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TOWNSHIP OF HOPEWELL  
BEAVER COUNTY, PENNSYLVANIA

ORDINANCE NO. 2004-04

AN ORDINANCE OF THE TOWNSHIP OF HOPEWELL, BEAVER COUNTY, PENNSYLVANIA, AUTHORIZING THE INCURRING OF NONELECTORAL DEBT FOR THE PURPOSES OF REFUNDING PRIOR DEBT, FUNDING OF CERTAIN CAPITAL IMPROVEMENT PROJECTS AND PAYING THE COSTS OF ISSUANCE, BY THE ISSUANCE OF GENERAL OBLIGATION NOTES, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,955,000; FINDING SALE BY NEGOTIATION TO BE IN THE BEST INTERESTS OF THE TOWNSHIP; ACCEPTING A BOND PURCHASE 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 AND ECONOMIC DEVELOPMENT TO HAVE THE DEBT APPROVED; AUTHORIZING THE EXECUTION, AUTHENTICATION AND DELIVERY OF THE NOTES; APPROPRIATING THE NOTE PROCEEDS; AUTHORIZING PAYMENT OF EXPENSES; CALLING BONDS AND NOTES FOR REDEMPTION; AUTHORIZING EXECUTION OF AN ESCROW TRUST AGREEMENT; AUTHORIZING THE PURCHASE OF UNITED STATES OBLIGATIONS; AUTHORIZING THE PURCHASE OF BOND INSURANCE; 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; 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 designated General Obligation Bonds, Series of 1999, in the principal amount of \$760,000 (the "1999 Bonds"), \$665,000 of which are presently outstanding and payable through November 1, 2006; and

WHEREAS, the Township intends to advance refund all of the presently outstanding 1999 Bonds (the "Refunded Bonds") to (i) reduce the total debt service over the lives of the Refunded Bonds, pursuant to Section 8241(b)(1) and (ii) substitute notes for bonds, pursuant to Section 8241(b)(5) of the Local Government Unit Debt Act, referred to below; and

WHEREAS, pursuant to an Ordinance, the Township issued a General Obligation Note to the Washington County Authority (the "2001 Note"), \$1,288,147.46 of which is presently outstanding and payable through December 1, 2029; and

WHEREAS, the Township intends to current refund \$200,308.94 principal amount of the 2001 Note (the "Refunded Note") to reduce the total debt service over the life of the Refunded Note, pursuant to Section 8241(b)(1) of the Local Government Unit Act, referred to below; and

WHEREAS, the Township intends to fund a certain capital improvement program and has received preliminary realistic cost estimates from its consulting professional engineers that the total sum of \$999,670 is needed to complete the capital

improvement program and that the estimated realistic useful lives of the assets, improvements, constructions, renovations and rehabilitations, included therein, are in excess of twenty (20) years; and

WHEREAS, the Township desires to undertake (1) the advance refunding of the 1999 Bonds; (2) the current refunding of the Refunded Note; (3) the funding of a capital improvement program; and (4) the payment of the costs related to the issuance of the notes (the "2004 Project"); and

WHEREAS, it is necessary that the indebtedness of the Township be increased for the purpose of funding the 2004 Project; and

WHEREAS, in order to provide the funds necessary to fund the 2004 Project, the Township has decided to issue a series of notes in the aggregate principal amount of \$1,955,000, designated "Township of Hopewell, Beaver County, Pennsylvania, General Obligation Notes, Series of 2004" (the "2004 Notes") in accordance with the terms of this Ordinance and Title 53, Part VII, Subpart B, of the Pennsylvania Consolidated Statutes (53 Pa.C.S. Sections 8001, et seq.), known as the Local Government Unit Debt Act (the "Debt Act"); and

WHEREAS, the 2004 Notes are sometimes referred to herein as the "Notes"; 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 and Economic Development to have the proposed increase of indebtedness approved; and

WHEREAS, Commonwealth Securities & Investments, Inc., (the "Purchaser") has submitted, to the Township, a Note Purchase Proposal for the purchase of the Notes, which as accepted by this Ordinance shall be the Note Purchase Contract (the "Note Purchase Contract").

