BOROUGH OF CAMP HILL

Cumberland County, Pennsylvania

ORDINANCE NO. _____

2011-0006

AN ORDINANCE

OF THE COUNCIL OF THE BOROUGH OF CAMP HILL AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATION BONDS OF THIS BOROUGH, IN THE AGGREGATE PRINCIPAL AMOUNT OF $9,995,000, PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT, AS AMENDED, OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA; DETERMINING THAT SAID BONDS SHALL BE SOLD AT INVITED SALE; DETERMINING THAT SUCH DEBT SHALL BE NONELECTORAL DEBT OF THIS BOROUGH; DESCRIBING THE PROJECT FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING A REASONABLE ESTIMATE OF THE USEFUL LIFE OF SUCH PROJECT; ACCEPTING A BID FOR PURCHASE OF SAID BONDS, AT INVITED SALE, AND AWARDING SAID BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SAID BONDS, WHEN ISSUED, SHALL BE GENERAL OBLIGATIONS OF THIS BOROUGH; FIXING THE SERIES, SUBSTANTIAL FORM, DENOMINATIONS, DATE, MATURITY DATES, INTEREST RATES, INTEREST PAYMENT DATES, REGISTRATION PRIVILEGES, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, REDEMPTION PROVISIONS AND TAX FREE PROVISIONS OF SAID BONDS; AUTHORIZING EXECUTION, ATTESTATION AND AUTHENTICATION OF SAID BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE

APPLICABLE TO SAID BONDS AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS BOROUGH IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SAID BONDS AS REQUIRED BY SUCH ACT; APPOINTING A SINKING FUND DEPOSITORY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SAID BONDS WHEN DUE; APPROVING THIS BOROUGH'S CONSULTING ENGINEERS' REPORT RELATING TO THE SELF-LIQUIDATING NATURE OF SUCH NONELECTORAL DEBT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS BOROUGH TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THIS BOROUGH; SETTING FORTH CERTAIN COVENANTS RELATING TO THE NON-ARBITRAGE STATUS OF SAID BONDS; DESIGNATING EACH OF SAID BONDS AS A QUALIFIED TAX-EXEMPT OBLIGATION FOR PURPOSES OF SECTION 265 OF THE INTERNAL REVENUE CODE; PROVIDING CERTAIN COVENANTS RELATING TO CONTINUING DISCLOSURE BY THIS BOROUGH; PROVIDING FOR THE BOOK ENTRY SYSTEM FOR REGISTRATION OF THE OWNERSHIP OF SAID BONDS; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH; AND PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, The Borough of Camp Hill, Cumberland County, Pennsylvania (the "Borough"), is a municipality existing under laws of the

Commonwealth of Pennsylvania (the "Commonwealth") and is a Local Government Unit, as defined in the Local Government Unit Debt Act, as amended, 53 Pa. C.S. Chs. 80-82 (the "Act"), of the Commonwealth; and

WHEREAS, The Council of this Borough has determined to acquire and construct additions, alterations and improvements to its existing sanitary sewage collection and conveyance system, to pay connection fees required for connection of this Borough's sanitary sewage collection and conveyance system to sanitary sewer facilities of Hampden Township Sewer Authority and to make required capital contribution related to upgrades and improvements to said Authority's wastewater treatment and disposal facilities pursuant to an intermunicipal agreement providing for treatment and disposal of sanitary sewage from this Borough's sanitary sewage collection and conveyance system (the "Project"); and

WHEREAS, The Council of this Borough has obtained cost estimates of the Project from professional estimates by professional engineers and other professionals qualified by experience; and

WHEREAS, The Council of this Borough has determined to issue a series of general obligation bonds, to be sold at invited sale, pursuant to the Act, to be designated as its General Obligation Bonds, Series of 2011, dated as of May 17, 2011, in the aggregate principal amount of $9,995,000 (the "Bonds"), with proceeds from

the sale thereof to be applied for and toward paying costs and expenses of the Project and paying costs and expenses of issuance of the Bonds; and

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

WHEREAS, The Council of this Borough desires to accept the bid of the Purchaser, to award the Bonds to the Purchaser and to incur nonelectoral debt, in the principal amount of $9,995,000, pursuant to provisions of the Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Council of the Borough of Camp Hill, Cumberland County, Pennsylvania, as follows:

Section 1. The Council of this Borough hereby determines that the Bonds shall be sold at invited sale and hereby determines that invited sale of the Bonds is in the best financial interest of this Borough.

