

TOWNSHIP OF HAMILTONBAN,
Adams County, Pennsylvania

ORDINANCE NO. 2010-01

OF THE TOWNSHIP OF HAMILTONBAN AUTHORIZING AND SECURING THE ISSUANCE OF ITS GENERAL OBLIGATION NOTE, SERIES OF 2010, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$800,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, FOR CAPITAL PROJECTS, INCLUDING ADDITIONS AND IMPROVEMENTS TO THE TOWNSHIP'S MUNICIPAL CAMPUS AND RELATED BUILDINGS AND FACILITIES THEREON, AND THE PAYMENT OF RELATED EXPENSES; ACCEPTING A BANK LOAN PROPOSAL TO PURCHASE THE NOTE; SETTING FORTH THE TERMS AND SUBSTANTIAL FORM OF THE NOTE; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY FOR THE NOTE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP TO SECURE THE NOTE; AND CONTAINING RELATED PROVISIONS.

WHEREAS, The Board of Supervisors (the "Board") of the Township of Hamiltonban, Adams County, Pennsylvania (the "Township"), in contemplation of the sale and issuance of a general obligation note in the maximum principal amount of Eight Hundred Thousand Dollars (\$800,000), to provide funds for the Capital Projects (hereinafter defined), has determined that such general obligation note should be offered at private sale by negotiation; and

WHEREAS, The Board of this Township has obtained cost estimates, as such costs are defined in the Act of the General Assembly of the Commonwealth of Pennsylvania (the "Commonwealth") known as the Local Government Unit Debt Act (the "Act"), of the Capital

Projects (hereinafter defined) to be financed, and has determined that such costs will be at least \$800,000; and

WHEREAS, A written proposal for the purchase of such general obligation note has been requested and received from Farmers and Merchants Trust Company of Chambersburg (the "Bank"), having an office in Chambersburg, Pennsylvania; and

WHEREAS, The Board of this Township desires to accept the proposal of the Bank, to award the Note (hereinafter defined) to the Bank, at private sale by negotiation, and to incur nonelectoral debt in the amount of \$800,000 in connection with the Projects (hereinafter defined), pursuant to provisions of the Act.

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

SECTION 1. The Board of this Township hereby authorizes the issuance to the Bank of a general obligation note of this Township designated as the "General Obligation Note, Series of 2010" (the "Note"), in the maximum principal amount of Eight Hundred Thousand Dollars (\$800,000), pursuant to and secured by this Ordinance, in accordance with the Act. The Note shall be issued to finance capital projects to be undertaken by this Township, including planning, designing and constructing additions and improvements to the Township's new municipal campus located at 4020 Bullfrog Road, Fairfield, Pennsylvania, including a new maintenance garage, salt shed and fueling station (the "Capital Projects"), and to pay related costs and expenses (collectively, the "Project").

SECTION 2. The Board of this Township expresses its finding that it is in the best financial interests of this Township to sell the Note at private sale by negotiation and determines that the debt, of which the Note shall be evidence, to be incurred pursuant to this Ordinance shall be nonelectoral debt of this Township.

SECTION 3. The Capital Projects to be financed with the Note vary between a remaining useful life of at least five (5) years and a remaining useful life of at least twenty-two (22) years, with the principal amount of the Note equal to the separate cost of each capital project or facility being stated to mature prior to the end of such useful life. The first payment of principal on the Note will not be deferred beyond two years from the issue date of the Note.

SECTION 4. The Board of this Township shall and does accept the proposal of the Bank to purchase the Note. The Note shall be and is awarded to the Bank, in accordance with the terms and conditions of its proposal, the original of which is on file with the Secretary of this Township, at private sale, at a total purchase price of \$800,000 (100% of principal amount), the Bank having submitted such proposal in accordance with provisions of the Act.

SECTION 5. The Note, when issued, will be a general obligation note of this Township.

