> day of November, 2010.

(TOWNSHIP SEAL)

TOWNSHIP OF RADNOR

ATTEST

  
Secretary

  
President  
Board of Commissioners

**EXHIBIT A**

**[FORM OF BOND]**

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF RADNOR

GENERAL OBLIGATION BOND, SERIES OF 2010

No. R- \_\_\_\_\_ \$ \_\_\_\_\_

| INTEREST RATE | MATURITY DATE | ORIGINAL<br>ISSUANCE DATE | CUSIP |
|---------------|---------------|---------------------------|-------|
|               | June __, ____ | December 15, 2010         |       |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

Township of Radnor, Delaware County, Pennsylvania (the “**Township**”), a political subdivision of the Commonwealth of Pennsylvania, for value received, hereby promises to pay to the registered owner hereof on the Maturity Date set forth above the Principal Sum set forth above, unless this Bond shall have been called for redemption and payment of the redemption price shall have been made or duly provided for, and to pay interest thereon from the Original Issuance Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 15 and December 15 of each year, commencing June 15, 2011 (each, an “**Interest Payment Date**”), at the interest rate specified above, calculated on the basis of a 360-day year of twelve 30-day months until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from December 15, 2010.

The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust office of T.D. Bank, N.A., in Philadelphia, Pennsylvania (the “**Paying Agent**”). Interest on this Bond will be paid on each Interest Payment Date by check mailed to the person in whose name this Bond is registered on the registration books of the Township maintained by the Paying Agent, as bond registrar, at the address appearing, thereon at the close of business on the fifteenth (15<sup>th</sup>) day (whether or not a day on which the Paying Agent is open for business) next preceding such Interest Payment Date (the “**Regular Record Date**”). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the Regular Record Date, and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever

monies become available for payment of the defaulted interest, and notice of the Special Record Date and payment date for such interest shall be given by first class mail to the registered owners of the Bonds not less than ten (10) days prior to the Special Record Date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Notwithstanding the foregoing, so long as this Bond is registered in the name of The Depository Trust Company (“DTC”) or its nominee, Cede & Co., payment of principal and interest on this Bond shall be payable in the manner and at the respective times of payment provided for in DTC’s Operational Arrangements, as they may be amended from time to time.

This Bond is one of a duly authorized issue of General Obligation Bonds, Series of 2010, of the Township in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”) issued in fully registered form in denominations of \$5,000 and integral multiples of \$5,000 in excess thereof, all issued in accordance with the Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq., as amended (the “Act”), and pursuant to a Ordinance of the Board of Commissioners of the Township duly enacted on November 8, 2010 (the “Ordinance”) and a Paying Agent Agreement between the Township and the Paying Agent dated as of December 15, 2010 (the “Paying Agent Agreement”). The Bonds are issued for the purpose of currently refunding the Township’s outstanding General Obligation Bonds, Series A of 2002, and paying the costs of issuing the Bonds.

Under the laws of the Commonwealth of Pennsylvania, this Bond and the interest thereon shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or to any other taxes not levied or assessed directly on this Bond or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of this Bond are subject to state and local taxation.

The Bonds maturing on or after June 15, 20\_\_ are subject to redemption prior to maturity at the option of the Township as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the Township on \_\_\_\_\_, 20\_\_ or any date thereafter, upon payment of a redemption price of 100% of principal amount plus interest accrued to the redemption date. If less than an entire year’s maturity of Bonds are to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

The Bonds stated to mature on June 15, \_\_\_\_ and June 15, \_\_\_\_ (the “Term Bonds”) are subject to mandatory redemption prior to their stated maturity by lot by the Township from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption. The Township hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem Term Bonds at said price from monies deposited in the Sinking Fund sufficient to effect such redemption (to the extent that Term Bonds shall not have been previously purchased from said monies by the Township as permitted under the Ordinance) on June 15 of the years, from the maturities and in the annual principal amounts set forth in the

following schedule (or such lesser principal amount as shall at the time represent all Term Bonds which shall then be outstanding):

Mandatory Redemption Schedule

| Redemption Date<br>(June 15) | Maturity From<br><u>Which Selected</u> | Principal Amount to be<br><u>Redeemed or Purchased</u> |
|------------------------------|--|--|
|------------------------------|--|--|

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption, and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit of security hereunder, and registered owners of the Bonds so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than 30 or more than 60 days before the redemption date to the registered owners of the bonds at their addresses as they appear on the Bond register maintained by the Paying Agent. Such notice shall also be mailed to *The Bond Buyer*, or if no longer published, to such substitute financial journal as shall be acceptable to the Paying Agent. Shall notice shall be given in the name of the Township, shall identify the Bonds to be redeemed (and, in the case of a partial redemption, of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania and that from the date of redemption interest will cease to accrue. The Paying Agent shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and the reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond

shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

With respect to any optional redemption Bonds, if at the time of mailing such notice of redemption, the Township shall not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such monies are so deposited.

