

**BOROUGH OF PHOENIXVILLE**  
**Chester County, Pennsylvania**

**ORDINANCE NO. 2012-2192**

AUTHORIZING THE INCURRENCE BY THE BOROUGH OF PHOENIXVILLE OF ELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES OF 2012 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$22,515,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE VARIOUS CAPITAL PROJECTS, ADVANCE REFUNDING THE BOROUGH'S GENERAL OBLIGATION BONDS, SERIES OF 2003 AND TO PAY THE COSTS OF ISSUING THE BONDS; AUTHORIZING THE PREPARATION OF A DEBT STATEMENT AND OTHER DOCUMENTATION; PROVIDING FOR THE ADVANCE REFUNDING OF THE DEBT BEING REFUNDED AND AUTHORIZING AN ESCROW AGREEMENT FOR SUCH PURPOSE; 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 BOROUGH FOR THE PROMPT AND FULL PAYMENT OF THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS; SETTING FORTH THE STATED PRINCIPAL MATURITY OR SINKING FUND REDEMPTION DATES AND AMOUNTS, 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 BOROUGH 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 Borough of Phoenixville (the "Borough") may incur indebtedness for the purposes of financing capital projects and refunding outstanding indebtedness; and

WHEREAS, the Borough desires to finance capital projects, as more specifically set forth in **Exhibit A** attached hereto and made a part hereof (the "Projects"); and

WHEREAS, the Borough previously issued its General Obligation Bonds, Series of 2003 (the "2003 Bonds") in the original principal amount of \$12,000,000 of which \$11,485,000 remains outstanding; and

WHEREAS, the portion of the 2003 Bonds remaining outstanding was issued to finance the costs of (a) various Borough improvement projects, (b) various Borough sewer projects, and (c) various Borough water projects; and

WHEREAS, the Borough has determined to undertake a refinancing program to achieve debt service savings (the "Refinancing Program") consisting of the advance refunding of the outstanding 2003 Bonds (the "2003 Refunded Bonds"); and

WHEREAS, the Borough has determined to issue its General Obligation Bonds, Series of 2012 (the "Bonds") in the aggregate principal amount of \$22,515,000 to finance: (i) the costs of the Projects; (ii) the Refinancing Program; and (iii) the payment of the costs and expenses of issuing the Bonds; and

WHEREAS, the Borough has retained VALCO Capital, Ltd., Ligonier, Pennsylvania, as financial consultant in connection with the issuance of the Bonds (the "Financial Consultant"); and

WHEREAS, pursuant to an Invitation to Bid for the Bonds (the "Invitation to Bid") prepared by the Financial Consultant, the Borough competitively solicited, received and publicly opened bids for the Bonds, the results of which are summarized on **Exhibit B** attached hereto and made a part hereof; and

WHEREAS, upon the advice of its Financial Consultant, the Borough has determined that the proposal for the purchase of the Bonds received from Morgan Stanley offers the lowest net interest cost to the Borough, and the Borough Council now desires to authorize the issuance of the Bonds for the purpose of financing costs of the Projects and paying the costs and expenses of issuing the Bonds and to accept the proposal of such firm for the purchase of the Bonds.

NOW, THEREFORE, BE IT ENACTED by the Borough Council of the Borough of the Phoenixville and IT IS HEREBY ENACTED, as follows:

**1. Authorization of the Projects and the Refinancing Program and Incurrence of Indebtedness; Statement of Average Useful Lives of the Projects; and Purpose of the Refinancing Program.** The Borough hereby authorizes and shall undertake the Projects and the Refunding Program, as described in the preambles to this Ordinance and **Exhibit A** hereto. The Borough shall incur indebtedness pursuant to the Act in the aggregate principal amount of \$22,515,000 to finance the costs of the Projects, the Refinancing Program and the costs and expenses of issuing the Bonds.

It is hereby determined and declared that: (i) the estimated date of completion of the Projects is December 31, 2013; (ii) the projects comprising the Projects have varying useful lives as described in **Exhibit A** hereto; and (iii) the Borough has obtained realistic estimates of the costs of the projects listed in **Exhibit A** through bid prices or estimates from persons qualified by experience to provide such estimates.