SECTION 6. The Note shall be in the single denomination of \$800,000, and be stated to mature on December 15, 2032. The Note shall bear interest at the maximum rate of 7.25%, as described in the maximum interest rate and maturity schedule attached hereto as Exhibit "A". Principal of the Note shall be advanced to this Township by the Bank, from time to time, on a non-revolving draw down basis, until December 15, 2012. Interest on the outstanding principal

balance of the Note shall be payable semiannually, on June 15 and December 15 of each year, beginning on June 15, 2011, until the Note matures on December 15, 2032, or until any earlier date upon which the principal amount of the Note is paid in full or, in the event that the Note duly shall have been called for previous redemption, in full, and payment of the redemption price shall have been made or provided for, until the date fixed for redemption. The principal outstanding on the Note shall be paid semi-annually, on June 15 and December 15 of each year, beginning June 15, 2013, all in accordance with the maximum rate and amounts set forth in Exhibit "A."

SECTION 7. The Note shall be subject to redemption prior to maturity, at the option of this Township, as a whole, on any date, by paying the outstanding principal balance thereof, together with accrued interest to the date fixed for such redemption. This Township, at its option, from time to time, on any date, may redeem any part of the principal of the Note, by paying the amount selected for such redemption. Any partial prepayment of principal may be credited against such stated installments of principal on the Note as the Township may designate, in writing, to the Bank at the time of such prepayment. If not otherwise designated by the Township, any partial prepayment of principal shall be applied against the principal installments last, by date, due and payable.

Any redemption, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner thereof at the time of such redemption, as such registered owner and address shall appear on the books of this Township to be kept by the Bank, as paying agent, for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for redemption. On the date designated for redemption, notice having been

given as aforesaid, and money for payment of the principal and accrued interest being held by the Bank, as paying agent, interest on the Note so called for redemption or on any part of the principal of the Note selected for redemption shall cease to accrue. If the principal of the Note has been called for redemption in full, the Note shall cease to be entitled to any benefit or security under this Ordinance, and the registered owner of the Note shall have no rights with respect to the Note, except to receive payment of the principal of and accrued interest on the Note to the redemption date.

SECTION 8. The principal of and interest on the Note shall be payable at the principal office or at any branch office of the Bank, as paying agent, in lawful money of the United States of America.

SECTION 9. The Note shall be executed in the name of and on behalf of this Township by the Chairman or Vice Chairman of the Board of this Township and the official seal of this Township shall be affixed thereto and signature of the Secretary of this Township shall be affixed thereto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Note.

SECTION 10. This Township covenants to and with registered owners, from time to time, of the Note outstanding, from time to time, pursuant to this Ordinance, that this Township: (i) shall include the amount of the debt service for the Note, for each fiscal year of this Township in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service; and (iii) shall duly and punctually pay or cause to be paid from the sinking fund created pursuant to Section 11 hereof

or any other of its revenues or funds the principal of the Note and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Township shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Township shall be enforceable specifically.

SECTION 11. There is created, pursuant to Section 8221 of the Act, a sinking fund for the Note, to be known as “Sinking Fund - General Obligation Note, Series of 2010” (the “Sinking Fund”), which shall be administered in accordance with applicable provisions of the Act.

This Township appoints the Bank as the sinking fund depository with respect to the Sinking Fund. The Chairman or Vice Chairman of the Board and the Secretary, respectively, of this Township are authorized and directed to contract with the Bank for its services as sinking fund depository in connection with the Sinking Fund and in connection with the Note.

This Township covenants to make payments out of the 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 the Note when due.

SECTION 12. There is hereby established as part of the Sinking Fund a construction fund for the Project to be known as the “Construction Fund – Series of 2010 (the “Construction Fund”), into which the net proceeds of the Note shall be deposited at the written direction of the Board, and from which money may be withdrawn or disbursed from time to time for payment of costs of the Capital Projects or for any other lawful purpose, upon written authorization of the Board of this Township. Any money in the Construction Fund not required for

prompt expenditure may be deposited or invested at a written direction of the Board in deposits or investments permitted by 53 Pa.C.S. §8224 or other applicable provisions of law.

