

Ordinance 96-4

Bond Purchase

TOWNSHIP OF HOPEWELL
BEAVER COUNTY, PENNSYLVANIA

ORDINANCE NO. 96-4

AN ORDINANCE OF THE TOWNSHIP OF HOPEWELL, BEAVER COUNTY, PENNSYLVANIA AUTHORIZING THE INCURRING OF NONELECTORAL DEBT FOR THE PURPOSE OF REFUNDING THE 1971 AND 1986 BOND ISSUES, FUNDING A CONSTRUCTION PROJECT AND PAYING THE COSTS OF ISSUANCE, BY THE ISSUANCE OF GENERAL OBLIGATION BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,500,000; FINDING SALE BY NEGOTIATION TO BE IN THE BEST INTERESTS OF THE TOWNSHIP; ACCEPTING A BOND PURCHASE PROPOSAL CONTRACT; PROVIDING FOR THE FORM, MATURITIES, INTEREST RATES AND REDEMPTION FEATURES OF THE BONDS; COVENANTING FOR THE PAYMENT OF THE DEBT SERVICE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE TOWNSHIP; AUTHORIZING THE APPLICATION TO THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS TO HAVE THE DEBT APPROVED; AUTHORIZING EXECUTION, AUTHENTICATION AND DELIVERY OF THE BONDS; APPROPRIATING THE BOND PROCEEDS; AUTHORIZING PAYMENT OF EXPENSES; APPOINTING BOND COUNSEL; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING APPROVAL OF THE FINAL OFFICIAL STATEMENT; AUTHORIZING THE OPENING OF A CLEARING FUND; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITARY; ESTABLISHING A SINKING FUND; RATIFYING PRIOR ADVERTISING AND DIRECTING FURTHER ADVERTISING; UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE IN ACCORDANCE WITH RULE 15c2-12; CALLING BONDS FOR REDEMPTION; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the Township of Hopewell, Beaver County, Pennsylvania (the "Township") is a first class township, organized and existing under the laws of the Commonwealth of Pennsylvania; and

WHEREAS, pursuant to an Ordinance, the Township issued a series of bonds entitled "General Obligation

Bonds", initially dated September 1, 1971, in the principal amount of \$450,000 (the "1971 Bonds"), \$90,000 of which are presently outstanding; and

WHEREAS, pursuant to an Ordinance, the Township issued two series of bonds entitled "General Obligation Bonds, Series A of 1986", in the principal amount of \$1,000,000 (the "1986 Series A Bonds"), \$485,000 of which are presently outstanding, and "General Obligation Refunding Bonds, Series B of 1986", in the principal amount of \$1,285,000 (the "1986 Series B Bonds"), \$795,000 of which are presently outstanding (together, the "1986 Bonds"); and

WHEREAS, the bonds referred to, in the previous recitals, are referred to herein, collectively, as the "Prior Bonds"; and

WHEREAS, the Township desires to undertake the current refunding of the Prior Bonds, the construction of an addition to the public works facilities (the realistic cost estimate of which is \$40,000) and pay the costs related to the issuance of the new bonds (the "1996 Project") in order to provide funds for the construction project and to reduce the total debt service over the lives of the Prior Bonds, pursuant to Section 1101(1) of the Debt Act; and

WHEREAS, the Township intends to issue its bonds, in accordance with the terms of this Ordinance and the Local Government Unit Debt Act, Act of July 12, 1972, P.L. 781,

No. 185, as amended and reenacted by Act No. 78-52, P.L. 1245, as amended (the "Debt Act"), to pay the costs of the 1996 Project; and

WHEREAS, in order to provide the funds necessary to finance the 1996 Project, the Township has decided to issue a series of bonds in the aggregate principal amount of \$1,500,000, designated "Township of Hopewell, Beaver County, Pennsylvania, General Obligation Bonds, Series of 1996" (the "1996 Bonds", also referred to herein as the "Bonds"); and

WHEREAS, the proposed increase of indebtedness, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the Township's nonelectoral borrowing power, pursuant to constitutional and statutory authority, to be exceeded; and

WHEREAS, the Township will apply to the Pennsylvania Department of Community Affairs to have the proposed increase of indebtedness approved; and

WHEREAS, Commonwealth Securities & Investments, Inc., (the "Purchaser") has submitted, to the Township, a Bond Purchase Proposal Contract (the "Bond Purchase Contract") for the purchase of the 1996 Bonds.

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Board of Commissioners of the Township of Hopewell, Beaver

County, Pennsylvania and it is hereby ORDAINED and ENACTED by the authority of the same as follows:

SECTION 1. The Township hereby undertakes the 1996 Project. The description of the 1996 Project, contained in the recitals to this Ordinance, is hereby incorporated into this Section by reference, as if set forth at length.

