

**MUNICIPALITY OF NORRISTOWN
COUNTY OF MONTGOMERY**

COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 17-03

ENACTED: MARCH 21, 2017

AN ORDINANCE OF THE COUNCIL OF THE MUNICIPALITY OF NORRISTOWN, MONTGOMERY COUNTY, PENNSYLVANIA, SETTING FORTH ITS INTENT TO ISSUE A SERIES OF FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES AAA OF 2017 OF THE MUNICIPALITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWELVE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$12,150,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT, 53 PA.C.S., CHAPTERS 80-82, AS AMENDED AND SUPPLEMENTED (THE "ACT"); FINDING THAT A PRIVATE SALE BY NEGOTIATION IS IN THE BEST FINANCIAL INTERESTS OF THE MUNICIPALITY; DETERMINING THAT SUCH BONDS SHALL EVIDENCE NONELECTORAL DEBT OF THE MUNICIPALITY; SPECIFYING THAT SUCH INDEBTEDNESS IS TO BE INCURRED TO PROVIDE FUNDS FOR CERTAIN PROJECTS OF THE MUNICIPALITY WHICH INCLUDE, AMONG OTHER THINGS: (1) THE CURRENT REFUNDING OF THE MUNICIPALITY'S FEDERALLY TAXABLE GENERAL OBLIGATION BONDS, SERIES OF 2004; (2) THE FUNDING OF A PORTION OF THE MUNICIPALITY'S UNFUNDED ACTUARIAL ACCRUED PENSION LIABILITY; AND (3) THE PAYMENT OF THE COSTS AND EXPENSES OF ISSUANCE OF THE BONDS; SETTING FORTH THE REASONABLE ESTIMATED USEFUL LIFE OF THE PROJECT TO BE FINANCED BY THE BONDS; ACCEPTING A PROPOSAL FOR THE PURCHASE OF SUCH BONDS AT PRIVATE SALE BY NEGOTIATION; PROVIDING THAT SUCH BONDS, WHEN ISSUED, SHALL CONSTITUTE A GENERAL OBLIGATION OF THE MUNICIPALITY; FIXING THE DENOMINATIONS, DATED DATE, INTEREST PAYMENT DATES, MATURITY DATES, INTEREST RATES, REDEMPTION PROVISIONS, MANDATORY REDEMPTION PROVISIONS (IF APPLICABLE) AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AUTHORIZING SPECIFIED OFFICERS OF THE MUNICIPALITY TO CONTRACT WITH THE PAYING AGENT FOR ITS SERVICES IN CONNECTION WITH THE BONDS; SETTING FORTH THE SUBSTANTIAL FORM OF THE BONDS EVIDENCING THE DEBT; AUTHORIZING EXECUTION AND ATTESTATION OF SUCH BONDS; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS TO THE EXTENT REQUIRED BY THE ACT AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE MUNICIPALITY IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH BONDS, TO THE EXTENT REQUIRED BY THE ACT;

ESTABLISHING A CLEARING ACCOUNT; DESIGNATING THE PAYING AGENT TO BE THE SINKING FUND DEPOSITARY; PROVIDING A COVENANT TO INSURE PROMPT AND FULL PAYMENT FOR SUCH BONDS WHEN DUE; SETTING FORTH REGISTRATION AND TRANSFER PROVISIONS WITH RESPECT TO SUCH BONDS; AUTHORIZING THE EXECUTION OF ONE OR MORE INVESTMENT AGREEMENTS BY SPECIFIED OFFICERS OF THE MUNICIPALITY (IF APPLICABLE) AND THE PURCHASE OF CERTAIN U.S. TREASURY OBLIGATIONS OR ANY OTHER SECURITIES OR INVESTMENTS IN CONNECTION WITH THE PROJECT; RATIFYING PRIOR ADVERTISEMENT AND DIRECTING FURTHER ADVERTISEMENT; SPECIFYING THAT REASONABLE COST ESTIMATES HAVE BEEN OBTAINED FOR THE PROJECT; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE MUNICIPALITY TO DO, TO TAKE AND TO PERFORM CERTAIN SPECIFIED, REQUIRED, NECESSARY OR APPROPRIATE ACTS TO EFFECT THE ISSUANCE OF THE BONDS, INCLUDING, WITHOUT LIMITATION, THE PREPARATION, EXECUTION AND FILING OF A TRANSCRIPT OF PROCEEDINGS, INCLUDING THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, ALL AS REQUIRED BY THE ACT; RATIFYING AND APPROVING THE CONTENT AND FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING DISTRIBUTION THEREOF AND AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; DECLARING THAT THE DEBT TO BE EVIDENCED BY SUCH BONDS, TOGETHER WITH ALL OTHER INDEBTEDNESS OF THE MUNICIPALITY, WILL NOT BE IN EXCESS OF ANY APPLICABLE LIMITATION IMPOSED BY THE ACT; AUTHORIZING PROPER OFFICERS OF THE MUNICIPALITY TO DELIVER THE BONDS UPON THE APPROVAL OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING THE PURCHASE OF BOND INSURANCE (IF APPLICABLE); AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE AND COVENANTING TO COMPLY WITH THE PROVISIONS THEREOF; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INSOFAR AS THE SAME SHALL BE INCONSISTENT HEREWITH.