SECTION 13. The Chairman or Vice Chairman of the Board and the Secretary, respectively, of this Township, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to certify and to file with the Department the debt statement required by the Act; (b) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by the Act; (c) to prepare and to file, if applicable, any statements required by the Act that are necessary to qualify all or any portion of nonelectoral and/or lease rental debt of this Township that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

Said officers of this Township are authorized and directed to prepare an appropriate borrowing base certificate to be appended to the debt statement authorized herein.

SECTION 14. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Township, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by this Township, which is evidenced by the Note.

SECTION 15. The Secretary of this Township is authorized and directed to deliver the Note, after execution and attestation thereof as provided for herein, to the Bank, as

provided in the proposal for purchase of the Note, but only upon receipt of proper payment of the balance due therefor, if any, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

SECTION 16. On or prior to issuance of the Note the Township shall designate the Note either as a “qualified tax-exempt obligation” or a “recovery zone economic development bond,” within the meaning of the American Recovery and Reinvestment Act of 2009 and Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the “Code”). In the event that the Note is issued as a tax-exempt obligation, the Township covenants to and with the Bank and any subsequent registered owners of the Note that it will make no use of the proceeds of the Note, or of any other obligations deemed to be part of the same “issue” as the Note under applicable federal tax regulations, that will cause the Note to be or become an “arbitrage bond” (or note) within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations implementing said Sections that duly have been published in the Federal Register or any other regulations implementing said Sections, and the Township further covenants to comply with all other requirements of the Code if and to the extent applicable to maintain continuously the Federal income tax exemption of interest on the Note.

The Board of the Township determines that the Township does not reasonably expect to issue tax-exempt obligations that, together with all tax-exempt obligations reasonably expected to be issued by all entities that issue bonds, notes or other debt obligations on behalf of the Township and all “subordinate entities” (within the meaning of Section 265(b)(3)(E) of the Internal Revenue Code of 1986, as amended (the “Code”)) of the Township, in the aggregate, will exceed

Thirty Million Dollars (\$30,000,000) during the 2010 calendar year (excluding obligations issued to refund (other than to advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation) and, accordingly, in the event the Note is issued as a tax-exempt obligation, hereby designates the Note (to the extent it is not "deemed designated" under Section 265(b)(3)(D)(ii) of the Code) as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

The Chairman or Vice Chairman of the Board of the Township is authorized to deliver a certificate prior to or concurrently with the issuance of the Note, following consultation with its Bond Counsel, designating the Note as a "recovery zone economic development bond," within the meaning of Section 1400U-2 of the Code. If the Note is so designated" it shall bear interest at the taxable rate set forth in the Note attached hereto as Exhibit "A."

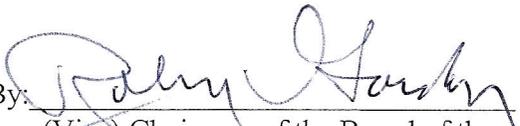
SECTION 17. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Township that such remainder shall be and shall remain in full force and effect.

SECTION 18. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 19. This Ordinance shall be effective in accordance with Section 8003 of the Act.

DULY ENACTED AND ORDAINED, by the Board of the Township of Hamiltonban, Adams County, Pennsylvania, in lawful session duly assembled, this 18th day of November, 2010.

TOWNSHIP OF HAMILTONBAN,
Adams County, Pennsylvania

By: 
(Vice) Chairman of the Board of the
Township

ATTEST:


Secretary of the Township

(SEAL)

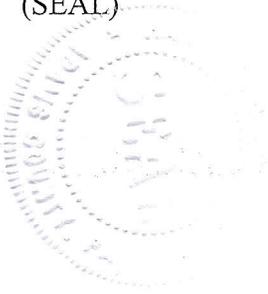


EXHIBIT "A"

TOWNSHIP OF HAMILTONBAN,
Adams County, Pennsylvania
\$800,000 Maximum Principal Amount
General Obligation Note, Series of 2010

MAXIMUM PAYMENT SCHEDULE

Event	Date	Amount	Number	Period	End Date
1	Loan	12/15/2010	800,000.00	1	
2	Payment	06/15/2011	Interest Only	4	Semiannual 12/15/2012
3	Payment	06/15/2013	38,191.46	40	Semiannual 12/15/2032