Section 2. The Council of this Borough does authorize and direct the issuance of general obligation bonds of this Borough, pursuant to this Ordinance, in the aggregate principal amount of $9,995,000, dated as of May 17, 2011, to be designated generally as "General Obligation Bonds, Series of 2011", in accordance

with the Act, to provide funds to be applied for and toward paying costs and expenses of the Project and paying costs and expenses of issuance of the Bonds.

Section 3. The Council of this Borough determines that the debt, of which the Bonds shall be evidence, to be incurred pursuant to this Ordinance, shall be nonelectoral debt of this Borough.

Section 4. A realistic estimate of the useful life of the Project is specified to be not less than 35 years.

Section 5. The Council of this Borough accepts the bid of the Purchaser to purchase the Bonds and the Bonds are awarded to the Purchaser, in accordance with terms and conditions of its bid, at a dollar price of $9,938,849.25 (99.438% of the aggregate principal amount of the Bonds), the Purchaser having submitted such bid in accordance with provisions of the Act.

Section 6. The Bonds, when issued, will be general obligation bonds of this Borough.

Section 7. The Bonds shall be fully registrable as to principal and interest, shall be in the denomination of $5,000 or whole multiples thereof, shall be dated as of May 17, 2011, and shall bear interest from May 17, 2011, at the rates set forth in Section 8 hereof, payable initially on November 15, 2011, and thereafter

semiannually on May 15 and November 15 in each year, beginning May 15, 2012, until maturity or, if redeemable, until prior redemption.

Section 8. The rates of interest, aggregate principal amounts and maturity dates applicable to the Bonds are as follows:

Interest Rate Per Annum (from May 17, 2011, until maturity or until redeemed)	Aggregate Principal Amount	Maturity Date
3%	$ 25,000	May 15, 2012
3%	$ 100,000	May 15, 2013
3%	$ 200,000	May 15, 2014
3%	$ 210,000	May 15, 2015
3%	$ 215,000	May 15, 2016
3%	$ 220,000	May 15, 2017
3%	$ 230,000	May 15, 2018
3%	$ 235,000	May 15, 2019
3.50%	$ 245,000	May 15, 2020
3.50%	$ 250,000	May 15, 2021
3.75%	$ 260,000	May 15, 2022
3.75%	$ 270,000	May 15, 2023
4%	$ 280,000	May 15, 2024
4%	$ 295,000	May 15, 2025
4%	$ 305,000	May 15, 2026
4%	$ 315,000	May 15, 2027
4.125%	$ 330,000	May 15, 2028
4.25%	$ 705,000	May 15, 2030
4.50%	$ 770,000	May 15, 2032
4.80%	$1,295,000	May 15, 2035
5%	$1,500,000	May 15, 2038
5.125%	$1,740,000	May 15, 2041

Section 9. The Bonds maturing on May 15, 2017, and thereafter are subject to redemption prior to maturity, at the option of this Borough, as a whole, or, from time to time, in part, on May 15, 2016, or on any date thereafter, in each case

upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. If less than all Bonds of any one maturity are to be redeemed, such Bonds shall be drawn by lot by the Paying Agent hereinafter designated. In the event any Bonds are in a denomination greater than $5,000, a portion of such Bonds shall be redeemed, but portions of Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