WHEREAS, the Municipality of Norristown, Montgomery County, Pennsylvania (the “Municipality”), is a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”); and

WHEREAS, the Municipality has obtained realistic cost estimates for the Project from persons qualified by experience as required by Section 8006 of the Act (as hereinafter defined); and

WHEREAS, the Municipality, in contemplation of the issuance and sale of its Federally Taxable General Obligation Bonds, Series AAA of 2017 in an aggregate principal amount of not to exceed Twelve Million One Hundred Fifty Thousand Dollars (\$12,150,000), to provide funds for and towards the Project (hereinafter defined) of the Municipality, has determined that the

Bonds (hereinafter defined) shall be offered for sale at a private sale by negotiation pursuant to the provisions of the Local Government Unit Debt Act of the Commonwealth, as reenacted and amended (the "Act") and has determined that a private sale by negotiation is in the best financial interests of the Municipality; and

WHEREAS, the Council of the Municipality (the "Council") has determined that such Bonds will be issued and designated generally as "Municipality of Norristown, Montgomery County, Pennsylvania, Federally Taxable General Obligation Bonds, Series AAA of 2017" (the "Bonds"); and

WHEREAS, the Bonds shall be issued in the aggregate principal amount of not to exceed Twelve Million One Hundred Fifty Thousand Dollars (\$12,150,000); and

WHEREAS, the Council has determined to accept the proposal of Janney Montgomery Scott LLC (the "Purchaser"), for the purchase of the Bonds, such sale to be conditioned upon, among other things, the receipt of approval from the Department of Community and Economic Development of the Commonwealth (the "Department") relating to the incurring of the indebtedness to be evidenced by the Bonds; and

WHEREAS, the Municipality has heretofore issued its Federally Taxable General Obligation Bonds, Series of 2004 in the aggregate principal amount of \$8,545,000 (the "2004 Bonds"); and

WHEREAS, the Municipality desires to authorize the refunding of the 2004 Bonds for the purpose of reducing the total debt service over the life of the 2004 Bonds; and

WHEREAS, the Council has determined to and desires to accept the proposal of the Purchaser and to incur nonelectoral debt in the aggregate principal amount of not to exceed Twelve Million One Hundred Fifty Thousand Dollars (\$12,150,000) to fund certain Project (hereinafter described) of the Municipality pursuant to the provisions of the Act.

The above recitals are deemed to be part of the Ordinance.

NOW, THEREFORE, BE AND IT HEREBY IS ORDAINED AND ENACTED by the Council of the Municipality of Norristown, Montgomery County, Pennsylvania, in lawful session duly assembled, as follows:

Section 1. The Project.

A brief description of the project (the "Project") to be funded with, among other things, the proceeds of the Bonds is as follows: (a) the current refunding of the 2004 Bonds; (b) the funding of a portion of the Municipality's unfunded actuarial accrued pension liability; and (c) the payment of the costs and expenses of issuance of the Bonds.

The remaining realistic estimated useful lives of the projects financed by the 2004 Bonds and refinanced by the Bonds is at least twenty-seven (27) years and the estimated useful life of the projects financed by the Bonds is at least forty (40) years. It is hereby certified

that an aggregate principal amount of the Bonds at least equal to the realistic estimated cost of each such capital project shall mature prior to the end of the useful life of such project.

Stated installments or maturities of principal of the Bonds will not be deferred beyond the later of one year after the estimated date for the completion of the construction portion of the Project, if any, or two years from the date of issue of the Bonds.

In connection with the issuance and sale of the Bonds, the Council, as required by the provisions of the Act, hereby finds, determines and states (a) that the purpose of the refunding of the 2004 Bonds is to reduce total debt service over the life of the 2004 Bonds; and (b) that the refunding of the 2004 Bonds is authorized and permitted under and pursuant to the provisions of Section 8241 of the Act. The Council further finds and determines that the final maturity date of the Bonds issued to effect the refunding of the 2004 Bonds does not extend to a date that could not have been included in the 2004 Bond issue.

The Council hereby authorizes and directs its proper officers, agents and employees to execute all documents and take all actions necessary in connection with accomplishing the refunding of the 2004 Bonds, including, but not limited to providing notice to the Paying Agent for the 2004 Bonds, and to call the 2004 Bonds for optional redemption in full on the first date that the 2004 Bonds are eligible to be called for optional redemption. In accordance with Section 8246 of the Act, it is the intent of the Council that the 2004 Bonds shall no longer be outstanding from and after the date of the issuance of the Bonds.

Section 2. Incurrence of Indebtedness.

(a) Pursuant to the provisions of this Ordinance, the Council hereby authorizes and directs the incurrence of non-electoral debt through the issuance of the Bonds in the aggregate principal amount of not to exceed Twelve Million One Hundred Fifty Thousand Dollars (\$12,150,000) to be designated generally as "Municipality of Norristown, Montgomery County, Pennsylvania, Federally Taxable General Obligation Bonds, Series AAA of 2017". The Bonds shall be issued and sold in accordance with the provisions of the Act by private sale by negotiation. In connection therewith, the Council hereby finds and determines that a private sale by negotiation is in the best financial interests of the Municipality.