NOW THEREFORE, BE IT ENACTED and ORDAINED by the Board of Commissioners of the Township of Hopewell, Beaver County, Pennsylvania and it is hereby ENACTED and ORDAINED by the authority of the same, as follows:

SECTION 1. The description of the 2004 Project, contained in the recitals to this Ordinance, is hereby incorporated into this Section by reference, as if set forth at length, and the Township hereby undertakes the 2004 Project.

SECTION 2. The Board of Commissioners of the Township of Hopewell (the "Board") hereby determines to incur and authorizes the incurrence of nonelectoral debt, in accordance with the provisions of the Debt Act, in the amount of \$1,955,000 to fund the 2004 Project, which has an estimated useful life in excess of twenty (20) years. Such debt shall be evidenced by the issuance of the Notes. The proceeds of sale of the Notes will provide for the funding of the 2004 Project.

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

SECTION 4. The Bond Purchase Proposal, dated April 12, 2004, submitted to the Board by the Purchaser for the purchase of the Notes, is hereby accepted. The Notes 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 (the "President") is authorized and directed to execute the Note Purchase Contract in the name and on behalf of the Township. The Township Secretary (the "Secretary") is authorized and directed to affix the seal of the Township to the Note Purchase Contract when so executed; to attest the same; and to deliver an executed counterpart of the Note Purchase Contract to the Purchaser.

SECTION 5. The Notes shall bear interest, mature and be redeemable as set forth on Schedule "A", attached hereto.

SECTION 6. First Commonwealth Trust Company, Indiana, Pennsylvania is hereby appointed Paying Agent (the "Paying Agent") and Registrar (the "Registrar") for the Notes and Sinking Fund Depository (the "Sinking Fund Depository") for the sinking funds created hereinafter. The appropriate officers of the Township are hereby authorized and directed to contract with First Commonwealth Trust Company, for its services as Sinking Fund Depository, 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 Depository or Registrar to fill a vacancy or for any other reason.

SECTION 7. (a) The Notes 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 Notes. Each Note shall be dated as of the date of its authentication. The Notes shall be initially dated as of May 1, 2004 and shall be issued in denominations of \$5,000 or any whole multiple thereof. The Notes shall bear interest payable initially on November 1, 2004 and on each May 1 and November 1 thereafter (each, an "Interest Payment Date"), from the Interest Payment Date next preceding the date of such Note to which interest has been paid, unless the date of such Note is a date to which interest has been so paid, in which case from the date of such Note.

(b) The term "Regular Record Date" with respect to any Interest Payment Date shall mean the April 15 or October 15 (whether or not a business day) immediately preceding such Interest Payment Date. The person in whose name any Note 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 Note 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 Notes are registered at the close of business on a Special Record Date established by the Paying Agent for the payment of such interest, which

Special Record Date may not be less than ten (10) nor more than fifteen (15) days prior to the proposed date of payment, notice of which shall have been mailed to all affected Registered Owners of Notes not less than ten (10) nor more than fifteen (15) days prior to such Special Record 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 the Notes and the registration of transfers and exchanges of the Notes. No transfer or exchange of any Note shall be valid unless made at such office and registered in the Note Register.

(b) Upon surrender of any Note 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 Note or Notes of any authorized denomination, of the same interest rate and maturity and in the same aggregate principal amount as the Note so surrendered.

(c) Any Note shall be exchangeable for other Notes of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Note or Notes presented for exchange. Upon surrender of any Note 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 Note or Notes which the owner making the exchange shall be entitled to receive.



(d) All Notes 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 Notes surrendered for such registration of transfer or exchange.

(e) Every Note 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 Note, 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 Notes.