SECTION 2. The Board of Commissioners of the Township of Hopewell hereby determines to incur and authorizes the incurrence of nonelectoral debt, in accordance with the provisions of the Local Government Unit Debt Act, Act No. 52, (the "Act"), of the Commonwealth of Pennsylvania, as amended, in the amount of \$1,500,000 to fund the 1996 Project, including the costs of issuance. Such debt shall be evidenced by the issuance of the 1996 Bonds.

SECTION 3. After considering the advantages and disadvantages of a public sale of the 1996 Bonds, the Board of Commissioners of the Township hereby determines that a private sale by negotiation is in the best financial interests of the Township.

SECTION 4. The Bond Purchase Contract, submitted to the Board of Commissioners by the Purchaser for the purchase of the 1996 Bonds, is hereby accepted. The 1996 Bonds are hereby sold to the Purchaser, by a negotiated

private sale, at the purchase price stated on Schedule "A", which is attached hereto and incorporated herein by reference as if set forth here at length. The President of the Board of Commissioners (the "President") is authorized and directed to execute the Bond Purchase Contract in the name and on behalf of the Township. The Township Secretary is authorized and directed to affix the seal of the Township to the Bond Purchase Contract when so executed; to attest the same; and to deliver an executed counterpart of the Bond Purchase Contract to the Purchaser.

SECTION 5. The 1996 Bonds shall bear interest at the annual rates and mature, in the aggregate principal amounts, as set forth on Schedule "A", attached hereto.

SECTION 6. Integra Trust Company, National Association, is hereby appointed Paying Agent (the "Paying Agent") and Registrar (the "Registrar") for the 1996 Bonds and Sinking Fund Depositary (the "Sinking Fund Depositary") for the 1996 Bonds Sinking Fund, created hereinafter. The appropriate officers of the Township are hereby authorized and directed to contract with Integra Trust Company, National Association, Pittsburgh, Pennsylvania, for its services as Sinking Fund Depositary, Paying Agent and Registrar at such initial and annual charges as shall be appropriate and reasonable for such services. The Township may, by Ordinance, from time to time, appoint a successor

Paying Agent, Sinking Fund Depositary or Registrar to fill a vacancy or for any other reason.

SECTION 7. (a) The Bonds shall be issued in fully registered form without coupons and shall be numbered, in such manner, as may be satisfactory to the Township and the Paying Agent. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. Each Bond shall be dated as of the date of its authentication. The Bonds shall be initially dated as of May 1, 1996 and shall be issued in denominations of \$5,000 or any whole multiple thereof. The Bonds shall bear interest payable initially on February 1, 1997, and on each August 1 and February 1 (each, an "Interest Payment Date") thereafter, from May 1, 1996 or the Interest Payment Date, as the case may be, next preceding the date of such Bond to which interest has been paid, unless the date of such Bond is a date to which interest has been so paid, in which case from the date of such Bond.

(b) The term "Regular Record Date" with respect to any Interest Payment Date shall mean the January 15 or July 15 (whether or not a business day) immediately preceding such Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any Interest Payment

Date shall be entitled to receive the interest payable on such Interest Payment Date, notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date, except if and to the extent that the Township defaults in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds are registered at the close of business on a Special Record Date established by the Paying Agent, notice of which shall have been mailed to all Registered Owners of Bonds not less than ten (10) days prior to such date.

SECTION 8. (a) The Township shall cause to be kept, at the principal corporate trust office of the Paying Agent, a register (the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Township shall provide for the registration of Bonds and the registration of transfers and exchanges of Bonds. No transfer or exchange of any Bond shall be valid unless made at such office and registered in the Bond Register.

(b) Upon surrender of any Bond at the principal corporate trust office of the Paying Agent for registration of transfer, the Township shall execute and the Paying Agent shall authenticate and deliver, in the name of the transferee or transferees, a new Bond or Bonds of any

authorized denomination, of the same interest rate and maturity and in the same aggregate principal amount as the Bond so surrendered.

(c) Any Bond shall be exchangeable for other Bonds of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Bond or Bonds presented for exchange. Upon surrender of any Bond for exchange, at the principal corporate trust office of the Paying Agent, the Township shall execute and the Paying Agent shall authenticate and deliver, in exchange therefor, the Bond or Bonds which the owner making the exchange shall be entitled to receive.

(d) All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the Township, evidencing the same debt and entitled to the same benefits under this Ordinance as the Bonds surrendered for such registration of transfer or exchange.

(e) Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Township and the Registrar, duly executed by the Registered Owner thereof or his duly authorized agent or legal representative.