(b) The Council determines that the debt to be incurred pursuant to this Ordinance, and which will be evidenced by the Bonds, shall be nonelectoral debt of the Municipality.

Section 3. Approval of Private Sale.

After considering the advantages and disadvantages of a public sale of the Bonds, the Council hereby determines that a private sale by negotiation is in the best financial interests of the Municipality.

Section 4. Acceptance of Proposal.

Subject to the approval of the Department, as required by the provisions of the Act, the Council shall and does hereby accept the proposal of the Purchaser, for the purchase of the Bonds in accordance with the terms and conditions of this Ordinance and the Purchaser's

proposal, dated March 21, 2017 (the "Proposal"). The sale of the Bonds shall be for an aggregate purchase price of not less than 95.0% nor more than 115.0% of the par amount of the Bonds, plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof. The Council President and, if applicable, any designee acting by reason of the Council President's absence or other incapacity (the "Authorized Officer(s)") are hereby authorized and directed to accept and to execute the Proposal in the name and on behalf of the Municipality, and the Municipal Administrator is hereby authorized and directed to attest to such acceptance and execution. A copy of the Proposal, as presented to the Council and accepted by this Ordinance, is incorporated herein by reference and shall be attached to this Ordinance and maintained with the minutes of this meeting. The bid security, if any, accompanying the Proposal shall be held and shall be applied as provided by the Act; provided, however, that no allowance for interest shall be made by the Municipality with respect to such bid security, except as provided by the Act.

Upon final pricing of the Bonds, the Purchaser will present to the Municipality an Addendum to the Proposal setting forth the final terms and conditions of the Bonds, including the final principal amount, interest rates, redemption provisions and purchase price for the Bonds (the "Addendum"). As long as the terms and conditions set forth in the Addendum satisfy the parameters set forth in this Ordinance, the Council President, the Municipal Administrator or any other Authorized Officer(s) or other proper officer or officers of the Municipality is hereby authorized and directed to accept and to execute the Addendum in the name and on behalf of the Municipality, and the Municipal Administrator is hereby authorized and directed to attest to such acceptance and execution.

Section 5. Realistic Cost Estimates.

The Council hereby finds and determines that realistic cost estimates have been obtained for the Project with the assistance of financial advisors or other persons qualified by experience to make such estimates.

Section 6. The Bonds.

(a) The Bonds, when issued, will be a general obligation of the Municipality.

(b) The Bonds shall be fully registered, without coupons, in denominations of \$5,000 or any integral multiple thereof, in substantially the form hereinafter set forth in Section 8. The Bonds shall be dated as set forth in the definitive series of Bonds as delivered to the Purchaser in accordance with the provisions hereof, and shall bear interest from that date at the applicable rates per annum as set forth herein, payable in accordance with the provisions of the Bonds and this Ordinance, semiannually on May 1 and November 1 in each year, beginning November 1, 2017 (each an "Interest Payment Date"), until maturity or prior redemption.

(c) The Bonds shall bear interest at rates not to exceed the maximum rates of interest and shall mature, whether by maturity or mandatory sinking fund redemption on the dates and in the amounts not to exceed the maximum amounts as set forth on Exhibit A attached hereto.

The Bonds shall be subject to optional and mandatory sinking fund redemption as set forth in the definitive Bonds as delivered to the Purchaser in accordance with the provisions hereof.

In lieu of any mandatory redemption, the Paying Agent, on behalf of the Municipality, may purchase, from money in the appropriate sinking fund, or the Municipality may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of the same series and of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent (hereinafter defined) as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given. Further notice of redemption shall be mailed at least twenty-five (25) days prior to the date fixed for redemption to The Bond Buyer and certain bond depositories or their respective successors, if any; provided, however, that failure to mail notice to The Bond Buyer and such bond depositories shall not affect the validity of such redemption.

If at the time of mailing of the notice of redemption the Municipality shall not have deposited with the Paying Agent moneys 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 moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest being held by such 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 this Ordinance, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption

need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

The Bonds shall be executed on behalf of the Municipality by the Authorized Officer(s) and shall have the corporate seal of the Municipality or a facsimile thereof affixed thereto, duly attested by the Municipal Administrator (or any acting Municipal Administrator appointed for such purposes) to the Council. Said officers are hereby authorized and directed to execute the Bonds. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No Bond shall be valid until such Certificate of Authorization shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. To the extent that any one signature on a Bond (including the signature of the authorized representative of the Paying Agent) is manual, all other signatures may be by facsimile. The Director of Finance or her delegate is hereby authorized and directed to deliver, or cause to be delivered, the Bonds to the Purchaser and receive payment therefor on behalf of the Municipality after sale of the same in the manner required by law and this Ordinance.

Section 7. Appointment of Paying Agent, Registrar and Sinking Fund Depository.