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	12/15/2010				800,000.00
2010 Totals		0.00	0.00	0.00	
1	06/15/2011	29,000.00	29,000.00	0.00	800,000.00
2	12/15/2011	29,000.00	29,000.00	0.00	800,000.00
2011 Totals		58,000.00	58,000.00	0.00	
3	06/15/2012	29,000.00	29,000.00	0.00	800,000.00
4	12/15/2012	29,000.00	29,000.00	0.00	800,000.00
2012 Totals		58,000.00	58,000.00	0.00	
5	06/15/2013	38,191.46	29,000.00	9,191.46	790,808.54
6	12/15/2013	38,191.46	28,666.81	9,524.65	781,283.89

2013 Totals		76,382.92	57,666.81	18,716.11		
	7	06/15/2014	38,191.46	28,321.54	9,869.92	771,413.97
	8	12/15/2014	38,191.46	27,963.76	10,227.70	761,186.27
2014 Totals		76,382.92	56,285.30	20,097.62		
	9	06/15/2015	38,191.46	27,593.00	10,598.46	750,587.81
	10	12/15/2015	38,191.46	27,208.81	10,982.65	739,605.16
2015 Totals		76,382.92	54,801.81	21,581.11		
	11	06/15/2016	38,191.46	26,810.69	11,380.77	728,224.39
	12	12/15/2016	38,191.46	26,398.13	11,793.33	716,431.06
2016 Totals		76,382.92	53,208.82	23,174.10		
	13	06/15/2017	38,191.46	25,970.63	12,220.83	704,210.23
	14	12/15/2017	38,191.46	25,527.62	12,663.84	691,546.39
2017 Totals		76,382.92	51,498.25	24,884.67		
	15	06/15/2018	38,191.46	25,068.56	13,122.90	678,423.49
	16	12/15/2018	38,191.46	24,592.85	13,598.61	664,824.88
2018 Totals		76,382.92	49,661.41	26,721.51		
	17	06/15/2019	38,191.46	24,099.90	14,091.56	650,733.32
	18	12/15/2019	38,191.46	23,589.08	14,602.38	636,130.94
2019 Totals		76,382.92	47,688.98	28,693.94		
	19	06/15/2020	38,191.46	23,059.75	15,131.71	620,999.23
	20	12/15/2020	38,191.46	22,511.22	15,680.24	605,318.99
2020 Totals		76,382.92	45,570.97	30,811.95		

EXHIBIT "A"

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21	06/15/2021	38,191.46	21,942.81	16,248.65	589,070.34
22	12/15/2021	38,191.46	21,353.80	16,837.66	572,232.68
2021 Totals		76,382.92	43,296.61	33,086.31	
23	06/15/2022	38,191.46	20,743.43	17,448.03	554,784.65
24	12/15/2022	38,191.46	20,110.94	18,080.52	536,704.13
2022 Totals		76,382.92	40,854.37	35,528.55	
25	06/15/2023	38,191.46	19,455.52	18,735.94	517,968.19
26	12/15/2023	38,191.46	18,776.35	19,415.11	498,553.08
2023 Totals		76,382.92	38,231.87	38,151.05	
27	06/15/2024	38,191.46	18,072.55	20,118.91	478,434.17
28	12/15/2024	38,191.46	17,343.24	20,848.22	457,585.95
2024 Totals		76,382.92	35,415.79	40,967.13	
29	06/15/2025	38,191.46	16,587.49	21,603.97	435,981.98
30	12/15/2025	38,191.46	15,804.35	22,387.11	413,594.87
2025 Totals		76,382.92	32,391.84	43,991.08	
31	06/15/2026	38,191.46	14,992.81	23,198.65	390,396.22
32	12/15/2026	38,191.46	14,151.86	24,039.60	366,356.62
2026 Totals		76,382.92	29,144.67	47,238.25	
33	06/15/2027	38,191.46	13,280.43	24,911.03	341,445.59
34	12/15/2027	38,191.46	12,377.40	25,814.06	315,631.53
2027 Totals		76,382.92	25,657.83	50,725.09	