(f) No service charge shall be made for any transfer or exchange of any Bond, but the Township may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

(g) The Township shall not be required to: (i) issue or register the transfer or exchange of any Bond subject to the selection for redemption, during a period of fifteen (15) business days before any date of selection of Bonds to be redeemed; (ii) issue or register the transfer or exchange of any Bond after it has been selected for redemption; or (iii) issue or register the transfer or exchange of any Bond subsequent to any record date for the payment of interest thereon and prior to the interest payment date to which it pertains.

SECTION 9. The Bonds shall be executed on behalf of the Township by the President and shall have a facsimile of the corporate seal of the Township affixed thereto, duly attested by the Township Secretary, and 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 signatory of the Paying Agent. No Bond shall be valid until such Certificate of Authentication shall have been duly executed by the Paying Agent. 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 signatory of the Paying Agent) is manual, all other signatures may be by facsimile. The President or Township Secretary or any of such officers is hereby authorized and directed to deliver the Bonds to the Purchaser and receive payment therefor on behalf of the Township after sale of the same in the manner required by law and this Ordinance.

SECTION 10. (a) In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by those who shall purchase the same, from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Township and the holders of the Bonds. The covenants and agreements herein set forth to be performed on behalf of the Township shall be for the benefit, protection and security of holders and beneficial owners of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank, without preference, priority or distinction of any Bond over any other thereof, except as expressly provided therein or herein.

(b) The Township hereby covenants with the holders from time to time of the Bonds: (i) that the Township will appropriate to and deposit in the 1996 Bonds Sinking Fund, such amounts necessary for the payment of the debt service on the Bonds; and (ii) that the Township will duly and punctually pay to the extent necessary, out of its general revenues so deposited, the principal of every Bond issued hereunder and the interest thereon on the dates, at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment, the Township hereby pledges its full faith, credit and taxing power.

(c) The Bonds are hereby declared to be general obligations of the Township. The Township hereby covenants with the Registered Owners, from time to time, of the Bonds outstanding pursuant to this Ordinance, that it will include the amount of the debt service as specified in this Section, subject to appropriate adjustment in the event of the optional redemption of any Bonds prior to maturity, on the Bonds for each fiscal year in which such sums are payable, in its budget for that year; will appropriate such amounts for such payments; and will duly and punctually pay or cause to be paid the principal of the Bonds and the interest thereon on the dates, at the places and in the manner stated therein, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment, the Township does hereby pledge its full faith, credit and taxing power. The amount of the debt service which the Township hereby covenants to pay on the Bonds in each year is shown on Schedule "B", which is attached hereto and incorporated herein by reference as if set out here at length.

(d) As provided in the Act, the foregoing covenants are specifically enforceable.

SECTION 11. (a) The 1996 Bonds maturing after February 1, 2001 shall be subject to redemption prior to maturity, at the option of the Township, either as a whole or in part on February 1, 2001 or on any date thereafter, from time to time, in any order of maturity selected by the Township and selected by lot within a maturity by the Paying Agent, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption.

(b) Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the Registered Owners of Bonds to be redeemed at the addresses which appear on the Bond Register, provided however, that failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond shall not

affect the validity of the proceedings for the redemption of any other Bond. If the Township shall have duly given notice of redemption and shall have deposited funds, with the Paying Agent for the payment of the redemption price of the Bonds so called for redemption, with accrued interest thereon to the date fixed for redemption, interest on such Bonds shall forever cease to accrue on such date fixed for redemption.

(c) Notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use) and shall also contain the serial identification numbers printed on the Bonds.

(d) Any portion of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or an integral multiple thereof. Prior to selecting Bonds for redemption, the Paying Agent shall assign numbers to each \$5,000 portion of any Bond of a denomination larger than \$5,000 and shall treat each portion as a separate Bond in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any Bond for redemption of a portion thereof, the Paying Agent shall authenticate and deliver to the Registered Owner thereof a new Bond or Bonds of the same maturity and in any authorized denominations requested by the Registered Owner

in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 12. (a) There is hereby established, with the Sinking Fund Depositary, a sinking fund to be known as "Township of Hopewell 1996 Bonds Sinking Fund" (the "1996 Bonds Sinking Fund") into which the Township covenants to deposit and into which the Township Secretary is hereby authorized and directed to deposit (i) on or before February 1, 1997, and on or before each Interest Payment Date, thereafter, to and including February 1, 2003, amounts sufficient to pay the interest due on such dates on the 1996 Bonds then outstanding, and (ii) on or before February 1, 1997, and on or before each February 1, thereafter, to and including February 1, 2003, amounts sufficient to pay the principal of the 1996 Bonds due on each such date. Should the amounts covenanted to be paid into the 1996 Bonds Sinking Fund be, at any time, in excess of the net amounts required at such time for the payment of interest and principal, whether by reason of funds already on deposit in the 1996 Bonds Sinking Fund or by reason of the purchase or redemption of 1996 Bonds or for some similar reason, the amounts covenanted to be paid may be reduced to the extent of the excess.