The proper officers of the Municipality are hereby authorized, empowered and directed to contract with The Bank of New York Mellon Trust Company, N.A. or another bank or bank and trust company authorized to do business in the Commonwealth of Pennsylvania and who has an office in the Commonwealth of Pennsylvania (the "Paying Agent"), for its services as paying agent, registrar and sinking fund depository in accordance with the terms and conditions of the Proposal, this Ordinance and the Act. Payment of the principal of and interest on the Bonds shall be made, when due, in accordance with the provisions of the Bonds, at the corporate trust office of the Paying Agent in lawful money of the United States of America. The Municipality may, by ordinance, from time to time, appoint a successor paying agent, registrar or sinking fund depository to fill a vacancy or for any other reason.

Section 8. Form of Bonds.

(a) The Bonds shall be in substantially the form set forth in Exhibit "B" with appropriate insertions, omissions and variations.

(b) The Bonds shall be executed in the name and on behalf of the Municipality by the true or facsimile signature of the Authorized Officer(s) and the true or facsimile official seal of the Municipality shall be affixed thereunto, duly attested by the true or facsimile signature of the Municipal Administrator. Said officers are authorized and directed to execute and attest the Bonds.

No Bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such Bond shall have been registered and authenticated by the Certificate of Authentication endorsed thereon

duly signed by the Paying Agent; and the Paying Agent is authorized to register and authenticate the Bonds in accordance with the provisions hereof.

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, which Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). The Bonds issued in the name of Cede & Co. in accordance with the provisions of this Section may be issued in typewritten form satisfactory to DTC. Except as provided below all of the Bonds shall be registered in the registration books kept by the Paying Agent 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 registered in the name of such nominee or nominees of DTC. No person other than DTC or its nominee shall be entitled to receive from the Municipality 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 maintained by the Paying Agent, in connection with discontinuing the book-entry system as below or otherwise.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price, if any, of or interest on such Bonds shall be made to DTC or its nominee. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Municipality 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.

The Municipality and the Paying Agent shall treat DTC (or its nominee) as the sole and exclusive registered 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 registered owners of the Bonds, registering the transfer of the Bonds, obtaining any consent or other action to be taken by registered owners of the Bonds and for all other purposes whatsoever; and neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary. Neither the Municipality 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 registration books of the Paying Agent as being a registered owner, 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 registered owners of the Bonds; (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; or (6) any consent given or other action taken by DTC as the registered owner of the Bonds.

So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the registered owners of the Bonds under this Ordinance shall be given to DTC.

In connection with any notice or other communication to be provided to registered owners of the Bonds pursuant to this Ordinance by the Municipality or the Paying Agent with respect to any consent or other action to be taken by registered owners of the 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 the Municipality or the Paying Agent may establish a special record date for such consent or other action. The Municipality or the Paying Agent shall give DTC notice of such special record date not less than 10 calendar days in advance of such special record date to the extent possible.

The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if: (1) after notice to the Municipality and the Paying Agent, DTC determines to resign as securities depository for the Bonds; (2) after notice to DTC and the Paying Agent, the Municipality 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 the Municipality or the beneficial owners of the Bonds. In any such event, unless the Municipality 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 in writing by DTC, but without any liability on the part of the Municipality or the Paying Agent for the accuracy of such designation. Whenever DTC requests the Municipality and the Paying Agent to do so, the Municipality and the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable written notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Section 9. General Obligation Covenant.

The Municipality covenants to and with the registered owners from time to time of the Bonds that the Municipality (i) shall include in its budget in each fiscal year the amount of the debt service for each fiscal year of the Municipality in which such sums are payable, (ii) shall appropriate from its general revenues in each such fiscal year the amount required to pay debt service on the Bonds for such year, and (iii) shall duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal amount of the Bonds and the interest due thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Municipality shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in Section 8104 of the Act, the foregoing covenant of the Municipality shall be enforceable specifically.

Section 10. Sinking Fund.

(a) The Municipality hereby covenants to create and there is hereby created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as "Sinking Fund – Municipality of Norristown, Montgomery County, Pennsylvania, Federally Taxable General Obligation Bonds, Series AAA of 2017" (the "Sinking Fund") which shall be established with the Paying Agent and administered in accordance with applicable provisions of the Act and this Ordinance.

(b) The Paying Agent shall be the "sinking fund depository" with respect to the Sinking Fund created pursuant to this Section 10. The Municipality covenants and agrees to

deposit in the Sinking Fund, on or before each Interest Payment Date, an amount which shall be sufficient to permit the Paying Agent to pay on such Interest Payment Date all principal and accrued interest becoming due with respect to the Bonds. After such deposit, the Paying Agent shall, without further authorization or direction from the Municipality or any of its officials, upon proper and timely presentation, execution and surrender of the Bonds, with respect to the payment of principal of the Bonds, or at the Interest Payment Date, with respect to the payment of interest on the Bonds, withdraw moneys from the Sinking Fund and apply such moneys to the prompt and full payment of such obligations in accordance with the terms thereof, the terms and conditions of this Ordinance and the provisions of the Act.