(g) The Township shall not be required to: (i) issue or register the transfer or exchange of any Note that could be the subject of such selection during a period of fifteen (15) days before any date of selection of Notes to be redeemed; (ii) issue or register the transfer or exchange of any Note after it has been selected for redemption (other than, in the case of Notes issued pursuant to Section 11.(f), below, in exchange for the unredeemed portions of Notes duly redeemed in part; or (iii) issue or register the transfer or exchange of any Note 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 Notes 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 Secretary, and said officers are hereby authorized and directed to execute the Notes. The Notes shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized signatory of the Paying Agent. No Note 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 Note 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 Note (including the signature of the authorized signatory of the Paying Agent) is manual, all other signatures may be by facsimile. The President is hereby authorized and directed to deliver the Notes 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.

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SECTION 10. (a) In consideration of the purchase and acceptance of the Notes 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 Notes. The covenants and agreements herein set forth to be performed by the Township shall be for the benefit, protection and security of holders of the Notes, 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 Note over any other, except as expressly provided therein or herein.

(b) The Township hereby covenants with the holders from time to time of the Notes: (i) that the Township will appropriate to and deposit in the 2004 Notes Sinking Fund (as hereinafter created), such amounts necessary for the payment of the debt service on the Notes; 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 Note issued hereunder and the interest thereon on the dates, at the places and in the manner stated in the Notes, 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 Notes are hereby declared to be general obligations of the Township. The Township hereby covenants with the Registered Owners, from time to time, of the Notes 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 Notes prior to maturity, on the Notes 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 Notes 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 Notes 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 Debt Act, the foregoing covenants are specifically enforceable.

SECTION 11. (a) The 2004 Notes maturing after November 1, 2009 shall be subject to redemption prior to maturity, at the option of the Township, either as a whole or in part on November 1, 2009 or on any date thereafter, in any order of maturity selected by the Township and selected by lot within a maturity by the Paying Agent, at 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption.

(b) The 2004 Notes maturing on November 1, 2005 and 2009 shall be subject to mandatory redemption in part, from the 2004 Notes Sinking Fund, in accordance with the following schedule, such redemptions (or payments at maturity) to be made at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption, i.e., November 1 of the years and in the principal amounts set forth below:

November 1 Redemption Date	Principal Amount To be Redeemed
2005 Maturity	
2004	\$ 5,000
2005	160,000*
2009 Maturity	
2008	\$165,000
2009	170,000*

\*By Maturity, not by redemption.

(c) If less than an entire year's maturity of 2004 Notes is to be redeemed at any particular time, the 2004 Notes of such maturity so to be called for redemption

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 2004 Notes so called for redemption and the premium, if any, and accrued interest thereon to the date fixed for redemption.

SECTION 13. There is hereby established, with the Sinking Fund Depository, a special fund to be known as the "Township of Hopewell 2004 Notes 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 Notes to the Sinking Fund Depository for deposit to the Clearing Account. Upon written directions from the Township signed by the President, the Sinking Fund Depository shall pay, out of the Clearing Account, the costs and expenses of the issuance of the Notes; transfer the amounts of accrued interest to the 2004 Notes Sinking Fund; deposit the specified amount to the 2004 Notes Capital Improvements Program Fund; deposit the specified amount for redemption of the Refunded Note; and deposit the specified amount with the 1999 Bonds Escrow Agent (as hereinafter defined). 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. Any insubstantial amounts of money which may remain after fulfilling the purposes set forth

herein shall, promptly upon their determination, be deposited in the 2004 Notes Sinking Fund, and used for the payment of interest on the Notes, appropriately.

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

(b) If the principal amount of the Notes 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 Notes are invested at a yield greater than the yield on the Notes 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 Notes in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Notes at a yield not in excess of the yield on the Notes.

(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 Notes 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 pre-enactment 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 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 F. Salopek, Esquire, as Note Counsel, for the purpose of rendering any and all necessary opinions with respect to the Notes.