The Borough hereby reserves the right to undertake the individual components of the Projects in such order and at such time or times as it shall determine and to allocate a portion of the proceeds of the Bonds and other available moneys to the final costs of the projects in such amounts and order of priority as it shall determine; but the proceeds of the Bonds shall be used solely to pay "costs" as defined in the Act, of the Projects or, upon appropriate amendments to this Ordinance, to pay the costs of other capital projects for which the Borough is authorized to incur indebtedness.

It is hereby determined and stated that the Bonds are scheduled to mature in accordance with the limitations set forth in Section 8142(a)(2) of the Act taking into account the average useful lives of the Projects.

It is hereby determined and set forth that the purpose of the Refinancing Program is to reduce the total debt service that would otherwise have been payable on the 2003 Refunded Bonds over the life of the issue as authorized by Section 8241(b)(1) of the Act. Attached hereto as **Exhibit C** and made a part hereof is the schedule of debt service savings in connection with the Refinancing Program.

It is hereby determined and stated that the useful lives of the projects financed or refinanced with the proceeds of the 2003 Refunded Bonds are in excess of the term of the Bonds related to the Refinancing Program. The 2003 Bonds financed the costs of various capital improvement projects with useful lives in excess of twenty-five (25) years (Ordinance enacted April 15, 2003).

2. **Authorization of Issuance of the Bonds.** The Borough shall issue, pursuant to the Act and this Ordinance, its General Obligation Bonds, Series of 2012, in an aggregate principal amount of \$22,515,000, in order to provide funds for and toward the costs of the Projects, the Refinancing 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 Borough Council and the Secretary or Assistant Secretary of the Borough 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 Borough 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 Borough or by the accountants of the Borough 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 Borough or of the Bonds 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 Borough hereby covenants with the registered owners of the Bonds outstanding pursuant to this Ordinance as

follows: (a) that the Borough will include in its budget for each fiscal year during the life of the Bonds, the amount of the debt service on the Bonds issued hereunder which will be payable in each such fiscal year so long as any of the Bonds shall remain outstanding; (b) that the Borough shall appropriate from its general revenues such amounts to the payment of such debt service; (c) that the Borough shall duly and punctually pay or cause to be paid from the Sinking Fund (as hereinafter defined) or any of its other revenues or funds the principal of every Bond and the interest thereon at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof; and (d) for such budgeting, appropriation and payment the Borough hereby pledges its full faith, credit and taxing power. The covenant contained in this Section 6 shall be specifically enforceable. The amounts to be budgeted, appropriated and paid pursuant to the foregoing covenant are those set forth in **Exhibit D** 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 E** 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 Borough and the Underwriters shall agree. The Bonds shall be issued in the aggregate principal amount of \$22,515,000. The Bonds shall bear interest from the date thereof payable semiannually on May 15 and November 15 of each year, commencing May 15, 2012, at the rates and shall mature on November 15 of the years as set forth in the Bond Amortization Schedule attached hereto as **Exhibit D** and made a part hereof.

The Bonds are being amortized so that the debt service on all outstanding debt of the Borough 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 and Cherry Hill, New Jersey (the "Paying Agent"), 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 E** hereto.

9. **Redemption of Bonds.** The Bonds maturing on or after November 15, 2022 are subject to redemption prior to maturity at the option of the Borough as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the Borough on May 15, 2022 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 maturity of Bonds is 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 November 15, 2037 (the "Term Bonds") are subject to mandatory redemption prior to their stated maturity by lot by the Borough from monies to be deposited in the Sinking Fund established under this Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The Borough

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 Borough as permitted under this Ordinance) on November 15 of the year and in the annual principal amount 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):

<b><u>Mandatory Redemption Schedule</u></b>		
<u>Redemption Date</u> <u>(November 15)</u>	<u>Principal Amount to be Redeemed or Purchased</u>	<u>Maturity From Which Redeemed</u>
2035	\$510,000	2037
2036	530,000	2037

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 or Cherry Hill, New Jersey, 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 Borough, 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 or Cherry Hill, New Jersey, 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-" 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 Borough 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.

**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 Borough 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 Borough 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 Borough 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 Borough 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 President or Vice-President of the Borough Council is hereby authorized to designate a successor securities depository or to deliver certificates to or upon the order of the registered owners of the Bonds.