The Bonds maturing on May 15, 2030, are subject to redemption prior to maturity, in the amount required by this Ordinance, on May 15, 2029, as drawn by lot by the Paying Agent hereinafter designated. The Bonds maturing on May 15, 2032, are subject to redemption prior to maturity, in the amount required by this Ordinance, on May 15, 2031, as drawn by lot by the Paying Agent hereinafter designated. The Bonds maturing on May 15, 2035, are subject to redemption prior to maturity, in the amounts required by this Ordinance, on May 15 of each of the years 2033 and 2034, as drawn by lot by the Paying Agent hereinafter designated. The Bonds maturing on May 15, 2038, are subject to redemption prior to maturity, in the amounts required by this Ordinance, on May 15 of each of the years 2036 and 2037, as drawn by lot by the Paying Agent hereinafter designated. The Bonds maturing on May 15, 2041, are subject to redemption prior to maturity, in the amounts required by this Ordinance, on May 15 of each of the years 2039 and 2040, as drawn by lot by the Paying Agent hereinafter designated. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. In the event any Bonds are in a denomination greater than

$5,000, a portion of such Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

Section 10. The principal of the Bonds shall be payable to the registered owners at the corporate trust office of The Bank of New York Mellon Trust Company, N.A. (herein sometimes referred to as the "Paying Agent", which term shall include any duly appointed alternate or successor paying agent), located in Pittsburgh, Pennsylvania, in lawful moneys of the United States of America. Payment of the interest due on the Bonds shall be paid to the registered owners thereof by check drawn on the Paying Agent mailed to the registered owners thereof at their addresses as they appear on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on the first day of May and November, respectively, as applicable, in each year (the "Record Date"), irrespective of any transfer or exchange of the Bonds subsequent to the applicable Record Date. In the event this Borough shall default in the payment of interest due on the Bonds at the time the same is due and payable, such defaulted interest will be payable to the registered owners thereof by check drawn on the Paying Agent mailed to the registered owners at their addresses as they appear on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date"), established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owners thereof not less than 15 days preceding the Special Record Date. Such notice shall be mailed to the registered

owners shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth business day preceding the date of mailing.

In any case where the date of maturity of any Bonds or an interest payment date or the date fixed for redemption of any Bonds, as applicable, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then payment of interest or principal or redemption price, as applicable, need not be made on such date but may be made by the Paying Agent on the next succeeding business day with the same force and effect as if made on the date of maturity, interest payment date or the date fixed for redemption, as applicable, and no interest shall accrue for the period after such date.

Section 11. The form of Bonds and the form of Paying Agent's Certificates to be endorsed thereon, shall be substantially as follows, with appropriate insertions, omissions and variations:

(FORM OF BOND)

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

Registered Registered

No. $

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CUMBERLAND

BOROUGH OF CAMP HILL

GENERAL OBLIGATION BOND, SERIES OF 2011

Interest Rate	Maturity Date	Dated Date of Series	CUSIP
%	May 15, 20	May 17, 2011	133879

Registered Owner: CEDE & CO.

Principal Sum: $

The BOROUGH OF CAMP HILL, Cumberland County, Pennsylvania (the "Borough"), a municipality existing under laws of the Commonwealth of

Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself indebted and promises to pay to the registered owner of this General Obligation Bond, Series of 2011 (the "Bond"), on the above stated maturity date, unless this Bond shall be redeemable and duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for, the above stated principal sum, and to pay interest thereon at the above stated annual rate of interest, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the succeeding interest payment date, in which event this Bond shall bear interest from such succeeding interest payment date, or unless this Bond is registered and authenticated on or prior to November 1, 2011, in which event this Bond shall bear interest from May 17, 2011, such interest to be payable initially on November 15, 2011, and thereafter semiannually on the fifteenth days of May and November in each year, beginning on May 15 or November 15 next succeeding the date this Bond is registered and authenticated and continuing until maturity hereof or, if this Bond shall be redeemable and payment of the redemption price of this Bond shall have been made or provided for, until the date fixed for redemption hereof.