Section 11. Bond Payment Dates.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date; or (b) the Bonds are registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such Interest Payment Date, or (c) the Bonds are registered and authenticated on or prior to the Record Date preceding November 1, 2017, in which event such Bonds shall bear interest from the dated date thereof, or (d) as shown by the records of the Paying Agent, interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds. Interest shall be paid semiannually on May 1 and November 1 of each year, beginning November 1, 2017, until the principal sum is paid. Interest on the Bonds is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Municipality shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of the Bonds not less than fifteen (15) days preceding such 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 (5th) day preceding the date of mailing.

If the date for payment of the principal of or the interest on any Bonds 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 remain closed, then the payment of such principal or interest need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the due date for payment of principal or redemption price or interest, and no interest shall accrue after such date.

The Municipality and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection

of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at its principal corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of the Bonds in the registration books of the Municipality maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees new fully registered Bonds of authorized denominations of the same series and maturity for the aggregate amount which the transferee or transferees are entitled to receive at the earliest practicable time.

The Municipality and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered on the registration books of the Municipality maintained by the Paying Agent as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of and/or interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representatives, but such registration may be changed, as herein and in the Bonds provided. All such payments shall be valid and effectual to satisfy in full and discharge the liability of the Municipality upon the Bonds so paid, to the extent of the sum or sums so paid, and neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary.

The Municipality shall cause to be kept, and the Paying Agent shall keep, at the principal corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as the Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 12. Investment Agreements.

If necessary, the Municipality hereby approves the execution of one or more investment agreements, the purchase of certain U.S. Treasury obligations or any other securities or investments (the "Investments") for investment of the proceeds of the Bonds in connection with the Project. The Municipality hereby authorizes and directs the Authorized Officer(s) to execute and the Municipal Administrator to attest any investment agreement on behalf of the Municipality, in the form approved by the Solicitor and Bond Counsel of the Municipality. The Investments shall be limited to those authorized under law for proceeds of the Bonds.

Section 13. Debt Statement and Borrowing Base Certificate.

The Authorized Officer(s) and the Municipal Administrator, and, if applicable, their duly qualified respective successors, are hereby authorized and directed, in the name and on

behalf of the Municipality: (a) to prepare, execute and certify the debt statement and borrowing base certificate required by the Act; (b) to prepare, execute and file with the Department, as required by Section 8111 of the Act, a duly attested copy of this Ordinance, with proofs of proper publication, the accepted Proposal of the Purchaser and a complete and accurate transcript of the proceedings relating to the incurring of the debt to be evidenced by the Bonds, including the debt statement and borrowing base certificate; (c) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; (d) to pay or cause to be paid from proceeds of the Bonds or otherwise, all costs and expenses incurred by the Municipality in connection with the issuance of the Bonds; (e) to advertise the enactment of this Ordinance, as required by the Act; and (f) to take any and all other action, and to execute and deliver any and all documents and other instruments, required or permitted by the Act or by the Proposal of the Purchaser, or which they, in their sole discretion, may deem necessary, proper or desirable to effect the issuance of the Bonds, to the extent not inconsistent with this Ordinance or applicable law.

Section 14. Disposition of Bond Proceeds and Establishment of Clearing Account.

All moneys derived from the sale of the Bonds shall be deposited in the Series AAA of 2017 Clearing Account (as hereinafter defined) created pursuant to this Section 14 and shall be and hereby are appropriated substantially to payment of the costs of the Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the Bonds, and shall not be used for any other purposes, unless as otherwise provided herein and except as to any insubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor amounts of remaining moneys shall promptly upon their determination be deposited in the Series AAA of 2017 Sinking Fund and used for the payment of interest on the Bonds.

The Municipality hereby creates with the Paying Agent a special fund to be known as the Municipality of Norristown, Montgomery County, Pennsylvania Series AAA of 2017 Clearing Account (the "Series AAA of 2017 Clearing Account"), which shall be held as trust funds for the benefit of the Municipality until disbursed in accordance with the provisions hereof. The Municipality shall deliver the net proceeds (including accrued interest, if any) derived from the sale of the Bonds to the Paying Agent for deposit to the Series AAA of 2017 Clearing Account. Upon receipt of written directions from the Municipality, the Paying Agent shall pay, out of the Series AAA of 2017 Clearing Account, the costs and expenses of the issuance of the Bonds, shall transfer the amount of accrued interest, if any, to the Series AAA of 2017 Sinking Fund, shall, within thirty (30) days of settlement, make a deposit to the Municipality's pension fund (the Firefighters' Pension Fund, the Police Pension Fund or the Non-Uniformed Employees' Pension Fund, as applicable) and shall apply the remaining amounts in the Series AAA of 2017 Clearing Account to the refunding of the 2004 Bonds. The written direction from the Municipality shall state the names of the respective payees, the purpose for which the expenditure has been incurred, or the purpose of the transfer, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer which is requested is in accordance with the provisions of this Ordinance.

Section 15. Preliminary Official Statement and Official Statement.