**11. Sale of Bonds.** The Bonds shall be sold competitively at invited private sale as hereinafter set forth in Section 14. After due consideration, the Borough Council hereby finds and determines, on the basis of the advice and recommendation of its Financial Consultant and all available information, that such an invited private sale of the Bonds is in the best financial interest of the Borough. 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 Borough covenants that there shall be and there is hereby established and that it shall hereafter maintain a sinking fund (the "Sinking Fund") designated "Sinking Fund – General Obligation Bonds, Series of 2012" for the Bonds 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 Borough, but subject to withdrawal only by the Paying Agent.

The Borough covenants and agrees to deposit in the Sinking Fund no later than each May 15 and November 15 (each, an "Interest Payment Date") the debt service payable on the Bonds on such dates, which shall not exceed the amounts set forth in **Exhibit D** hereto.

Pending application to the purpose for which the Sinking Fund is established, the President or Vice President of the Borough Council or the Finance Director of the Borough 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 Borough, 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 Borough 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 Borough. Nothing contained herein shall relieve the Borough of its liability to the registered owners of the unrepresented Bonds.

**13. No Taxes Assumed.** The Borough 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 Borough hereby awards and sells the Bonds to Morgan Stanley (the "Underwriter"), at a price of \$22,842,605.65 (representing the face amount of the Bonds plus a net reoffering premium of \$682,216.90, less the underwriter's discount of \$354,611.25) plus accrued interest and in accordance with the terms and conditions contained or incorporated in the proposal of the Underwriter dated January 10, 2012, which is hereby approved and accepted. A copy of said 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 the Borough are hereby authorized and directed to endorse the acceptance of the Borough on said proposal and to deliver a copy thereof to the Underwriter. Delivery of the accepted proposal to the Underwriter shall constitute conclusive evidence that the award and sale of the Bonds under this Ordinance have become final.

**15. Contract with Paying Agent.** The proper officers of the Borough are authorized to contract with TD Bank, N.A., Philadelphia, Pennsylvania and Cherry Hill, New Jersey, 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 Bonds and Deposit of Funds.** For the 2003 Bonds the Borough shall enter into a Pledge and Escrow Agreement (the "Pledge Agreement") with the escrow agent for the 2003 Refunded Bonds, U.S. Bank, National Association (the "Escrow Agent"), providing, among other things for: (a) the certification to such Escrow Agent of the amounts required to pay the principal and interest on the bonds to be refunded to the date of maturity or redemption; (b) the deposit with said Escrow Agent of amounts which, together with the interest thereon, will meet such requirements; (c) the investment of the amounts deposited under the Pledge Agreement in accordance with the applicable regulations under Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"); and (d) the irrevocable pledge of all amounts and investments held under the Pledge Agreement for the payment of the 2003 Refunded Bonds to the date of maturity or redemption and the application of the principal of and interest on the investments to such purposes. The Pledge Agreement shall be in form and substance as approved by the signing officers of the Borough. The President or Vice President and Secretary or Assistant Secretary of the Borough are hereby authorized and directed to execute each Pledge Agreement and to deliver the same to the Escrow Agent on behalf of the Borough and to appoint a verification agent as required in connection with the Pledge Agreement and the refunding of the 2003 Refunded Bonds.

The Borough hereby calls the 2003 Bonds for redemption on June 1, 2013, subject to the issuance of the Bonds.

The Borough hereby authorizes the Escrow Agent and Financial Consultant to subscribe for U.S. Treasury State and Local Government Series Securities for deposit into the escrow account under the Pledge Agreement.

**17. Federal Tax Covenants.** The Borough 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 Borough 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 Borough 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.

**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 Borough Council and the Secretary or Assistant Secretary of the Borough 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 Borough. 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 Borough account, and the proper officers of the Borough are authorized to direct the Paying Agent to pay such amounts on behalf of the Borough and to make such deposit, all as set forth in written directions to the Paying Agent. The Borough hereby approves the establishment of a segregated account for the net proceeds of the Bonds and the balance of the proceeds shall be deposited in such account pending disbursement to pay the costs of the Projects as set forth in instructions from the Borough to the Paying Agent. The portion of the proceeds of the Bonds issued to finance the refinancing of the 2003 Refunded Bonds shall be deposited with U.S. Bank, National Association, as Escrow Agent, as provided in Section 16 hereof. The moneys in such account will be invested in accordance with Section 8224 of the Act.