The principal of this Bond is payable to the registered owner hereof in lawful moneys of the United States of America upon presentation hereof at the corporate trust office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the "Paying Agent", which term shall include any duly appointed alternate or successor paying agent), located in Pittsburgh, Pennsylvania, or at any other duly designated office of the Paying Agent or any alternate or successor paying agent. Payment of the interest due hereon shall be paid to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on the first day of May and November, respectively, in each year (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the applicable Record Date. In the event the Borough shall default in the payment of interest due hereon at the time the same is due and payable, such defaulted interest will be payable to the registered owner hereof by check drawn on the Paying Agent mailed to the registered owner at his address as it appears on the bond register maintained by the Paying Agent, as bond registrar, at the close of business on a special record date (the "Special Record Date"), established by the Paying Agent, notice of which shall be mailed by the Paying Agent to the registered owner hereof not less than 15 days preceding the Special Record Date. Such notice shall be mailed to the registered owner shown on the aforesaid bond register maintained by the Paying Agent at the close of business on the fifth business day preceding the date of mailing.

This Bond is one of a series of bonds of the Borough, known generally as "General Obligation Bonds, Series of 2011" (the "Bonds"), all of like tenor, except as to dates of maturity, denominations, rates of interest and provisions for redemption, in the aggregate principal amount of $9,995,000.

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

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

The Bonds maturing on May 15, 2017, and thereafter are subject to redemption prior to maturity, at the option of the Borough, as a whole or, from time to time, in part, on May 15, 2016, or on any date thereafter, in each case upon payment of the principal amount thereof, together with accrued interest to the date

fixed for redemption. If less than all Bonds of any one maturity are to be redeemed, such Bonds or a portion thereof shall be drawn by lot by the Paying Agent. In the event any Bonds are in a denomination greater than $5,000, a portion of such Bonds may be redeemed, but portions of Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

The Bonds maturing on May 15, 2030, are subject to redemption prior to maturity, in the amount required by the Ordinance, on May 15, 2029, as drawn by lot by the Paying Agent. The Bonds maturing on May 15, 2032, are subject to redemption prior to maturity, in the amount required by the Ordinance, on May 15, 2031, as drawn by lot by the Paying Agent. The Bonds maturing on May 15, 2035, are subject to redemption prior to maturity, in the amounts required by the Ordinance, on May 15 of each of the years 2033 and 2034, as drawn by lot by the Paying Agent. The Bonds maturing on May 15, 2038, are subject to redemption prior to maturity, in the amounts required by the Ordinance, on May 15 of each of the years 2036 and 2037, as drawn by lot by the Paying Agent. The Bonds maturing on May 15, 2041, are subject to redemption prior to maturity, in the amounts required by the Ordinance, on May 15 of each of the years 2039 and 2040, as drawn by lot by the Paying Agent. Any such redemption shall be upon payment of the principal amount thereof, together with accrued interest to the date fixed for redemption. In the event any Bonds are in a denomination greater than $5,000, a portion of such

Bonds shall be redeemed only in the principal amount of $5,000 or any whole multiple thereof.

Notice of any such redemption shall be mailed by the Paying Agent by first class mail to each registered owner of the Bonds to be redeemed to the address of such registered owner as it appears in the registration books maintained by the Paying Agent at least thirty (30) days and not more than forty-five (45) days before the redemption date; Provided, however, that failure to give notice of redemption by mailing such notice to the registered owner of any Bond to be redeemed shall not affect the validity of any proceedings for the redemption of any Bonds. If a Bond in a denomination in excess of $5,000 is partially redeemed then, upon surrender thereof to the Paying Agent, there shall be issued to the registered owner thereof, without charge therefor, a fully registered Bond or Bonds for the unredeemed balance of such partially redeemed Bond, of like series, designation, maturity date, interest rate and in any authorized denomination; Provided, however, that should this Bond be registered in the name of the Depository Trust Company ("DTC") or Cede & Co., as nominee for DTC, or any other nominee of DTC or any successor securities depository or its nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed. On the date designated for redemption, if moneys for payment of the principal and accrued interest are being held by the Paying Agent, interest on the

Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Ordinance authorizing issuance of the Bonds and registered owners of such Bonds shall have no rights with respect to such Bonds or portions thereof, except to receive payment of the principal of and accrued interest on such Bonds or portions thereof to the date fixed for redemption.