SECTION 17. The President, Secretary and/or Township Manager are hereby authorized and directed to prepare, verify and file and take other necessary action with the Department of Community and Economic Development, in accordance with the Debt Act a transcript of the proceedings relating to the issuance of the Notes, including the Debt Statement and Borrowing Base Certificate required by Section 8029 of the Debt Act.

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 Notes, all in accordance with this Ordinance.

SECTION 19. The Preliminary Official Statement prepared with respect to the Notes 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 Notes, 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 Notes.

SECTION 20. Any moneys in the 2004 Notes 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 deposit 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 21. Any authorization granted to, power conferred on or direction given to the President or Secretary shall be deemed to run to the Vice-President or Acting or Assistant 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 22. The form of the 2004 Notes shall be substantially as follows:

(FORM OF GENERAL OBLIGATION NOTES, SERIES OF 2004)

[FRONT OF BOND]

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
TOWNSHIP OF HOPEWELL  
BEAVER COUNTY, PENNSYLVANIA  
GENERAL OBLIGATION NOTES, SERIES OF 2004

DATED DATE	INTEREST RATE	MATURITY DATE	CUSIP
May 1, 2004			

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 May 1 or November 1 (each an "Interest Payment Date") preceding the Authentication Date shown hereon at the rate per annum shown hereon, on November 1, 2004, the first date for payment of interest hereon, and semi-annually thereafter on May 1 and November 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 note are payable at the principal corporate trust office of First Commonwealth Trust Company, Indiana, 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 calendar month (whether or not a business day) immediately preceding that in which said interest becomes due.

THE TERMS AND PROVISIONS OF THIS NOTE 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 note 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 Depository.

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

ATTEST:

TOWNSHIP OF HOPEWELL

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

[SEAL]

### Certificate of Authentication

This note is one of the issue of \$1,955,000, aggregate principal amount, Township of Hopewell General Obligation Notes, Series of 2004, described in the within-mentioned Debt Ordinance. The Text of Opinion printed on the reverse hereof is the text of the opinion of 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.

First Commonwealth Trust Company

By: \_\_\_\_\_  
Authorized Signatory

AUTHENTICATION DATE:

\_\_\_\_\_

[REVERSE OF BOND]

This note is one of a duly authorized series of notes, designated "Township of Hopewell General Obligation Notes, Series of 2004" (the "Notes"), issued in accordance with Title 53, Part VII, Subpart B, of the Pennsylvania Consolidated Statutes (53 Pa. C.S. Section 8001, et seq.) known as the Local Government Unit Debt Act (the "Debt Act"), pursuant to all the terms and provisions of the formal action of the Township (the "Debt Ordinance") enacted on April 12, 2004, and with the approval of the Department of Community and Economic Development 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 April 15 or October 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 Depositary on or before any such Interest Payment Date for payment to the Registered

Owner of record as of 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 Depositary, notice of which shall be given to all affected Registered Owners not less than 10 nor more than 15 days prior to such Special Record Date.

The Notes maturing after November 1, 20\_\_ are subject to redemption at the option of the Township, prior to their stated Maturity Dates, as a whole or in part on November 1, 20\_\_, or on any date thereafter, in any order of maturity selected by the Township and selected by lot by the Paying Agent within a maturity, in both cases, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

Through the operation of the 2004 Notes Sinking Fund (hereinafter defined), as provided in the Debt Ordinance, the Township covenants to redeem (or pay at maturity, as the case may be) the Bonds maturing on November 1, 20\_\_, in accordance with the following schedule, such redemptions (or payments at maturity) to be made at a redemption price of 100% of the principal amount plus accrued interest to the date fixed for redemption, i.e., November 1 of the years and in the aggregate principal amounts set forth below:

November 1 Redemption Date	Principal Amount To be Redeemed
20__ Maturity	
20__	\$
20__	
20__	
20__	
20__	

\* By maturity, not redemption.

If less than all Notes maturing on any one date are to be redeemed at any time, the Notes of such maturity to be called for redemption at such time shall be chosen by the Sinking Fund Depositary, by lot.