Any amounts in the above-described account shall be disbursed from time to time by the Paying Agent pursuant to written instructions from the President or Vice President of the Borough Council and any balance ultimately remaining in such account shall, upon written instructions of the President or Vice President of the Borough Council, be deposited in the general fund of the Borough.

**20. 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 or the Secretary of the Borough shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they or either of them may be authorized to take pursuant to this Ordinance, the Vice President or the Assistant Secretary of the Borough, respectively, are hereby authorized and directed to execute documents, or otherwise to act on behalf of the Borough in their stead.

**21. Approval of Official Statement.** The Preliminary Official Statement for the Bonds dated January 4, 2012, is hereby approved and "deemed final" by the Borough as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12. A final Official Statement to be dated January 10, 2012, substantially in the form of the Preliminary Official Statement presented to this meeting, and also containing the final terms of the Bonds, shall be prepared and delivered to the Underwriter within seven (7) business days from the date hereof, and the Borough hereby approves the use thereof in connection with the public offering and sale of the Bonds.

**22. Covenant to Pledge Sufficient Funds.** The Borough hereby covenants and agrees that, concurrently with the issuance of and payment for the Bonds:

1. The Borough will have irrevocably pledged with the Escrow Agent, amounts sufficient, together with interest, if any, to be earned thereon, to pay: (1) all interest on the 2003 Refunded Bonds to the dates of maturity or redemption thereof; and (2) the principal of

the 2003 Refunded Bonds at the dates of maturity or redemption thereof so that the 2003 Refunded Bonds will no longer be outstanding under the Act; and

2. Such Escrow Agent will have invested the monies required by any escrow agreement or directions in accordance with the terms thereof.

**23. Continuing Disclosure.** The Borough 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 Borough (the "Continuing Disclosure Agreement") if and to the extent required by law. The Borough 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 Borough to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder or under the Bonds; 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 Borough to comply with its obligations under this Section.

**24. Reimbursement.** By resolution adopted on March 23, 2010, the Borough stated its intention that a portion of the proceeds of the Bonds will be used to reimburse itself for expenditures paid for costs of the Projects prior to the date of issuance of the Bonds.

**25. Bond Insurance.** If deemed financially advantageous to the Borough in connection with the issuance of the Bonds, the officers of the Borough 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.

**26. Bond Counsel.** The Borough hereby confirms the appointment Cozen O'Connor to act as Bond Counsel to the Borough with respect to the transactions contemplated by this Ordinance.

**27. Further Action.** The proper officers of the Borough 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 Borough.

**28. Act Applicable to Bonds.** This Ordinance is enacted pursuant to, and the Bonds issued hereunder shall be subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.


**29. 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.

**30. 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.

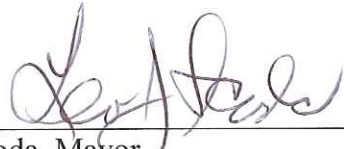
**31. Repealer.** All Ordinance and parts of Ordinance heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

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

PASSED by Borough Council this 10<sup>th</sup> day of January, 2012.

By:   
Michael J. Speck  
Vice President, Borough Council

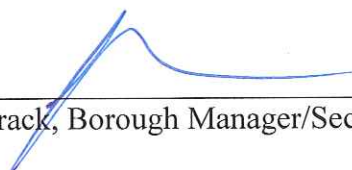
APPROVED by the Mayor, this 10<sup>th</sup> day of January, 2012.

By:   
Leo J. Scoda, Mayor

ENACTED, this 10<sup>th</sup> day of January, 2012.

By:   
E. Jean Krack, Borough Manager/Secretary

I HEREBY CERTIFY that the foregoing is a true and correct copy of the said Ordinance duly adopted at a regular meeting of Borough Council held on the 10<sup>th</sup> day of January, 2012.