(b) The Township may satisfy any part of its obligations, with respect to subsection (a)(ii), by

delivering, to the Paying Agent and Sinking Fund Depositary, for cancellation, Bonds maturing on the date on which such deposit is required. The Township shall receive credit against such deposit for the face amount of the Bonds so delivered, provided that such Bonds are delivered to and received by the Paying Agent and Sinking Fund Depositary on or before the maturity date of the Bonds for which credit is requested, in the case of a deposit required for the payment of Bonds at maturity.

(c) All sums in the 1996 Bonds Sinking Fund shall be applied, exclusively, to the payment of principal and interest covenanted to be paid by Section 10., hereof, as the same, from time to time, become due and payable. The balance of said moneys, over and above the sum so required, shall remain in the 1996 Bonds Sinking Fund, to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest, as authorized by law and as permitted by Section 22., hereof. The 1996 Bonds Sinking Fund shall be kept as a separate account at the principal corporate trust office of the Sinking Fund Depositary. The Sinking Fund Depositary, without further authorization other than as herein contained, shall pay from the moneys in the 1996 Bonds Sinking Fund, the interest on the 1996 Bonds, as and when due, to the Registered Owners as of the appropriate Record Date and the principal of the 1996

Bonds, as and when the same shall become due, to the Registered Owners thereof.

(d) Notwithstanding the foregoing, in the case of optional redemption of any or all of the Bonds as permitted by Section 11., hereof, the Township Secretary is hereby authorized and directed to deposit, from time to time, before the appropriate optional redemption date, moneys which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Bonds so called for redemption and the premium, if any, and the interest thereon to the date fixed for redemption.

SECTION 13. All moneys derived from the sale of the 1996 Bonds shall be deposited in the Clearing Account created pursuant to Section 20., hereof, and shall be and hereby are appropriated substantially to the payment of the cost of the 1996 Project, including but not limited to payment of the costs and expenses of preparing, issuing and marketing the Bonds and the payment of interest on the Bonds from May 1, 1996 to May 30, 1996 or the date of delivery, whichever shall occur sooner, and shall not be used for any other purposes, 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 1996

Bonds Sinking Fund and used for the payment of interest on the Bonds.

SECTION 14. (a) The Township hereby covenants with the Registered Owners, from time to time, of the Bonds that no part of the proceeds of the Bonds will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Bonds, and that it will comply with the requirements of that Section and the Regulations throughout the term of the Bonds.

(b) If the principal amount of the Bonds plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by the Township during the current year exceeds \$5,000,000, and if the gross proceeds of the Bonds are invested at a yield greater than the yield on the Bonds and are not expended within six (6) months from the date of issuance, the Township covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Bonds in an amount which exceeds the amount which would have been

derived from the investment of the proceeds of the Bonds at a yield not in excess of the yield on the Bonds.

(c) The Township will file IRS Form 8038-G and any other forms or information required by the Code to be filed in order to permit the interest on the Bonds to be excluded from gross income tax for federal income tax purposes.

SECTION 15. The action of the officers of the Township in advertising a preenactment notice of summary of this Ordinance, as required by law, is ratified and confirmed. The officers of the Township are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in Beaver County within fifteen (15) days after final enactment. The Township Secretary is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

SECTION 16. The Township hereby appoints John A. Havey, Esquire, and John F. Salopek, Esquire, as Bond Counsel, for the purpose of rendering any and all necessary opinions with respect to the Bonds.

SECTION 17. The President, Township Secretary, Township Treasurer and Township Manager are hereby authorized and directed to prepare, verify and file with the Department of Community Affairs, in accordance with the Debt

Act, a transcript of the proceedings relating to the issuance of the Bonds, including the Debt Statement and Borrowing Base Certificate required by Section 410 of the Debt Act; and to take other necessary action.

SECTION 18. The officers and officials of the Township 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 19. The Preliminary Official Statement prepared with respect to the Bonds is hereby approved and deemed final, as of its date, by the Township, for the purpose of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission. The President is hereby authorized to execute and approve a Final Official Statement relating to the Bonds, provided that the Final Official Statement shall have been approved by the Township Solicitor. The distribution of the Preliminary Official Statement is hereby ratified and the Purchaser is hereby authorized to use the Preliminary and the Final Official Statements in connection with the sale of the Bonds.