EXHIBIT "A"

35	06/15/2028	38,191.46	11,441.64	26,749.82	288,881.71
36	12/15/2028	38,191.46	10,471.96	27,719.50	261,162.21
2028 Totals		76,382.92	21,913.60	54,469.32	
37	06/15/2029	38,191.46	9,467.13	28,724.33	232,437.88
38	12/15/2029	38,191.46	8,425.87	29,765.59	202,672.29
2029 Totals		76,382.92	17,893.00	58,489.92	
39	06/15/2030	38,191.46	7,346.87	30,844.59	171,827.70
40	12/15/2030	38,191.46	6,228.75	31,962.71	139,864.99
2030 Totals		76,382.92	13,575.62	62,807.30	
41	06/15/2031	38,191.46	5,070.11	33,121.35	106,743.64
42	12/15/2031	38,191.46	3,869.46	34,322.00	72,421.64
2031 Totals		76,382.92	8,939.57	67,443.35	
43	06/15/2032	38,191.46	2,625.28	35,566.18	36,855.46
44	12/15/2032	38,191.46	1,336.00	36,855.46	0.00
2032 Totals		76,382.92	3,961.28	72,421.64	
Grand Totals		1,643,658.40	843,658.40	800,000.00	

EXHIBIT "B"

FORM OF NOTE

**TOWNSHIP OF HAMILTONBAN,
ADAMS COUNTY, PENNSYLVANIA**

GENERAL OBLIGATION NOTE, SERIES OF 2010

THE TOWNSHIP OF HAMILTONBAN, Adams County, Pennsylvania (the "Township"), a political subdivision of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of Farmers and Merchants Trust Company of Chambersburg (the "Bank"), or registered assigns, on December 15, 2032, unless this General Obligation Note, Series of 2010 (the "Note"), shall have been duly called for previous redemption and payment of the redemption price shall have been made or provided for, the maximum principal amount of Eight Hundred Thousand Dollars (\$800,000), or such lesser particular sum as shall have been advanced hereunder from time to time to the Township on a non-revolving basis from the date of issuance hereof until December 15, 2012. Interest shall accrue on the outstanding principal balance of this Note at the rate of [TAX EXEMPT OPTION - 4.09% per annum for the first ten years and, thereafter,] at 66% of the Bank's Prime Rate, with a floor of 2.74%, per annum, and a cap of 4.79%, per annum] / [RZEDB OPTION -6.20%, per annum, for the first ten years and, thereafter,] at 66% of the Bank's Prime Rate, with a floor of 4.15%, per annum, and a cap of 7.25%, per annum, payable semiannually on June 15 and December 15 of each year, either until maturity or until any earlier date upon which the principal amount hereof is paid in full, or, in the event that this Note duly shall have been called for previous redemption, in full, and payment of the

EXHIBIT "B"

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redemption price shall have been made or provided for, until the date fixed for redemption. The principal balance of this Note shall be paid semi-annually on June 15 and December 15 of each year, beginning on June 15, 2013, in accordance with the attached schedule. The principal of and interest on this Note shall be payable to the registered owner hereof, at any office of the Bank, in lawful money of the United States of America.

This Note is subject to redemption prior to maturity, at the option of the Township, as a whole, on any date, upon payment of the principal amount hereof, together with accrued interest to the date fixed for redemption. The Township, at its option, from time to time, on any date, may redeem any part of the principal of this Note, by payment of the amount selected for such redemption. Any partial prepayment of principal to be credited against such stated installments of principal on this Note as the Township may designate, in writing, to the Bank at the time of prepayment. If not otherwise designated by the Township, any partial prepayment of principal shall be applied against the principal installments last, by date, due and payable.

Any redemption, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner hereof at the time of such redemption, as such registered owner and address shall appear upon books of the Township to be kept by the Bank for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for redemption. On the date designated for redemption, notice having been given as aforesaid, and money for payment of the principal and accrued interest being held by the Bank, interest hereon or on any part of the principal hereof so called for redemption, as applicable, shall cease to accrue. If the principal of this Note shall have been called for redemption in full, this Note

shall cease to be entitled to any benefit or security under the Ordinance (hereinafter defined) authorizing issuance of this Note, and the registered owner of this Note shall have no rights with respect to this Note except to receive payment of the principal of and accrued interest to the redemption date.