Notice of redemption of any Note shall be given to the Registered Owner of such Note by first class mail, not less than thirty (30) nor more than forty-five (45) 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 Note of a denomination larger than \$5,000 may be redeemed, and in such case, upon the surrender of such Note, there shall be issued to the Registered Owner thereof, without charge therefor, a registered

Note or Notes, of like tenor, in exchange for the unredeemed portion of such Note, all as more fully set forth in the Debt Ordinance. If notice of redemption shall have been duly given, the Notes 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 for such purpose by the Sinking Fund Depositary in an amount sufficient for the payment of the redemption price of the Notes to be redeemed, including accrued interest to the date fixed for redemption, then from and after such date interest on such Notes 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 Notes, and has directed the Sinking Fund Depositary to use such numbers in notices of redemption and other notices, if any, as a convenience to the Registered Owners of the Notes. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice and reliance may be placed only on the identification number printed hereon.

This note may be transferred or exchanged only on the Register maintained by the Township at the principal corporate trust office of the Sinking Fund Depositary 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 Depositary. No service charge shall be imposed on any Registered Owner of any Note for any transfer or exchange of any Note, 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 Notes.

The Township shall not be required to register the transfer or exchange of any Note: (a) if such Note is subject to such selection, during the period of fifteen (15) days before any date of selection of Notes to be redeemed; (b) after such Note 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 note and of the Debt Ordinance relating to the payment of interest hereon, the Sinking Fund Depositary may treat the Registered Owner of this note as the absolute owner hereof, for all purposes, whether or not this note shall be overdue, and neither the Township nor the Sinking Fund Depositary shall be affected by any notice to the contrary.

This note is hereby declared to be a general obligation of the Township. The Township hereby covenants with the Registered Owner of this note 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 2004 Notes Sinking Fund (hereinafter defined) or any other of its revenues or funds, the principal of this note 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 and the premium (if any) payable upon the redemption of this note.

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 note or in the creation of the debt of which this note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this note, 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 Debt Act, (the "2004 Notes Sinking Fund") for this note 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 note, 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 note, 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 note.

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[TEXT OF OPINION JOHN F. SALOPEK, ESQUIRE, DELIVERED IN RESPECT OF \$1,955,000, TOWNSHIP OF HOPEWELL, BEAVER COUNTY, PENNSYLVANIA, GENERAL OBLIGATION NOTES, SERIES OF 2004.]

[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 note and all rights irrevocably constitutes and appoints

\_\_\_\_\_ as his Attorney to  
transfer this note on the books for the registration thereof, with full power of substitution  
in the premises.

Dated \_\_\_\_\_

Signature Guaranteed:

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

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

SECTION 23. In accordance with Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended, and in order to provide that paragraph (b)(5) thereof should not apply to the primary offering of the Notes, pursuant to paragraph (d)(2) thereof, the Township hereby covenants, with and for the benefit of the holders (within the meaning of the Rule) and beneficial owners from time to time of the Notes (which shall include any person or entity having a pecuniary interest in any of the Notes) to provide upon request to any person or at least annually to the appropriate state information depository in the Commonwealth of Pennsylvania, if any ("SID")\*, financial information or operating data regarding the Township, which financial information and operating data shall include at a minimum that financial information and operating data which is customarily prepared by the Township and is currently available. The Township hereby also covenants, with and for the benefit of the holders and beneficial owners from time to time of the Notes, to provide in a timely manner to each nationally recognized municipal securities information repository ("NRMSIR")\*, or the Municipal Securities Rulemaking Board ("MSRB"), and the SID notice of each occurrence of any of the following events with respect to the Notes, if such event is material under applicable federal securities law: (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 Notes, (vii) modifications to rights of the holders of the Notes, (viii) bond calls, (ix)



defeasances, (x) release, substitution or sale of property securing payment of the Notes and (xi) rating changes. The sole remedy for a breach by the Township of any of the covenants in this Section 23. shall be an action to compel performance of such covenant. Under no circumstances may monetary damages be assessed or recovered or payment of the Notes be accelerated on the basis of such a breach, nor shall any such breach constitute a default under the Notes or a "failure to comply with any provision" of the Notes or in this Ordinance for purposes of Section 8263 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 obligation with respect to the Notes, prior redemption or payment in full of all of the Notes.