SECTION 20. The Township hereby creates, with the Sinking Fund Depository, a special fund to be known as the "Township of Hopewell 1996 Bonds Clearing Account" (the

"Clearing Account") which shall be held as a trust fund for the benefit of the Township until disbursed in accordance with the provisions hereof. The Township shall deliver the net proceeds (including accrued interest) derived from the sale of the Bonds to the Sinking Fund Depositary for deposit to the Clearing Account. Upon written directions from the Township signed by the President and the Township Manager, the Sinking Fund Depositary shall pay, out of the Clearing Account, the costs and expenses of the issuance of the Bonds; transfer the amounts of accrued interest to the 1996 Bonds Sinking Fund; deposit the specified amount to the Township of Hopewell 1996 Bonds Construction Fund and deposit the specified amounts with the Prior Bonds Paying Agents. The written direction from the Township 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 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 21. All expenses incurred in connection with the issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and deposited in the Clearing Account and the proper officers

and officials are authorized to sign and deliver requests for payment of such expenses.

SECTION 22. Any moneys in the 1996 Bonds Sinking Fund not required for prompt expenditure may, at the direction of the Township, be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest bearing accounts of any bank or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the Registered Owners.

SECTION 23. Any authorization granted to, power conferred on, or direction given to the President or Township Secretary shall be deemed to run to the Vice-President or Assistant Township Secretary, respectively, 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 24. (a) The form of the 1996 Bonds shall be substantially as follows:

(FORM OF 1996 GENERAL OBLIGATION BONDS)

[FRONT OF BOND]

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
TOWNSHIP OF HOPEWELL
BEAVER COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BOND, SERIES OF 1996

<u>DATED DATE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
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May 1, 1996

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The TOWNSHIP OF HOPEWELL, Beaver County, Pennsylvania (the "Township"), organized and existing under the laws of the Commonwealth of Pennsylvania, for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay, as a general obligation of the Township, to the Registered Owner shown hereon or registered assigns, on the Maturity Date shown hereon (unless this bond shall be redeemable and before said date shall have been duly called for redemption in whole or in part and payment of the redemption price made or provided for) upon surrender hereof, the principal amount shown hereon and to pay interest thereon from the February 1 or August 1 (each an "Interest Payment Date") preceding the Authentication Date shown hereon (unless the Authentication Date hereof is prior to February 1, 1997, then from May 1, 1996) at the rate per annum shown hereon, on February 1, 1997, the first date for payment of interest hereon, and semi-annually thereafter on August 1 and February 1 in each year, until payment of said principal sum has been made or provided for.

The principal of, interest on, and premium (if any) payable upon the redemption of this bond are payable at the principal corporate trust office of Integra Trust

Company, National Association, Pittsburgh, Pennsylvania, in its capacity as Sinking Fund Depositary, Paying Agent and Registrar (the "Sinking Fund Depositary"). The interest hereon is payable by check or draft mailed by the Sinking Fund Depositary to the Registered Owner of this bond as of the record date for the payment of such interest, said record date (the "Record Date") being the day which is the fifteenth day of the month (whether or not a business day) preceding that in which said payment occurs.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE HEREOF AND SUCH TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HERE.

This bond shall not be valid or become obligatory for any purpose unless the Certificate of Authentication hereon shall have been signed by the manual signature of an authorized signatory of the Sinking Fund Depositary.

IN WITNESS WHEREOF, the TOWNSHIP OF HOPEWELL has caused this bond to be signed in its name and on its behalf by its President or Vice-President by his manual or facsimile signature, and its corporate seal or a facsimile thereof to be hereto affixed and attested by its Township Secretary by his manual or facsimile signature.

ATTEST:

TOWNSHIP OF HOPEWELL

Township Secretary

By: _____
President

[SEAL]

Certificate of Authentication

This bond is one of the issue of \$1,500,000 Township of Hopewell General Obligation Bonds, Series of 1996, described in the within-mentioned Debt Ordinance. The Text of Opinion printed on the reverse hereof is the text of the opinion of John A Havey, Esquire, and John F. Salopek, Esquire, Bond Counsel, of Aliquippa, Pennsylvania, an executed counterpart of which, dated the date of initial delivery of and payment for the series of bonds of which this bond is one, is on file at the office of the Sinking Fund Depositary.