This Note is issued in accordance with provisions of the Act of the General Assembly of the Commonwealth known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Act"), and by virtue of Ordinance No. 2010-01 (the "Ordinance") of the Township. The Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the Township and the registered owner or registered owners, from time to time, of this Note.

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 Note or in creation of the debt of which this Note 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 Note, together with any other indebtedness of the Township, is not in excess of any applicable limitation imposed by the Act upon the incurring of the debt of the Township which is evidenced by this Note.

The Township has covenanted, in the Ordinance, to and with registered owners, from time to time, of this Note, outstanding, from time to time, pursuant to the Ordinance, that the Township: (i) shall include the amount of the debt service for this Note, for each fiscal year of the Township in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service; and (iii) shall duly

and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation and payment, the Township has pledged 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 Bank, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the 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 in such annual amounts as shall be sufficient for prompt and full payment of all obligations of this Note.

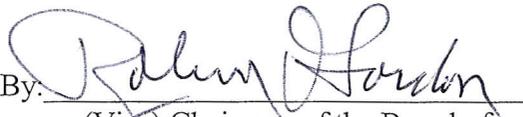
[If issued as a Tax Exempt Note: This Note has been designated by the Township as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).]

[If issued as a Recovery Zone Economic Development Bond: The Township has irrevocably elected to designate the Note as a "Recovery Zone Economic Development Bond" within the meaning of Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code").]

This Note is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the Township to be kept for that purpose at the principal office or at any branch office of the Bank by a duly authorized representative of the Bank acting in behalf of the Township. The Township and the Bank may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

IN WITNESS WHEREOF, the TOWNSHIP OF HAMILTONBAN, Adams County, Pennsylvania, as provided by the Act and in the Ordinance, has caused this Note to be executed in its name and on its behalf by the manual signature of the Chairman or Vice Chairman of the Board of the Township and the official seal of the Township to be affixed hereto and the manual signature of the Secretary of the Township to be affixed hereto in attestation thereof, all as of the 15th day of December, 2010.

TOWNSHIP OF HAMILTONBAN,
Adams County, Pennsylvania

By: 
(Vice) Chairman of the Board of
the Township

ATTEST:


Secretary of the Township

(SEAL)

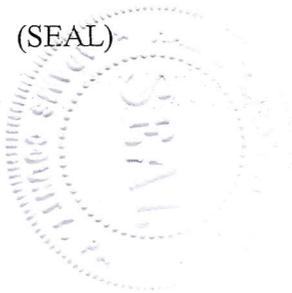


EXHIBIT "B"
Page 6 of 7

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF FARMERS AND MERCHANTS TRUST COMPANY OF CHAMBERSBURG, AS PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE TOWNSHIP OF HAMILTONBAN, ADAMS COUNTY, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
December 15, 2010	Farmers and Merchants Trust Company of Chambersburg	

CERTIFICATE

I, the undersigned, Secretary of the Township of Hamiltonban, Adams County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Board of Supervisors of the Township, in accordance with law, at a meeting duly held on November 18, 2010, at which meeting a quorum was present; said Ordinance has been certified and recorded by me, as Secretary of the Township, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. 2010-01; the total number of members of the Board of Supervisors of the Township is five (5); the vote of the members of the Board of Supervisors of the Township, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as Secretary, as follows:

Robert L. Gordon	-	Yea	
Coleen N. Reamer	-	Yea	
James E. Grinder	-	Yea	
Harry Rood	-	Yea	
Douglas Woerner	-	Yea	;

said Ordinance has been advertised, as required by law, in a newspaper of general circulation in the Township and said Ordinance has not been amended, altered or repealed as of the date of this Certificate.

I further certify that the Board of Supervisors of the Township met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7, by posting prominently a notice of said meeting at the principal office of the Township or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 18th day of November, 2010.



Secretary

(SEAL)