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 23., without the consent of the holders or beneficial owners of the Notes, provided that (i) the action is an amendment which requires the Township to provide more information, or to disseminate information earlier, more widely or more often, than required by this Section 23. as in effect immediately prior to the amendment or (ii) 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 Notes, 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 (or complied with all such requirements except those of paragraph (b)(5) thereof and provided an exemption from the requirements of paragraph (b)(5) thereof) at the time of the original issuance of the Notes, 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 Notes in the same manner as provided in the Act for modifications of this Ordinance with the consent of the greatest proportion of the holders thereof that is less than 100% 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 Notes.

(\*NOTE: There are currently four NRMSIRs and no Pennsylvania SID.  
See <http://www.sec.gov/info/municipal/nrmsir.htm>)

SECTION 24. Reasonable cost estimates have been obtained for the 2004 Project with the assistance of persons qualified by experience. The useful lives of the 2004 Project and the project underlying the 1999 Bonds and the 2001 Note is at least twenty (20) years from May 1, 2004. All of the Bonds, in the principal amount not to exceed \$1,955,000, are hereby allocated to the 2004 Project. Therefore, the maturities of the Bonds are in accordance with Sections 8142(a)(2) and 8243 of the Debt Act. In addition, in accordance with Section 8142 of the Debt Act, the maturities of the Bonds have been fixed so that debt service will be approximately level or declining.

SECTION 25. The Township hereby agrees to purchase and hereby accepts the commitment of Financial Security Assurance Inc. (the "Note Insurer") to

issue a Municipal Bond Insurance Policy (the "Policy") insuring the Notes and directs that the appropriate premium be promptly paid at the settlement of the sale of the Notes. A legend indicating the existence of such a policy shall be printed on the Notes, in the form required by the Note Insurer.

SECTION 26. (a) The Township hereby irrevocably calls for redemption on November 1, 2004, all of the then outstanding Refunded Bonds, at par plus accrued interest and directs First Commonwealth Trust Company, Indiana, Pennsylvania, as the 1999 Bonds Paying Agent, Sinking Fund Depository and Registrar and as Escrow Agent, to give timely notice of redemption of the Refunded Bonds, in the manner set forth in the Escrow Trust Agreement, by and between the Township and the Escrow Agent, pertaining thereto and subject to the receipt of funds derived from the issuance of the 2004 Notes.

(b) The form of Escrow Trust Agreement, substantially in the form presented at this meeting, are hereby approved and the President is authorized and directed to execute the Escrow Trust Agreement in the name of and on behalf of the Township, with any changes deemed necessary by the Township Solicitor. The Secretary is authorized and directed to affix the seal of the Township to the Escrow Trust Agreement when so executed and to attest same. Those officers are authorized and directed to deliver the Escrow Trust Agreement to the Escrow Agent.

SECTION 27. (a) The Board hereby authorizes and directs the President, Secretary, Township Manager, 1999 Bonds Paying Agent, Escrow Agent, Paying Agent or Purchaser or their respective representatives, to purchase or subscribe, on behalf of,

and as special agent for the Township, United States Treasury Securities and/or Obligations in accordance with the Escrow Trust Agreement and the Note Purchase Contract.

(b) The President or Secretary is hereby authorized to execute and deliver written directions to one of the above-named persons and/or the Purchaser to purchase or subscribe to said securities and/or obligations of the United States on behalf of the Township.

(c) The above-named persons are hereby authorized to deliver a certified copy of this Ordinance upon subscription or purchase of the above-mentioned securities and/or obligations.