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

The Borough has covenanted, in the Ordinance, with registered owners, from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the Borough, as appropriate, shall include the amount of the debt service, for each fiscal year of the Borough in which sums are payable, in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of each of the Bonds and the interest thereon at the dates and place

and in the manner stated herein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the Borough has and does pledge, irrevocably, its full faith, credit and taxing power. The Act provides that the foregoing covenant of the Borough shall be enforceable specifically.

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

This Bond shall be transferable upon registration records of the Borough kept at a designated office of the Paying Agent by the registered owner hereof in person or by his duly authorized attorney, upon surrender hereof at the designated office of the Paying Agent, together with a written instrument of transfer duly executed by the registered owner hereof or his duly authorized attorney, and thereupon the Borough shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount and series, designation, maturity date and interest rate as the surrendered Bond. The Borough and the Paying Agent may treat and consider the person in whose name this Bond is

registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever. The Borough and the Paying Agent shall not be required to: (i) issue or transfer any Bonds during the period beginning at the opening of business on any Record Date for interest payments and ending at the close of business on such interest payment date; or (ii) issue or transfer any Bonds during a period beginning at the opening of business on the 15th business day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the date the notice of redemption shall be mailed; or (iii) issue or transfer any Bonds during the period beginning at the opening of business on the first business day next succeeding the business day the Paying Agent determines the registered owners of Bonds to receive notice of any Special Record Date and ending at the close of business on the Special Record Date; or (iv) issue or transfer any Bonds selected or called for redemption.

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

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

IN WITNESS WHEREOF, the BOROUGH OF CAMP HILL, Cumberland County, Pennsylvania, as provided by the Act and in the Ordinance, has caused this Bond to be executed in its name and in its behalf by the President of its Council and the official seal of the Borough to be affixed hereunto duly attested by its Secretary.

ATTEST:

BOROUGH OF CAMP HILL,
Cumberland County, Pennsylvania

By:

Secretary

President of Council

(SEAL)

(FORM OF CERTIFICATES)

CERTIFICATE OF AUTHENTICATION
AND CERTIFICATE AS TO OPINION

It is certified that:

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

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

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
Paying Agent

By:
Authorized Officer

DATE OF REGISTRATION AND AUTHENTICATION: May 17, 2011

(FORM OF ASSIGNMENT AND TRANSFER)

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

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

_____

_____

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

Dated:

_____

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

Section 12. The Bonds shall be executed in the name of and in behalf of this Borough by the manual or facsimile signature of the President or Vice President of the Council and the official seal of this Borough or a facsimile thereof shall be affixed thereunto and the manual or facsimile signature of the Secretary or Assistant Secretary of this Borough shall be affixed thereunto in attestation thereof; and said officers are authorized to execute and to attest, as applicable, the Bonds.

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

Section 13. This Borough covenants to and with the registered owners, from time to time, of the Bonds, pursuant to this Ordinance, that this Borough, as appropriate, shall include the amount of the debt service for each fiscal year of this Borough in which such sums are payable in its budget for that fiscal year, shall appropriate such amounts to the payment of such debt service and duly and punctually shall pay or shall cause to be paid the principal of the Bonds and the applicable interest thereon on the dates and at the place and in the manner stated in the Bonds, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Borough shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Borough shall be enforceable specifically.

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

Fiscal Year Ending December 31	Amount of Debt Service
2011	$213,901.61
2012	$457,235.00
2013	$530,360.00
2014	$625,860.00
2015	$629,710.00
2016	$628,335.00
2017	$626,810.00
2018	$630,060.00
2019	$628,085.00
2020	$630,272.50
2021	$626,610.00
2022	$627,360.00
2023	$627,422.50
2024	$626,760.00
2025	$630,260.00
2026	$628,260.00
2027	$625,860.00
2028	$627,753.75
2029	$628,616.25
2030	$628,635.00
2031	$627,547.50
2032	$630,222.50
2033	$626,495.00
2034	$626,335.00
2035	$630,095.00
2036	$627,300.00
2037	$627,925.00
2038	$627,300.00
2039	$625,081.25
2040	$626,125.00
2041	$625,637.25

Section 14. There is created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as Sinking Fund - General Obligation Bonds,

Series of 2011 (the "Series of 2011 Sinking Fund"), which sinking fund shall be administered in accordance with applicable provisions of the Act and into which funds shall be deposited for prompt and full payment of all obligations of the Bonds when due.