The Preliminary Official Statement in the form presented at this meeting (a copy of which shall be filed with the records of the Municipality) is hereby approved with such subsequent, necessary and appropriate additions, changes, variations, omissions and insertions as may be approved by the proper official of the Municipality with the advice of counsel. The use and distribution of the Preliminary Official Statement by the Purchaser is hereby ratified and approved and the distribution thereof on and after the date hereof, with such subsequent additions, changes, variations, omissions and insertions, as aforesaid, is hereby authorized in connection with the public offering of the Bonds. An Official Statement in substantially the same form as the Preliminary Official Statement, with such changes, if any, as may be approved by the Municipality's official executing the same with the advice of counsel, such approval to be conclusively evidenced by the execution thereof, is hereby authorized and directed to be prepared and upon its presentation, to be executed by the Authorized Officer(s) following such investigation as such Authorized Officer(s) deems necessary as to the contents thereof. The Municipality hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of the Bonds.

Section 16. Payment of Costs of Issuance.

The proper officials of the Municipality are hereby authorized and directed to pay the cost of issuing the Bonds; provided that the total of such costs shall not exceed the amount of Bond proceeds available therefor; and provided, further, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 17. Compliance with Debt Act.

It is hereby declared that the debt to be evidenced by the Bonds, together with all other indebtedness of the Municipality, is not in excess of any applicable limitation imposed by the Act upon the incurring of debt by the Municipality.

Section 18. Filing with Public Employee Retirement Commission.

In accordance with the Act, prior to the issuance of the Bonds, the Municipality hereby covenants to file with the Public Employee Retirement Commission, a certified copy of this Ordinance, together with the approval of the Department of Community and Economic Development relating to the issuance of the Bonds by the Municipality.

Section 19. Delivery of the Bonds.

The proper officers of the Municipality are hereby authorized and directed to deliver the Bonds to the Purchaser, upon due registration and authentication thereof as provided for herein, upon receipt of full and proper payment of the purchase price therefor, provided, however, that such delivery shall be effected only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 20. Refunding of 2004 Bonds.

The Municipality hereby authorizes and directs the proper officers, agents and employees to execute any and all other documents and to take any and all action necessary in connection with the Project to cause the 2004 Bonds to “no longer be deemed to be outstanding” as of the date of delivery of the Bonds, within the meaning and for the purposes of Section 8250 of the Act and to cause the redemption of the 2004 Bonds on the first available date for the redemption thereof.

Section 21. Bond Insurance.

The Council hereby authorizes and directs the purchase of a municipal bond insurance policy (the “Municipal Bond Insurance Policy”), if cost effective, to insure the payment when due of the principal of and interest on the Bonds as provided therein. Proper officers of the Municipality are authorized and directed to take all required, necessary and/or appropriate action with respect to such insurance, as contemplated in the Proposal of the Purchaser and the Commitment for Municipal Bond Insurance, including the payment of the premium thereof.

Section 22. Continuing Disclosure Obligations.

The proper officers of the Municipality are hereby authorized to execute the Continuing Disclosure Certificate (hereinafter defined) on behalf of the Municipality and the Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Ordinance, failure of the Municipality to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Municipality to comply with its obligations under this Section.

As used herein, the term “Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate to be executed by the Municipality in order to comply with Securities and Exchange Commission Rule 15c2-12, and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 23. Advertising.

The action of the officers of the Municipality in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers of the Municipality or any of them are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the Municipality within 15 days after final enactment. The Director of Finance is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 24. General Authorization.

The officers and officials of the Municipality are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 25. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to the Council President, the Municipal Administrator, or the Director of Finance shall be deemed to run to the Vice President, the acting Municipal Administrator or the acting Director of Finance, respectively, or to the holder of such similar successor office as may be in existence at the relevant time, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

Section 26. Invalidity.

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 the Municipality that the remainder of this Ordinance shall remain in full force and effect.

Section 27. Repeal of Inconsistent Ordinances. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly hereby are repealed.

Section 28. Effectiveness of Ordinance. This Ordinance shall be effective in accordance with Section 8003 of the Act.

ORDAINED AND ENACTED this 21st day of March, 2017.

MUNICIPALITY OF NORRISTOWN
Montgomery County, Pennsylvania

By *Sonya D. Sanders*
Sonya D. Sanders
Council President

Attest:

Crandall O. Jones
Crandall O. Jones
Municipal Administrator

(SEAL)

EXHIBIT "A"



Municipality of Norristown
 General Obligation Bonds,
 Taxable Refunding Series AAA of 2017
 Parameters Debt Service Schedule