Integra Trust Company, National Association

By: _____
Authorized Signatory

AUTHENTICATION DATE:

_____, 19__

[REVERSE OF BOND]

This bond is one of a duly authorized series of bonds, designated "Township of Hopewell General Obligation Bonds, Series of 1996" (the "Bonds"), issued in accordance with the Act of the General Assembly of the Commonwealth of Pennsylvania, Act No. 1978-52, approved April 28, 1978, as amended (the "Debt Act"), pursuant to all the terms and provisions of the formal action of the Township (the "Debt Ordinance") enacted on April 29, 1996, and with the approval of the Department of Community Affairs of the Commonwealth of Pennsylvania.

Interest payable on any Interest Payment Date will be paid to the person in whose name this bond is registered at the close of business on the January 15 or July 15 (the "Record Date"), whether or not a business day, immediately preceding the applicable Interest Payment Date. Any such interest which is not deposited with the Sinking Fund Depository on or before any such Interest Payment Date for payment to the Registered Owner of record on the Record Date shall forthwith cease to be payable to such Registered Owner as of the Record Date, and shall be paid to the person in whose name this bond is registered as of a Special Record Date for the payment of such defaulted interest to be fixed by the Sinking Fund Depository, notice of which shall be given to all Registered Owners not less than 10 days prior to such Special Record Date.

The Bonds maturing after February 1, 2001 are subject to redemption at the option of the Township, prior to their stated Maturity Dates, as a whole on February 1, 2001, or on any date thereafter, or in part from time to time, in any order of their maturities and by lot within a maturity, in both cases, at 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption.

Notice of redemption of any Bond shall be given to the Registered Owner of such Bond by first class mail, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, all in the manner and upon the terms and conditions set forth in the Debt Ordinance. A portion of a Bond of a denomination larger than \$5,000 may be redeemed, and in such case, upon the surrender of such Bond, there shall be issued to the Registered Owner thereof, without charge therefor, a registered Bond or Bonds for the unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Debt Ordinance. If notice of redemption shall have been duly given, the Bonds or portions thereof specified in that notice shall become due and

payable at the applicable Redemption Price on the designated redemption date, and if, on such date, moneys are held by the Sinking Fund Depository in an amount sufficient for the payment of the Redemption Price of the Bonds to be redeemed, including accrued interest to the date fixed for redemption, then from and after such date interest on such Bonds shall cease to accrue.

The Township, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Bonds, and has directed the Sinking Fund Depository to use such numbers in notices of redemption and other notices, if any, as a convenience to the Registered Owners of the Bonds. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice and reliance may be placed only on the identification number printed hereon.

This bond may be transferred or exchanged only on the Register maintained by the Township at the offices of the Sinking Fund Depository upon surrender hereof by the Registered Owner at such office duly endorsed by, or accompanied by a written instrument of transfer duly executed by, the Registered Owner or his duly authorized agent or legal representative, in each case, in form and with a guaranty of signature satisfactory to the Township and the Sinking Fund Depository. No service charge shall be imposed on any Registered Owner of any Bond for any transfer or exchange of any Bond, but the Township may require payment of any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The Township shall not be required to register the transfer or exchange of any Bond: (a) during the period of fifteen (15) business days before any date of selection of Bonds to be redeemed; (b) after such Bond has been selected for redemption; or (c) subsequent to any record date for the payment of interest thereon and prior to the interest payment date to which it pertains.

Subject to the provisions of this bond and of the Debt Ordinance, the Sinking Fund Depository may treat the Registered Owner of this bond as the absolute owner hereof, for all purposes, whether or not this bond shall be overdue, and neither the Township nor the Sinking Fund Depository shall be affected by any notice to the contrary.

This bond is hereby declared to be a general obligation of the Township. The Township hereby covenants

with the Registered Owner of this bond to include the amount necessary to pay the debt service hereon, in each fiscal year for which such sums are due, in its budget for that fiscal year and to punctually pay or cause to be paid from the 1996 Bonds Sinking Fund (hereinafter defined) or any other of its revenues or funds, the principal of this bond and the interest hereon on the dates, at the place and in the manner stated herein, according to the true intent and meaning hereof. The full faith, credit and taxing power of the Township is pledged for the payment of the principal of, the interest on or the premium (if any) payable upon the redemption of this bond.

It is hereby certified that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this bond or in the creation of the debt of which this bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this bond, together with all other indebtedness of the Township, is within every debt and other limit applicable to the Township prescribed by the Constitution and the laws of the Commonwealth of Pennsylvania; that the Township has established with the Sinking Fund Depositary a sinking fund, within the meaning of the Act, (the "1996 Bonds Sinking Fund") for this bond and shall deposit therein amounts sufficient to pay the principal of and interest on this bond as the same shall become due and payable; and that for the prompt and full payment of all obligations under this bond, the full faith, credit and taxing power of the Township are hereby irrevocably pledged.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon, against any boardmember, officer, agent or employee, past, present or future, of the Township, as such, either directly or through the Township, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such boardmembers, officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance and acceptance of this bond.