Within the Series of 2011 Sinking Fund there is created a Term Bonds Account - Series of 2011 Bonds.

The Bonds maturing on May 15 of each of the years 2030, 2032, 2035, 2038 and 2041 (the "2011 Term Bonds"), are subject to retirement by mandatory redemption or purchase prior to maturity and by payment at maturity out of moneys in the Term Bonds Account - Series of 2011 Bonds (as hereinafter provided). Such retirement (subject to prior retirement from other available moneys) shall be effected as follows:

On or before April 5, 2029, and on or before April 5 of each year thereafter, to and including on or before April 5, 2041, or so long as any 2011 Term Bonds of the particular maturity then being retired shall remain outstanding, this Borough shall deposit in the Term Bonds Account - Series of 2011 Bonds the aggregate principal amount as may be required to purchase, redeem or pay upon maturity, as applicable, the following aggregate principal amounts of 2011 Term Bonds of the particular maturity then being retired on or prior to the next succeeding

May 15 out of the Term Bonds Account - Series of 2011 Bonds, as hereinafter provided:

May 15, 2029 . . .$345,000	May 15, 2036 . . .$475,000
May 15, 2030 . . .$360,000	May 15, 2037 . . .$500,000
	May 15, 2038 . . .$525,000
May 15, 2031 . . .$375,000	May 15, 2039 . . .$550,000
May 15, 2032 . . .$395,000	May 15, 2040 . . .$580,000
	May 15, 2041 . . .$610,000
May 15, 2033 . . .$410,000	
May 15, 2034 . . .$430,000	
May 15, 2035 . . .$455,000	

or such lesser aggregate principal amount as on the particular date shall represent all 2011 Term Bonds of the particular maturity then being retired which are then outstanding; and after all 2011 Term Bonds shall have been retired, no further deposits shall be made to the Term Bonds Account - Series of 2011 Bonds.

Moneys so deposited in the Term Bonds Account - Series of 2011 Bonds, as provided in the preceding paragraph, shall be applied to payment upon maturity and/or purchase or redemption of the 2011 Term Bonds as required by this Section 14, as follows:

Commencing on or before April 6 of each of the years 2029 to 2041, inclusive, so long as any 2011 Term Bonds of the particular maturity then being retired shall remain outstanding, and until and

including the following April 10, the Paying Agent, in behalf of this Borough, shall purchase from moneys available in the Term Bonds Account - Series of 2011 Bonds as many 2011 Term Bonds of the particular maturity then being retired at the time outstanding as can be purchased at lowest prices offered at the time by bondholders, which in no case shall exceed the principal amount thereof, together with accrued interest to the date of purchase (which accrued interest shall be paid out of moneys available for such purpose in the Series of 2011 Sinking Fund). On or before April 11 of each of the years 2029, 2031, 2033, 2034, 2036, 2037, 2039 and 2040, so long as any 2011 Term Bonds of the particular maturity then being retired shall remain outstanding or as soon after such April 11 as shall suit the convenience of the Paying Agent and shall allow sufficient time to mail the notice of redemption, the Paying Agent shall draw by lot for redemption on the following May 15, such aggregate principal amount of 2011 Term Bonds of the particular maturity then being retired as shall represent the difference between the aggregate principal amount of the 2011 Term Bonds of the particular maturity then being retired fixed for purchase or redemption on or prior to the following May 15, in accordance with the schedules set forth in the preceding paragraph, and the principal amount thereof which the Paying Agent shall have purchased during the immediately preceding period, as above provided.

Upon selection by lot of the particular 2011 Term Bonds to be redeemed, as above provided, the Paying Agent shall provide for the mailing of an appropriate notice of redemption relating to such 2011 Term Bonds so drawn for redemption, in the manner provided in the Bonds.