By:   
E. Jean Krack, Borough Manager/Secretary

**EXHIBIT A**

**BOROUGH OF PHOENIXVILLE**  
**Chester County, Pennsylvania**  
**\$22,515,000 GENERAL OBLIGATION BONDS, SERIES OF 2012**

**CAPITAL PROJECTS**

The Borough is financing capital projects and equipment, including without limitation the following:

<u>Project Description</u>	<u>Estimated Cost</u>	<u>Estimated Useful Life</u> <u>(In Excess Of)</u>
1. Acquisition of land and construction of a new Borough Municipal Building.	\$ 8,000,000	40 years
2. Costs of the water plant retrofit project and improvements to the sewer system.	2,500,000	20 years
	<hr/>	
TOTAL	\$ 10,500,000	

**EXHIBIT B**

**BOROUGH OF PHOENIXVILLE  
Chester County, Pennsylvania  
\$22,515,000 GENERAL OBLIGATION BONDS, SERIES OF 2012**

**Results of the Invitation to Bid on January 10, 2012**



**Auction Date**    **Type**    **Start**    **End**    **Time Now**    **Status**  
 Tue., Jan 10, 2012    AON    11:00:00 am    11:20:26 am    11:21:09 am EST    Over  
 Connected to server

**NOTICE: No Insurance quote provided given the underlying rating.**

\$23,270,000\*  
 Borough of Phoenixville, Chester County, Pennsylvania  
 General Obligation Bonds,  
 Series of 2012

Refresh

	<b>Bidder</b>	<b>Firm</b>	<b>TIC</b>	<b>Time</b>	<b>Gross Interest</b>	<b>+ Discount/ (Premium)</b>	<b>Total Interest</b>	<b>Bid No.</b>	<b>Cumulative Improvement</b>
1st	MORG-WE	Morgan	2.821453%	11:18:26 am	\$7,716,689.27	(339,193.91)	\$7,377,495.36	8	0.081389%
2nd	JANN-MD	Janney	2.822750%	11:20:10 am	\$9,459,326.88	(1,815,623.70)	\$7,643,703.18	11	0.186352%
3rd	ROOS-ST	Roosevelt	2.830295%	11:16:10 am	\$8,949,606.25	(1,404,563.60)	\$7,545,042.65	7	0.218647%
4th	PIPE-DD	Piper Jaffray	2.867832%	11:17:42 am	\$8,568,672.53	(987,151.19)	\$7,581,521.34	4	0.019596%
5th	RWBA-TJ	Robert Baird	2.970408%	11:13:26 am	\$9,665,806.25	(1,658,220.69)	\$8,007,585.56	1	-
6th	BNYM-DM	BNY Mellon	2.992679%	11:17:24 am	\$9,324,231.25	(1,331,747.00)	\$7,992,484.25	13	0.349503%

**EXHIBIT C**

**BOROUGH OF PHOENIXVILLE**  
**Chester County, Pennsylvania**  
**\$22,515,000 GENERAL OBLIGATION BONDS, SERIES OF 2012**

**Schedule of Debt Service Savings**

<b>Borough of Phoenixville</b>			
<b>2003 Refunding Comparison</b>			
Year	Existing 2003 Debt service	New Refunded Debt Service	Savings
2012	\$ 1,012,528.78	\$ 914,425.00	\$ 98,103.78
2013	\$ 1,007,528.78	\$ 897,200.00	\$ 110,328.78
2014	\$ 1,007,958.78	\$ 905,100.00	\$ 102,858.78
2015	\$ 1,006,558.78	\$ 901,350.00	\$ 105,208.78
2016	\$ 999,358.78	\$ 897,150.00	\$ 102,208.78
2017	\$ 1,001,558.78	\$ 894,050.00	\$ 107,508.78
2018	\$ 997,015.00	\$ 890,750.00	\$ 106,265.00
2019	\$ 995,570.00	\$ 892,250.00	\$ 103,320.00
2020	\$ 1,007,730.00	\$ 908,450.00	\$ 99,280.00
2021	\$ 1,077,130.00	\$ 979,050.00	\$ 98,080.00
2022	\$ 1,076,250.00	\$ 972,950.00	\$ 103,300.00
2023	\$ 1,072,537.50	\$ 973,500.00	\$ 99,037.50
2024	\$ 1,077,162.50	\$ 973,300.00	\$ 103,862.50
2025	\$ 1,074,650.00	\$ 972,350.00	\$ 102,300.00
2026	\$ 1,075,237.50	\$ 965,650.00	\$ 109,587.50
2027	\$ 1,073,687.50	\$ 973,350.00	\$ 100,337.50
<b>TOTAL</b>	<b>\$ 16,562,462.68</b>	<b>\$ 14,910,875.00</b>	<b>\$ 1,651,587.68</b>
Present Value = \$1,358,848.01(11.83%)			