	1	2	3	4	5	6
Date	Principal	Coupon	Interest		Debt Service	Annual Debt Service
11/1/2017	675,000	6.000	386,775.00		1,061,775.00	1,061,775.00
5/1/2018			344,250.00		344,250.00	
11/1/2018	560,000	6.000	344,250.00		904,250.00	1,248,500.00
5/1/2019			327,450.00		327,450.00	
11/1/2019	560,000	6.000	327,450.00		887,450.00	1,214,900.00
5/1/2020			310,650.00		310,650.00	
11/1/2020	570,000	6.000	310,650.00		880,650.00	1,191,300.00
5/1/2021			293,550.00		293,550.00	
11/1/2021	575,000	6.000	293,550.00		868,550.00	1,162,100.00
5/1/2022			276,300.00		276,300.00	
11/1/2022	585,000	6.000	276,300.00		861,300.00	1,137,600.00
5/1/2023			258,750.00		258,750.00	
11/1/2023	600,000	6.000	258,750.00		858,750.00	1,117,500.00
5/1/2024			240,750.00		240,750.00	
11/1/2024	610,000	6.000	240,750.00		850,750.00	1,091,500.00
5/1/2025			222,450.00		222,450.00	
11/1/2025	625,000	6.000	222,450.00		847,450.00	1,069,900.00
5/1/2026			203,700.00		203,700.00	
11/1/2026	635,000	6.000	203,700.00		838,700.00	1,042,400.00
5/1/2027			184,650.00		184,650.00	
11/1/2027	650,000	6.000	184,650.00		834,650.00	1,019,300.00
5/1/2028			165,150.00		165,150.00	
11/1/2028	670,000	6.000	165,150.00		835,150.00	1,000,300.00
5/1/2029			145,050.00		145,050.00	
11/1/2029	745,000	6.000	145,050.00		890,050.00	1,035,100.00
5/1/2030			122,700.00		122,700.00	
11/1/2030	765,000	6.000	122,700.00		887,700.00	1,010,400.00
5/1/2031			99,750.00		99,750.00	
11/1/2031	780,000	6.000	99,750.00		879,750.00	979,500.00
5/1/2032			76,350.00		76,350.00	
11/1/2032	805,000	6.000	76,350.00		881,350.00	957,700.00
5/1/2033			52,200.00		52,200.00	
11/1/2033	865,000	6.000	52,200.00		917,200.00	969,400.00
5/1/2034			26,250.00		26,250.00	
11/1/2034	875,000	6.000	26,250.00		901,250.00	927,500.00
Totals	12,150,000		7,088,675.00		19,236,675.00	19,236,675.00

EXHIBIT B

FORM OF BOND

REGISTERED
NUMBER R-__

REGISTERED
\$ _____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer 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 inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

MUNICIPALITY OF NORRISTOWN
COUNTY OF MONTGOMERY
PENNSYLVANIA

FEDERALLY TAXABLE
GENERAL OBLIGATION BOND, SERIES AAA OF 2017

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE OF SERIES</u>	<u>CUSIP</u>
	November 1, 20__	April __, 2017	
REGISTERED OWNER	CEDE & CO.		
PRINCIPAL AMOUNT	\$		

The MUNICIPALITY OF NORRISTOWN, MONTGOMERY COUNTY, PENNSYLVANIA (the "Municipality"), a political subdivision existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, hereby acknowledges itself to be indebted and promises to pay to the order of the Registered Owner hereof, or registered assigns, on the maturity date stated hereon (or upon prior redemption, as hereinafter provided), upon presentation and surrender hereof, the Principal Amount shown above and to pay semiannually on May 1 and November 1 of each year prior to maturity or redemption (each an "Interest Payment Date"), beginning November 1, 2017, to the registered owner hereof, interest on such principal sum, at the rate per annum stated hereon, from the Interest Payment Date next preceding the date of registration and authentication of this

Municipality of Norristown, Montgomery County, Pennsylvania, Federally Taxable General Obligation Bond, Series AAA of 2017 (the "Bond"), unless (a) 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 (b) this Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bond shall bear interest from such Interest Payment Date, or (c) this Bond is registered and authenticated on or prior to the Record Date preceding November 1, 2017, in which event such Bond shall bear interest from April __, 2017, or (d) as shown by the records of The Bank of New York Mellon Trust Company, N.A., as paying agent, at its offices located in _____, Pennsylvania, or its successor (the "Paying Agent"), interest on such Bond shall be in default, in which event such Bond shall bear interest from the date on which interest was last paid on such Bond. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day next preceding each Interest Payment Date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the Municipality shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of Bonds (hereinafter defined) not less than fifteen (15) days preceding such 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 (5th) day preceding the date of mailing.

Whenever the due date for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds 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 remain closed, then payment of such interest, principal or redemption price need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day upon which banks are authorized by law or executive order to remain closed, with the same force and effect as if made on the due date for payment of principal, interest or redemption price and no interest shall accrue thereon for any period after such due date.

This Bond is one of a series of bonds of the Municipality known generally as "Municipality of Norristown, Montgomery County, Pennsylvania, Federally Taxable General Obligation Bonds, Series AAA of 2017," dated as of April __, 2017 (the "Bonds"), issued by the Municipality in the aggregate principal amount of Twelve Million One Hundred Fifty Thousand Dollars (\$12,150,000).

The Bonds are in fully registered form, without coupons, and have been authorized and issued in accordance with the Local Government Unit Debt Act of the Commonwealth (the "Act"), without the assent of the electors, pursuant to an ordinance (the "Ordinance") of the Council of the Municipality duly enacted on March 21, 2017. The terms and provisions of the Ordinance are hereby incorporated by reference as if set forth fully herein.

The Municipality has covenanted in the Ordinance that it shall include in its budget the amount of the debt service for each fiscal year of the Municipality in which principal

and/or interest on the Bonds is payable, that it shall appropriate from its general revenues any such sums for the payment of such debt service and that it shall duly and punctually cause to be paid when due principal and interest on the Bonds.