Section 15. This Borough appoints The Bank of New York Mellon Trust Company, N.A. as the sinking fund depositary with respect to the sinking fund created pursuant to Section 14.

Section 16. This Borough covenants to make payments out of the sinking fund created pursuant to Section 14 or out of any other of its revenues or funds, at such times and in the annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds when due.

Section 17. The President or Vice President of Council and the Secretary or Assistant Secretary, respectively, of this Borough, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (a) to prepare, to verify and to file the debt statement required by Section 8110 of the Act; (b) to prepare or have prepared and to file, as required and if necessary, with the Department of Community and Economic Development (the "Department") of the Commonwealth, reports required by Section 8026 of the Act which are necessary to qualify any nonelectoral debt of this Borough, which is subject to exclusion as self-

liquidating debt, for exclusion from the nonelectoral debt limit of this Borough as self-liquidating debt; (c) to prepare, execute and file the application with the Department, together with a complete and accurate transcript of proceedings relating to the incurring of debt, of which debt the Bonds, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action, including, without limiting the generality of the foregoing, execution and delivery of necessary and appropriate certificates, receipts, affidavits and other documents necessary and desirable in connection with delivery of the Bonds to the Purchaser.

The Council of this Borough hereby approves the self-liquidating debt report made pursuant to Section 8026 of the Act of Gannett Fleming, Inc., consulting engineers of this Borough with respect to the Project and with respect to the Bonds.

Section 18. The President or Vice President of Council and the Secretary or Assistant Secretary of this Borough are authorized and directed to contract with the Paying Agent for its services as sinking fund depositary in connection with the sinking fund created pursuant to Section 14 and as paying agent and registrar in connection with the Bonds.

Section 19. It is declared that the debt to be incurred hereby is within the limitation imposed by the Act upon the incurring of such debt by this Borough.

Section 20. Proper officers of this Borough are authorized and directed to deliver the Bonds, upon execution, attestation and authentication thereof as provided for herein, to the Purchaser, but only upon receipt of proper payment of the balance due therefor, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 21. This Borough covenants that it will not invest or reinvest any proceeds derived from the Bonds, the effect of which investment would cause the Bonds to become obligations, the interest on which does not remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

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

This Borough shall timely execute and file whatever reports and documents and make such rebates as may be necessary to assure that the Bonds are

not "arbitrage bonds" and that the interest on the Bonds will remain excludible from gross income under the Internal Revenue Code of 1986, as amended.

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

This Borough shall follow the advice of counsel with respect to any such investments, expenditures and the filing of reports and related actions in order to assure compliance with the provisions of this Section 21.

Section 22. This Borough hereby determines for purposes of the Internal Revenue Code of 1986, as amended, that each of the Bonds shall be designated as a "qualified tax-exempt obligation" to the extent the Bonds are acquired by any "financial institution", as defined in Section 265(b)(5) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

This Borough hereby reasonably anticipates that the total amount of qualified tax exempt obligations (other than private activity bonds) which will be

issued by it and all subordinate entities during the calendar year 2011 will not exceed $10,000,000, within the meaning of and computed as provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations and rulings thereunder and corresponding provisions of any Federal tax laws from time to time proposed or enacted and at the time applicable or proposed to be applicable.

Section 23. This Borough will not use any portion of the proceeds of the Bonds in a manner that would cause the Bonds to be private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended.

Section 24. In compliance with rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, this Borough hereby covenants and agrees that:

(a) This Borough annually shall deliver to the MSRB (as defined hereafter) and the SID (as defined hereafter), if any, within 180 days after the end of each fiscal year of this Borough beginning with its fiscal year ending December 31, 2011:

(1) a copy of its annual financial statements prepared in accordance with guidelines adopted by the Government Accounting Standards Board and the American Institute of Certified Public Accounts' Audit Guide, Audits of State and Local Government; Provided, however, that unaudited financial statements will be

provided if audited financial statements are not at the time available and audited financial statements will be substituted for unaudited financial statements as soon as they are available; and