[TEXT OF OPINION OF JOHN A. HAVEY, ESQUIRE, AND JOHN F. SALOPEK, ESQUIRE, DELIVERED IN RESPECT OF \$1,500,000, TOWNSHIP OF HOPEWELL, BEAVER COUNTY, PENNSYLVANIA, GENERAL OBLIGATION BONDS, SERIES OF 1996.]

[STATEMENT OF MUNICIPAL BOND INSURANCE]

ASSIGNMENT

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

Please insert Social Security
or other identifying number
of assignee _____

_____ Please print or typewrite name and address
of Assignee

the within bond and all rights irrevocably constitutes and
appoints _____ as

his Attorney to transfer this bond on the books of said
Authority, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must
be guaranteed by a member
of an approved Signature
Medallion Program.)

(Sign here exactly as
name(s) is (are) shown on
the face of the bond
without any change or
alteration whatever.)

SECTION 25. In accordance with Rule 15c2-12 (the "Rule") promulgated under the Securities and Exchange Act of 1934, as amended, the Township hereby covenants, with and for the benefit of the holders and beneficial owners (within the meaning of the Rule) from time to time of the Bonds (which shall include any person or entity that has a pecuniary interest in any of the Bonds) to provide to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository in the Commonwealth of Pennsylvania, if any ("SID"), on an annual basis, its general purpose financial statements (the "Report"), together with updates of the tabular information appearing in Appendix A to the Final Official Statement with respect to the Bonds (to the extent not included in the Report), commencing with the Report and tabular information for the fiscal year ending in 1996. The Report and tabular information shall be provided within 275 days after the end of each fiscal year. If the Report is not independently audited, the Township shall also provide independently audited financial statements when and if available. The Township hereby also covenants, with and for the benefit of the holders and beneficial owners from time to time of the Bonds, to provide to each NRMSIR, or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID (a) prompt notice of a failure to provide in the

Report, the tabular information or any audited financial statements in a timely manner and (b) prompt notice of any of the following events with respect to the Bonds, if such event is material under applicable federal securities laws: (i) principal and interest payment delinquencies, (ii) non-payment related defaults, (iii) unscheduled draws on debt service reserves reflecting financial difficulties, (iv) unscheduled draws on credit enhancements reflecting financial difficulties, (v) substitution of credit or liquidity providers or their failure to perform, (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds, (vii) modifications to rights of the holders of the Bonds, (viii) unscheduled Bond calls, (ix) defeasances, (x) release, substitution or sale of property securing payment of the Bonds and (xi) rating changes. The sole remedy for a breach by the Township of any of the covenants in this paragraph shall be an action to compel performance of such covenant. Under no circumstances may monetary damages be assessed or recovered or payment of the bonds be accelerated, nor shall any such breach constitute a default under the Bonds or a "failure to comply with any provision of the Bonds" for purposes of the Debt Act.

The Township's covenants in the next preceding paragraph shall terminate upon legal defeasance or other arrangement whereby the Township is released from any

further obligations with respect to the Bonds, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Township shall give prompt notice of such termination to each NRMSIR, or to the MSRB, and to the SID.

The proper officer or officers of the Township are hereby authorized in the name and on behalf of the Township to amend or terminate, in whole or in part, any of the foregoing covenants, in this Section 25., without the consent of the holders or beneficial owners of the Bonds, provided that (1) the amendment requires the Township to provide more information than was required by this Section 25. prior to the amendment without diminishing in any way its obligations hereunder as required by this Section 25. prior to the amendment, or (2) the following conditions are satisfied: (a) the amendment or termination is in connection with a change in circumstances that arises from a change in or clarification of legal requirements, change of law, or change in the identity, nature or status of an obligated person (within the meaning of the Rule) with respect to the Bonds, or the type of business conducted; (b) such covenants, as amended, would, in the opinion of independent nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into

account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or termination either (i) is approved by the holders of the Bonds in the same manner as provided in the Debt Act for modifications of this Ordinance with the consent of such holders or (ii) does not, in the opinion of independent nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds. Prompt notice of any such amendment or termination shall be given to each NRMSIR, to the MSRB, and to the SID. In addition, the Township shall describe such amendment in the next Report or submission of financial statements, as the case may be, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by the Township. If the amendment relates to the accounting principles to be followed in preparing the Report or financial statements, (i) prompt notice of such change shall be given to each NRMSIR, or the MSRB, and the SID and (ii) the Report or financial statements, as the case may be, for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the Report or financial statements as prepared on

the basis of the new accounting principles and the Report or financial statements prepared on the basis of the former accounting principles.