The Township and the Paying Agent may treat the person in whose name this Bond is registered on the Bond register maintained by the Paying Agent as the absolute owner of this Bond for all purposes and neither the Township nor the Paying Agent shall be affected by any notice to the contrary. The Bonds are being issued by means of a book-entry system, with actual bond certificates evidencing ownership of the Bonds immobilized at DTC, New York, New York (the “**Securities Depository**”), or its successor as Securities Depository. Transfers of beneficial ownership of the Bonds shall be effected on the records of the Securities Depository and its participants pursuant to the rules and procedures established by the Securities Depository.

So long as the Bonds are issued in book-entry form, actual bond certificates are not available for distribution to the beneficial owners and the principal and interest on the Bonds are payable to Cede & Co., as nominee of the Securities Depository. Transfer of principal and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfers of principal and interest to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of beneficial owners. The Township and the Paying Agent are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants. If the Bonds are no longer registered to a Securities Depository or its nominee, the Bonds are transferable by the registered owners thereof, subject to payment of any required tax, fee or other governmental charge, upon presentation and surrender at the corporate trust office of the Paying Agent in, Philadelphia, Pennsylvania, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent. The Paying Agent shall not be required: (i) to issue, transfer or exchange any of the Bonds during a period beginning at the close of business on the fifth (5<sup>th</sup>) day next preceding the day of selection of Bonds to be redeemed and ending at the close of business on the day on which such notice is given, or (ii) to transfer or exchange any Bond selected for redemption in whole or in part.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon, against any supervisor, officer or employee, past, present or future, of the Township or of any successor body, as such, either directly or through the Township or through 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 Commissioners, officers or employees is released as a condition of and as consideration for the execution and issuance of this Bond.

Whenever the due date for payment of interest on or principal of this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the Commonwealth



of Pennsylvania or in the jurisdiction in which the corporate trust or payment office of the paying agent is located are authorized by law to close (a “**Holiday**”), then the payment of such interest or principal need not be made on such date, but may be made on the succeeding day which is not a Holiday, with the same force and effect as if made on the due date for payment of principal or interest.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Township to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, 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 of Pennsylvania; that the Township has established a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

This Bond shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Paying Agent by execution of the certificate endorsed hereon.

IN WITNESS WHEREOF, the Township of Radnor, Delaware County, Pennsylvania has caused this Bond to be signed in its name and on its behalf by the signature of the President of its Board of Commissioners and an impression of its corporate seal to be hereunto affixed, duly attested by the signature of the Secretary of the Township.

TOWNSHIP OF RADNOR

Attest:     Matt Ba      
Secretary

By: \_\_\_\_\_  
President, Board of Commissioners

(SEAL)

**AUTHENTICATION CERTIFICATE**

This Bond is one of the Township of Radnor General Obligation Bonds, Series of 2010, described in the within mentioned Ordinance.

DATE OF AUTHENTICATION:

T.D. BANK, N.A.,  
Paying Agent

By: \_\_\_\_\_  
Authorized Representative

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR  
EMPLOYER IDENTIFICATION NUMBER OF  
ASSIGNEE

\_\_\_\_\_ / \_\_\_\_\_ /

\_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ attorney to transfer said Bond on the books of the within named Paying Agent, with full power of substitution in the premises.

Dated:

Signature Guaranteed by:

\_\_\_\_\_  
NOTICE: signature(s) must be guaranteed by an eligible guarantor institution, an institution which is a participant in a Securities Transfer Association recognized signature guaranteed program.

\_\_\_\_\_  
NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\_\_\_\_\_  
(Authorized Signature)

[END OF BOND FORM]

TOWNSHIP OF RADNOR  
General Obligation Bonds, Series of 2010

**EXHIBIT B**

**SCHEDULE OF ESTIMATED DEBT SERVICE SAVINGS RELATED TO THE  
REFUNDING OF THE 2002A REFUNDED BONDS  
IN ACCORDANCE WITH SECTION 8242(b) OF THE ACT**

| Date         | Net New Debt Service   | Existing Debt Service  | Savings                 |
|--------------|------------------------|------------------------|-------------------------|
| 12/15/2011   | \$1,979,799.50         | \$2,234,827.50         | \$(255,028.00)          |
| 12/15/2012   | 1,978,688.25           | 2,232,627.50           | (253,939.25)            |
| 12/15/2013   | 1,984,077.25           | 2,236,552.50           | (252,475.25)            |
| 12/15/2014   | 1,980,140.50           | 2,236,392.50           | (256,252.00)            |
| 12/15/2015   | 2,243,464.50           | 2,241,080.00           | 2,384.50                |
| 12/15/2016   | 1,135,977.25           | 1,135,030.00           | 947.25                  |
| 12/15/2017   | 1,136,170.00           | 1,133,230.00           | 2,940.00                |
| 12/15/2018   | 531,696.75             | 529,075.00             | 2,621.75                |
| 12/15/2019   | 528,704.25             | 527,695.00             | 1,009.25                |
| 12/15/2020   | 524,421.50             | 525,280.00             | (858.50)                |
| 12/15/2021   | 523,871.00             | 521,800.00             | 2,071.00                |
| 12/15/2022   | 522,107.00             | 522,225.00             | (118.00)                |
| 12/15/2023   | 529,137.00             | 526,295.00             | 2,842.00                |
| 12/15/2024   | 529,906.00             | 528,735.00             | 1,171.00                |
| <b>Total</b> | <b>\$16,128,160.75</b> | <b>\$17,130,845.00</b> | <b>\$(1,002,684.25)</b> |