SECTION 28. The President, Secretary or Township Manager is hereby authorized to execute and deliver any letters or documents required by The Depository Trust Company (the "DTC") to make the Notes eligible for deposit with DTC.

SECTION 29. The Board of Commissioners on behalf of the Township hereby designates that the Notes shall have the status of a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and represents that the total amount of obligations designated and to be designated by or on behalf of the Township during the calendar year in which the Notes are issued does not and is not expected to exceed \$10,000,000.

SECTION 30. All Ordinances or parts thereof not in accordance with this Ordinance are hereby repealed insofar as they conflict with this Ordinance.

ORDAINED and ENACTED by the Board of Commissioners of the Township of  
Hopewell, this 12th day of April, 2004.

ATTEST:

TOWNSHIP OF HOPEWELL

  
Secretary

  
President

SEAL

SCHEDULE "A"

TOWNSHIP OF HOPEWELL  
Beaver County, Pennsylvania

\$1,955,000 General Obligation Notes, Series of 2004

The Purchase Price of the Bonds is \$1,933,495.00, less original issue discount of \$10,946.30, and net of an underwriter's discount of \$21,505.00, plus accrued interest on the principal amount of the Bonds from May 1, 2004 to the date of delivery and payment for the Bonds.

MATURITY SCHEDULE

Interest accrues from:  
May 1, 2004

Due: November 1,  
as shown below

<u>Amount</u>	<u>Year of Maturity</u>	<u>Rate of Interest</u>
\$165,000	2005	1.35%
160,000	2006	1.65
160,000	2007	2.00
335,000	2009	2.50
175,000	2010	3.00
180,000	2011	3.10
185,000	2012	3.35
190,000	2013	3.60
200,000	2014	3.75
205,000	2015	4.00

MANDATORY REDEMPTION SCHEDULE

<u>2005 Maturity</u>		<u>2009 Maturity</u>	
2004	\$ 5,000	2008	\$165,000
2005	160,000*	2009	170,000*

\*By maturity.

SCHEDULE "B"

TOWNSHIP OF HOPEWELL  
Beaver County, Pennsylvania

\$1,955,000 General Obligation Notes, Series of 2004

Date	Principal	Coupon	Interest	Total Debt Service	Annual Debt Service
11/1/2004	5,000.00	1.350%	26,293.58	31,293.58	31,293.58
5/1/2005			27,971.25	27,971.25	
11/1/2005	160,000.00	1.350%	27,971.25	187,971.25	215,942.50
5/1/2006			26,891.25	26,891.25	
11/1/2006	160,000.00	1.650%	26,891.25	186,891.25	213,782.50
5/1/2007			25,571.25	25,571.25	
11/1/2007	160,000.00	2.000%	25,571.25	185,571.25	211,142.50
5/1/2008			23,971.25	23,971.25	
11/1/2008	165,000.00	2.500%	23,971.25	188,971.25	212,942.50
5/1/2009			21,908.75	21,908.75	
11/1/2009	170,000.00	2.500%	21,908.75	191,908.75	213,817.50
5/1/2010			19,783.75	19,783.75	
11/1/2010	175,000.00	3.000%	19,783.75	194,783.75	214,567.50
5/1/2011			17,158.75	17,158.75	
11/1/2011	180,000.00	3.100%	17,158.75	197,158.75	214,317.50
5/1/2012			14,368.75	14,368.75	
11/1/2012	185,000.00	3.350%	14,368.75	199,368.75	213,737.50
5/1/2013			11,270.00	11,270.00	
11/1/2013	190,000.00	3.600%	11,270.00	201,270.00	212,540.00
5/1/2014			7,850.00	7,850.00	
11/1/2014	200,000.00	3.750%	7,850.00	207,850.00	215,700.00
5/1/2015			4,100.00	4,100.00	
11/1/2015	205,000.00	4.000%	4,100.00	209,100.00	213,200.00
	<u>1,955,000.00</u>		<u>427,983.58</u>	<u>2,382,983.58</u>	<u>2,382,983.58</u>