This Bond shall not be entitled to any benefit under the Ordinance nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Paying Agent.

The Bonds maturing on and after November 1, 20__ are subject to redemption prior to maturity, at the option of the Municipality, in whole or in part, on or after _____, 20__ in any order of maturities selected by the Municipality at a redemption price of 100% of the principal amount, plus accrued interest to the date fixed for redemption. In the event that less than all Bonds of any particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

The Bonds stated to mature on November 1, 20__, are subject to mandatory redemption prior to maturity on November 1 of the years (at a price equal to the principal amount of the Bonds called for mandatory redemption plus accrued interest thereon to the date fixed for such mandatory redemption) and in the principal amounts as set forth in the following schedule, as drawn by lot by the Paying Agent:

<u>Year</u>	<u>Principal Amount</u>
-------------	-----------------------------

* At maturity

In lieu of such mandatory redemption, the Paying Agent, on behalf of the Municipality, may purchase, from money in the appropriate sinking fund, or the Municipality may tender to the Paying Agent, all or part of the Bonds subject to mandatory redemption in any such year.

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, such Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the event of a partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

Any redemption of Bonds shall be upon notice effected by mailing a copy of the redemption notice by first-class mail, postage prepaid, such notice to be sent not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, addressed to the

registered owners of Bonds to be redeemed at their addresses shown on the registration books kept by the Paying Agent as of the date the Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds called for redemption as to which proper notice has been given.

If at the time of mailing of the notice of redemption the Municipality shall not have deposited with the Paying Agent moneys 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 moneys with the Paying Agent no later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and accrued interest 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, and registered owners of such Bonds shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or by executive order to remain closed, then the payment of such principal and interest upon such redemption need not be made on such date, but may be made on the next succeeding day which is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to remain closed, with the same force and effect as if made on the nominal date of redemption, and no interest shall accrue after such date.

This Bond may be transferred or exchanged by the registered owner hereof only upon surrender of this Bond to the Paying Agent at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books maintained by the Paying Agent and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same series and of authorized denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Municipality and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Municipality and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the registered owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Municipality upon the Bond as paid.

The Municipality and the Paying Agent shall not be required: (i) to issue or to register the transfer of or exchange any Bonds then considered for redemption during a period

beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is given, or (ii) to register the transfer of or exchange any portion of any Bond selected for redemption, in whole or in part until after the date fixed for redemption. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate.

The Municipality has caused CUSIP numbers to be printed on the Bonds as a convenience to bondholders. No representation is made as to the accuracy of such numbers as printed on the Bonds.

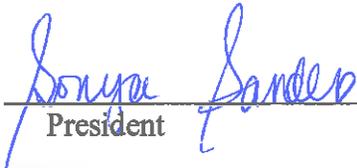
No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Municipality or of any successor body, as such, either directly or through the Municipality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

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth for the Municipality 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 to exist, to have happened or to have been performed, precedent to or in connection with 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 Municipality is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth; that the Municipality has established with the Paying Agent, as Sinking Fund Depositary, 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 Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality of Norristown, Montgomery County, Pennsylvania, has caused this Bond to be signed in its name and on its behalf by the President of the Council of the Municipality of Norristown, Montgomery County, Pennsylvania, and its corporate seal to be hereunder affixed, duly attested by the signature of the Municipal Administrator, as of the ____ day of April, 2017.

**MUNICIPALITY OF NORRISTOWN,
MONTGOMERY COUNTY, PENNSYLVANIA**

(SEAL) _____
Attest:  _____
Municipal Administrator

By:  _____
President

(FORM OF PAYING AGENT'S CERTIFICATE)

**CERTIFICATE OF AUTHENTICATION AND
CERTIFICATE AS TO OPINION**

It is certified that:

- (i) This Bond is one of the Bonds described in the within-mentioned Ordinance; and
- (ii) The text of the Opinion attached to this Bond is a true and correct copy of the text of an original Opinion issued by Stevens & Lee, P.C., Reading, Pennsylvania, dated and delivered on the date of the original delivery of, and payment for, such Bonds, that is on file at our principal corporate trust office, where the same may be inspected.

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

By: _____
Authorized Officer

Date of Registration and Authentication:

_____, 2017

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, _____ (the "Transferrer"),
the undersigned, hereby sells, assigns and transfers unto

Name (the "Transferee")

Address

Social Security or
Federal Employer Identification No.

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

Date: _____

Signature Guaranteed:

NOTICE: Signature(s) must
be guaranteed by an approved
eligible guarantor institu-
tion, an institution which
is a participant in a
Securities Transfer Associa-
tion recognized signature
guarantee program.

NOTICE: No transfer will be made in the name of
the Transferee, unless the signature(s) to this
assignment correspond(s) with the name(s) as it
appears upon the face of the within Bond in every
particular, without alteration or enlargement or any
change whatever and the Social Security or Federal
Employer Identification Number of
the Transferee is supplied. If the Transferee is a
trust, the names and Social Security or Federal
Employer Identification Numbers of
the settlor and beneficiaries of
the trust, the Federal Employer
Identification Number and date of
the trust, and the name of the
trustee should be supplied.

(END OF FORM OF BOND)