TOWNSHIP OF RADNOR  
General Obligation Bonds, Series of 2010

**EXHIBIT C**

**MAXIMUM BOND AMORTIZATION SCHEDULE**

| <u>Date</u>  | <u>Principal</u>    | <u>Coupon</u> | <u>Interest</u>    | <u>Total Principal<br/>and Interest</u> | <u>Annual Debt<br/>Service</u> |
|--------------|---------------------|---------------|--------------------|---|--------------------------------|
| 6/15/2011    | 1,735,000           | 5.00          | 375,000            | 2,110,000                               |                                |
| 12/15/2011   |                     |               | 331,625            | 331,625                                 | 2,441,625                      |
| 6/15/2012    | 1,750,000           | 5.00          | 331,625            | 2,081,625                               |                                |
| 12/15/2012   |                     |               | 287,875            | 287,875                                 | 2,369,500                      |
| 6/15/2013    | 1,770,000           | 5.00          | 287,875            | 2,057,875                               |                                |
| 12/15/2013   |                     |               | 243,625            | 243,625                                 | 2,301,500                      |
| 6/15/2014    | 1,785,000           | 5.00          | 243,625            | 2,028,625                               |                                |
| 12/15/2014   |                     |               | 199,000            | 199,000                                 | 2,227,625                      |
| 6/15/2015    | 2,130,000           | 5.00          | 199,000            | 2,329,000                               |                                |
| 12/15/2015   |                     |               | 145,750            | 145,750                                 | 2,474,750                      |
| 6/15/2016    | 1,060,000           | 5.00          | 145,750            | 1,205,750                               |                                |
| 12/15/2016   |                     |               | 119,250            | 119,250                                 | 1,325,000                      |
| 6/15/2017    | 1,075,000           | 5.00          | 119,250            | 1,194,250                               |                                |
| 12/15/2017   |                     |               | 92,375             | 92,375                                  | 1,286,625                      |
| 6/15/2018    | 495,000             | 5.00          | 92,375             | 587,375                                 |                                |
| 12/15/2018   |                     |               | 80,000             | 80,000                                  | 667,375                        |
| 06/15/2019   | 505,000             | 5.00          | 80,000             | 585,000                                 |                                |
| 12/15/2019   |                     |               | 67,375             | 67,375                                  | 652,375                        |
| 6/15/2020    | 515,000             | 5.00          | 67,375             | 582,375                                 |                                |
| 12/15/2020   |                     |               | 54,500             | 54,500                                  | 636,875                        |
| 6/15/2021    | 520,000             | 5.00          | 54,500             | 574,500                                 |                                |
| 12/15/2021   |                     |               | 41,500             | 41,500                                  | 616,000                        |
| 6/15/2022    | 535,000             | 5.00          | 41,500             | 576,500                                 |                                |
| 12/15/2022   |                     |               | 28,125             | 28,125                                  | 604,625                        |
| 6/15/2023    | 555,000             | 5.00          | 28,125             | 583,125                                 |                                |
| 12/15/2023   |                     |               | 14,250             | 14,250                                  | 597,375                        |
| 6/15/2024    | 570,000             | 5.00          | 14,250             | 584,250                                 |                                |
| 12/15/2024   |                     |               | 0                  | 0                                       | 584,250                        |
| <b>Total</b> | <b>\$15,000,000</b> |               | <b>\$3,785,500</b> | <b>\$18,785,500</b>                     | <b>\$18,785,500</b>            |

**CERTIFICATE OF SECRETARY**

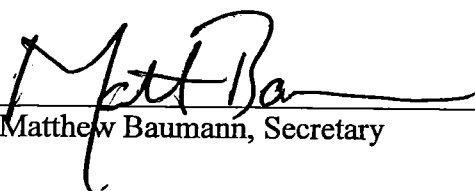
The undersigned, Secretary of the Township of Radnor HEREBY CERTIFIES that:

The foregoing Ordinance authorizing the issuance of General Obligation Bonds, Series of 2010 of the Township was duly moved and seconded and enacted by a majority vote of all the Board of Commissioners of said Township at a duly called and convened meeting of said Board held on November 8, 2010; that public notice of said meeting was given as required by law; and that the roll of the Board of Commissioners was called and such members voted or were absent as follows:

| <u>Name</u>                    | <u>Vote</u> |
|--------------------------------|-------------|
| John C. Nagle, P.E., President |             |
| Donald Curley, Vice President  |             |
| Harry G. Mahoney, Esq.         |             |
| Kevin Higgins                  |             |
| William A. Spingler            |             |
| Elaine P. Schaefer             |             |
| John Fisher                    |             |

and that such Ordinance and the votes thereon have been duly recorded in the minutes.

WITNESS my hand and seal of the Township this 8<sup>th</sup> day of November, 2010.

  
Matthew Baumann, Secretary

(SEAL)