SECTION 26. The Township hereby agrees to purchase and hereby accepts the commitment of Financial Security Assurance Inc. (the "Bond Insurer") to issue a Municipal Bond Insurance Policy insuring the 1996 Bonds and directs that the appropriate premium be promptly paid at the settlement of the sale of the 1996 Bonds. A legend indicating the existence of such a policy shall be printed on the 1996 Bonds, in the form required by the Bond Insurer.

SECTION 27. Reasonable cost estimates have been obtained for the 1996 Project with the assistance of financial advisors and other persons qualified by experience. The cost of the 1996 Project is \$1,500,000. The useful lives of the projects underlying each series of the Prior Bonds and the new construction project are at least seven (7) years from May 1, 1996. All of the Bonds in the principal amount not to exceed \$1,500,000 are hereby allocated to the 1996 Project.

Therefore, the maturities of the Bonds are in accordance with Sections 602(a)(2) and 1103 of the Debt Act. In addition, in accordance with Section 602 of the Debt Act, the maturities of the Bonds have been fixed so that debt service will be approximately level or declining.

SECTION 28. (a) The Township hereby irrevocably calls for redemption on June 1, 1996 or the earliest practicable date thereafter, all of the outstanding 1986 Bonds, at par plus accrued interest, and directs First Western Trust Services Company, successor to Beaver Trust Company, as Paying Agent and Registrar, to give a conditional notice of redemption of such 1986 Bonds, subject to the receipt of funds derived from the issuance of the Bonds.

(b) The Township hereby irrevocably calls for redemption on September 1, 1997, or the earliest practicable date thereafter, all of the outstanding 1971 Bonds, at par plus accrued interest, and directs Mellon Bank, N.A., as Paying Agent and Registrar, to give a conditional notice of redemption of the 1971 Bonds, subject to the receipt of funds derived from the issuance of the Bonds.

SECTION 29. All ordinances and resolutions or parts thereof not in accordance with this Ordinance are hereby repealed insofar as they conflict with this Ordinance.

ENACTED and ORDAINED by the Board of Commissioners
of the Township of Hopewell, this 29th day of April, 1996.

ATTEST:

Patricia L. Yonney Bates
Township Secretary

TOWNSHIP OF HOPEWELL

BY: Louis Carosa
LOUIS CAROSA, President

SEAL

SCHEDULE "A"

TOWNSHIP OF HOPEWELL
Beaver County, Pennsylvania

\$1,500,000 General Obligation Bonds, Series of 1996

The Purchase Price of the 1996 Bonds is \$1,483,125, less an original issue discount of \$1,097.80, and net of an underwriter's discount of \$16,875.00, plus accrued interest on the principal amount of the Bonds from May 1, 1996 to the date of delivery and payment for the Bonds.

Interest accrues from:
May 1, 1996

Due: February 1, 1996
as shown below

<u>Amount</u>	<u>Year of Maturity</u>	<u>Rate of Interest</u>
\$185,000	1997	3.80%
205,000	1998	4.10
210,000	1999	4.30
225,000	2000	4.45
225,000	2001	4.55
220,000	2002	4.60
230,000	2003	4.75

SCHEDULE "B"

TOWNSHIP OF HOPEWELL
Beaver County, Pennsylvania

\$1,500,000 General Obligation Bonds, Series of 1996

TOWNSHIP OF HOPEWELL
BEAVER COUNTY, PENNSYLVANIA
SERIES OF 1996
DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL DEBT SERVICE	ANNUAL DEBT SERVICE
01-Aug-96				0.00	0.00
01-Feb-97	185,000.00	3.800%	44,022.67	229,022.67	
01-Aug-97			29,365.00	29,365.00	258,387.67
01-Feb-98	205,000.00	4.100%	29,365.00	234,365.00	
01-Aug-98			25,162.50	25,162.50	259,527.50
01-Feb-99	210,000.00	4.300%	25,162.50	235,162.50	
01-Aug-99			20,647.50	20,647.50	255,810.00
01-Feb-2000	225,000.00	4.450%	20,647.50	245,647.50	
01-Aug-2000			15,641.25	15,641.25	261,288.75
01-Feb-2001	225,000.00	4.550%	15,641.25	240,641.25	
01-Aug-2001			10,522.50	10,522.50	251,163.75
01-Feb-2002	220,000.00	4.600%	10,522.50	230,522.50	
01-Aug-2002			5,462.50	5,462.50	235,985.00
01-Feb-2003	230,000.00	4.750%	5,462.50	235,462.50	
01-Aug-2003			0.00	0.00	235,462.50
	1,500,000.00		257,625.17	1,757,625.17	1,757,625.17