**EXHIBIT D**

**BOROUGH OF PHOENIXVILLE**  
**Chester County, Pennsylvania**  
**\$22,515,000 GENERAL OBLIGATION BONDS, SERIES OF 2012**

**Bond Amortization Schedule**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>
05/15/2012	-	-	152,637.50	152,637.50
11/15/2012	1,220,000.00	2.000%	305,275.00	1,525,275.00
05/15/2013	-	-	293,075.00	293,075.00
11/15/2013	1,090,000.00	2.000%	293,075.00	1,383,075.00
05/15/2014	-	-	282,175.00	282,175.00
11/15/2014	1,115,000.00	3.000%	282,175.00	1,397,175.00
05/15/2015	-	-	265,450.00	265,450.00
11/15/2015	1,150,000.00	3.000%	265,450.00	1,415,450.00
05/15/2016	-	-	248,200.00	248,200.00
11/15/2016	1,185,000.00	2.000%	248,200.00	1,433,200.00
05/15/2017	-	-	236,350.00	236,350.00
11/15/2017	1,205,000.00	2.000%	236,350.00	1,441,350.00
05/15/2018	-	-	224,300.00	224,300.00
11/15/2018	1,225,000.00	2.000%	224,300.00	1,449,300.00
05/15/2019	-	-	212,050.00	212,050.00
11/15/2019	985,000.00	2.000%	212,050.00	1,197,050.00
05/15/2020	-	-	202,200.00	202,200.00
11/15/2020	980,000.00	2.000%	202,200.00	1,182,200.00
05/15/2021	-	-	192,400.00	192,400.00
11/15/2021	1,010,000.00	2.000%	192,400.00	1,202,400.00
05/15/2022	-	-	182,300.00	182,300.00
11/15/2022	1,025,000.00	3.000%	182,300.00	1,207,300.00
05/15/2023	-	-	166,925.00	166,925.00
11/15/2023	1,055,000.00	3.000%	166,925.00	1,221,925.00
05/15/2024	-	-	151,100.00	151,100.00
11/15/2024	1,090,000.00	3.000%	151,100.00	1,241,100.00
05/15/2025	-	-	134,750.00	134,750.00
11/15/2025	1,120,000.00	3.000%	134,750.00	1,254,750.00
05/15/2026	-	-	117,950.00	117,950.00
11/15/2026	1,155,000.00	3.000%	117,950.00	1,272,950.00
5/15/2027	-	-	100,625.00	100,625.00
11/15/2027	1,190,000.00	3.000%	100,625.00	1,290,625.00
05/15/2028	-	-	82,775.00	82,775.00
11/15/2028	405,000.00	3.000%	82,775.00	487,775.00
05/15/2029	-	-	76,700.00	76,700.00

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>
11/15/2029	420,000.00	3.000%	76,700.00	496,700.00
05/15/2030	-	-	70,400.00	70,400.00
11/15/2030	430,000.00	3.125%	70,400.00	500,400.00
05/15/2031	-	-	63,681.25	63,681.25
11/15/2031	445,000.00	3.250%	63,681.25	508,681.25
05/15/2032	-	-	56,450.00	56,450.00
11/15/2032	460,000.00	3.375%	56,450.00	516,450.00
05/15/2033	-	-	48,687.50	48,687.50
11/15/2033	475,000.00	3.500%	48,687.50	523,687.50
05/15/2034	-	-	40,375.00	40,375.00
11/15/2034	490,000.00	3.500%	40,375.00	530,375.00
05/15/2035	-	-	31,800.00	31,800.00
11/15/2035	510,000.00*	4.000%	31,800.00	541,800.00
05/15/2036	-	-	21,600.00	21,600.00
11/15/2036	530,000.00*	4.000%	21,600.00	551,600.00
05/15/2037	-	-	11,000.00	11,000.00
11/15/2037	550,000.00	4.000%	11,000.00	561,000.00
<b>Total</b>	<b>\$22,515,000.00</b>	<b>-</b>	<b>\$7,484,550.00</b>	<b>\$29,999,550.00</b>

\*Mandatory sinking fund redemption

**EXHIBIT E**

**[FORM OF BOND]**

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

BOROUGH OF PHOENIXVILLE

GENERAL OBLIGATION BOND, SERIES OF 2012

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

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
	November 15, ____	February 15, 2012	

REGISTERED OWNER: CEDE & CO.