(2) the following: (a) a copy (or summary) of the budget for the current fiscal year; (b) the total assessed value and market value of all taxable real estate for the current year; (c) the taxes and millage rates imposed for the current fiscal year; (d) the real property tax collection results for the most recent fiscal year, including: (i) the real estate levy imposed (expressed both as a millage rate and an aggregate dollar amount); (ii) the dollar amount of real estate taxes collected that represented current collections (expressed both as a percentage of such fiscal year's levy and as an aggregate dollar amount; (iii) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount); and (iv) the total amount of real estate taxes collected (expressed both as a percentage of the current year's levy and as an aggregate dollar amount); and (e) a list of the ten (10) largest real estate taxpayers and, for each, the total assessed value of real estate for the current fiscal year.

Any or all of the information listed above may be incorporated by reference from other documents, as permitted by SEC Rule 15c 2-12.

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

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults;

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

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

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

(6) Adverse tax opinions, issuance by the Internal Revenue Service of proposed or final determinations of taxability or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to tax status of the Bonds or other events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls (excluding mandatory sinking fund redemption) if material and tender offers;

(9) Defeasances;

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

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or a similar proceeding by an obligated person;

(13) Consummation of a merger, consolidation, acquisition involving an obligated person, or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or determination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Failure to file required annual reports.

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

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

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

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

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

(f) "MSRB" means the Municipal Securities Rulemaking Board or any successor.

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

This Borough reserves the right to terminate its obligations to provide annual financial information and notices of material events, as set forth above, if and

when this Borough no longer remains an "obligated person" with respect to the Bonds within the meaning of SEC Rule 15c2-12.

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

Section 25. The Bonds shall be made available for purchase under a book-entry only system available through the Depository Trust Company, a New York corporation ("DTC"). At or prior to settlement for the Bonds, this Borough and the Paying Agent shall execute or signify their approval of a Representation Letter in substantially the form presented to this meeting (the "Representation Letter") and hereby approved. The appropriate officers of this Borough and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written acceptance of its duties under this Ordinance, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

Section 26. Notwithstanding the foregoing provisions of this Ordinance, the Bonds shall initially be issued in the form of one fully registered bond for the aggregate principal amount of the Bonds of each maturity and the following provisions shall apply with respect to the registration, transfer and payment of the Bonds:

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

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

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price

of or interest on such Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this Borough or the Paying Agent with respect to the principal or redemption price of or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

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

and for all other purposes whatsoever; and neither this Borough nor the Paying Agent shall be affected by any notice to the contrary. Neither this Borough nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being a registered owner of Bonds, with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any such participant; (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds; (4) any notice which is permitted or required to be given to holders of the Bonds under this Ordinance; (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds; and (6) any consent given or other action taken by DTC as holder of the Bonds.

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

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Ordinance by this Borough or the Paying Agent with respect to any consent or other action to be taken by holders of Bonds, DTC shall consider the

date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that this Borough or the Paying Agent may establish a special record date for such consent or other action. This Borough or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

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

Section 27. The Council of this Borough authorizes the Official Statement prepared by Public Financial Management, Inc. (the "Financial Advisor") and the information contained therein to be used by the Purchaser in connection with the public offering and sale of the Bonds. This Borough consents to the use by the Purchaser prior to the date of adoption of this Ordinance of the Preliminary Official Statement prepared by the Financial Advisor in connection with the public offering of the Bonds. Proper officers of this Borough are authorized and directed to take all action and to execute and deliver such documents as shall be required to carry out the intent and purpose of this Section.

Section 28. 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 Borough that such remainder shall be and shall remain in full force and effect.

Section 29. All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 30. This Ordinance shall become effective in accordance with Section 8003 of the Act.

DULY ENACTED AND ORDAINED this 13th day of April, 2011.

ATTEST

Secretary

(SEAL)

BOROUGH OF CAMP HILL,
Cumberland County, Pennsylvania

By: _____
President of Council

EXAMINED AND APPROVED this 13th day of April, 2011.

Mayor

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