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

The Borough of Phoenixville, Chester County, Pennsylvania (the "Borough"), 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 February 15, 2012 or the most recent Interest Payment Date to which interest has been paid or duly, provided for, semiannually on May 15 and November 15 of each year, commencing May 15, 2012 (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.

Interest is payable to the registered owner of this Bond from the Interest Payment Date next preceding the authentication date of the Bond, unless: (a) this Bond is authenticated as of an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; (b) this Bond is registered and authenticated after a Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event it shall bear interest from such succeeding Interest Payment Date; (c) such Bond is registered and authenticated on or prior to the Regular Record Date preceding November 15, 2012, in which event it shall bear interest from February 15, 2012; or (d) as shown by the records of the Paying Agent interest on this

Bond shall be in default, in which event it shall bear interest from the date on which interest was last paid on this Bond.

The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust office of TD Bank, N.A., in Cherry Hill, New Jersey or 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 Borough 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 2012, of the Borough in the aggregate principal amount of \$22,515,000 (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 Borough Council of the Borough duly enacted on January 10, 2012 (the "Ordinance") and a Paying Agent Agreement between the Borough and the Paying Agent dated as of February 15, 2012 (the "Paying Agent Agreement"). The Bonds are issued for the purpose of financing various capital projects, the advance refunding of the Borough's General Obligation Bonds, Series of 2003 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 November 15, 2022 are subject to redemption prior to maturity at the option of the Borough as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the Borough on May 15, 2022 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 maturity of Bonds is 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 November 15, 2037 (the "Term Bonds") are subject to mandatory redemption prior to their stated maturity by lot by the Borough from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The Borough 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 Borough as permitted under the Ordinance) on November 15 of the year and in the annual principal amount 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):

<b><u>Mandatory Redemption Schedule</u></b>		
<u>Redemption Date</u> <u>(November 15)</u>	<u>Principal Amount to be</u> <u>Redeemed or Purchased</u>	<u>Maturity From Which</u> <u>Redeemed</u>
2035	\$510,000	2037
2036	530,000	2037

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 Cherry Hill, New Jersey or 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 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 Borough, 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 Cherry Hill, New Jersey or 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 Borough 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 Borough 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 Borough 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 Borough 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, Cherry Hill, New Jersey or 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 fifteenth (15<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 Borough or of any successor body, as such, either directly or through the Borough 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 supervisors, 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 principal corporate trust office of the paying agent is located are authorized or required by law or executive order 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 Borough 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 Borough, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; that the Borough 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 Borough 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 Borough of Phoenixville, Chester County, Pennsylvania has caused this Bond to be signed in its name and on its behalf by the signature of the President of its Borough Council and an impression of its corporate seal to be hereunto affixed, duly attested by the signature of the Secretary of the Borough.

BOROUGH OF PHOENIXVILLE

By: \_\_\_\_\_  
President, Borough Council

Attest: \_\_\_\_\_  
Secretary

(SEAL)

AUTHENTICATION CERTIFICATE

This Bond is one of the Borough of Phoenixville General Obligation Bonds, Series of 2012, described in the within mentioned Ordinance.

DATE OF AUTHENTICATION:

TD Bank, N.A., Paying Agent

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

[STATEMENT OF INSURANCE]

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]

**CERTIFICATE OF SECRETARY**

The undersigned, Secretary of the Borough of Phoenixville HEREBY CERTIFIES that:

The foregoing Ordinance authorizing the issuance of General Obligation Bonds, Series of 2012 of the Borough was duly moved and seconded and enacted by a majority vote of all the Borough Council of said Borough at a duly called and convened meeting of said Borough Council held on January 10, 2012; that public notice of said meeting was given as required by law; and that the roll of the Borough Council was called and such members voted or were absent as follows:

<u>Name</u>	<u>Vote</u>
Richard Kirkner, President	Absent
Michael Speck, Vice President	Yes
David Gautreau	Yes
Kyle Guie	Yes
Jennifer Mayo	Yes
James Kovaleski	Yes
Christopher Bauers	Yes
Dana Dugan	Yes

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

WITNESS my hand and seal of the Borough this 10<sup>th</sup> day of January, 2012.

  
\_\_\_\_\_  
E. Jean Krack, Borough Manager/Secretary

(BOROUGH SEAL)