

RESOLUTION NO. R-2011-05

**A RESOLUTION OF THE TOWNSHIP OF HOPEWELL
BEAVER COUNTY, PENNSYLVANIA AUTHORIZING A TAX AND REVENUE
ANTICIPATION NOTE WITH ESB BANK IN THE AMOUNT OF THREE HUNDRED
FIFTY THOUSAND (\$350,000.00) DOLLARS**

WHEREAS, the Township of Hopewell, Beaver County Pennsylvania, hereinafter called the "Local Government Unit," anticipates current taxes and revenues as yet uncollected; and

WHEREAS, the said Local Government Unit has inadequate funds for current expenditures; and

WHEREAS, the said Local Government Unit has determined that it is necessary to borrow for the purpose of meeting current expenses by issuing a Note to be repaid from said anticipated taxes and revenues; and

WHEREAS, ESB Bank, hereinafter called the "Lender," has submitted to the said Local Government Unit and the Local Government Unit desires by the adoption of this Resolution to accept such proposal and authorize the issuance and sale of its Tax and Revenue Anticipation Note.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Local Government Unit hereby authorizes the issuance of a Tax and Revenue Anticipation Note in the amount of \$350,000.00 in anticipation of the receipt of current taxes and revenues to be sold at private sale.

2. The Note shall be in the denomination of \$350,000.00, shall be redeemable at any time at the option of the officers of the Local Government Unit without penalty or premium, shall be fully registered without coupons, shall be dated January 11, 2011, bear interest at the rate of 3.30%, shall mature on December 31, 2011 and shall be payable at the Ellwood City office of Lender, shall be substantially in the form annexed to the resolution as Exhibit "A" and hereby made a part of the Resolution as though fully set forth in this place.

3. The December 7, 2010, proposal of Lender to purchase the Note is hereby accepted and shall be incorporated into the minutes of this meeting. A true and correct copy of said proposal is attached hereto as Exhibit "B", and the appropriate officers are hereby authorized and directed to execute and deliver a duplicate original of the acceptance of said proposal to the Lender.

4. The Local Government Unit hereby pledges to the Lender and grants to the Lender a first lien and charge on its taxes and revenues to be received during the period when the Note is outstanding to secure the payment of the indebtedness evidenced hereby and the interest thereon.

5. Payment of Interest shall be due monthly beginning February 10, 2011 and principal along with any accrued interest not yet paid shall be due and payable at maturity on December 31, 2011.

6. The appropriate officer be and hereby is authorized and directed to execute and deliver in the name of, on behalf of, and under the seal of, the Local Government Unit, the Tax and Revenue Anticipation Note in the form and containing the terms described above, and the Secretary of the Local Government unit be and hereby is authorized and directed to attest the same.

<u>Authorized Officers</u>	<u>Title</u>
Signer: Richard Bufalini	President, Board of Commissioners
Attest: Andy Brunette	Manager

7. The appropriate officer or fiscal officer be and hereby is authorized and directed to prepare or cause to be prepared and to file a Certificate as to Taxes and Revenues to be Collected as required by Sections 8126 and 8128 of the Local Government Unit Debt Act. A true and correct copy of said Certificate is attached hereto as Exhibit "C".

8. The officers of the Local Government Unit be and hereby are authorized and directed to perform all acts which are necessary and proper for the valid issuance and securing of the Note.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Local Government Unit this 10th day of January, 2011.

TOWNSHIP OF HOPEWELL

By Richard Bufalini, President, Board of Commissioners
Richard Bufalini

(Seal)

Attest:

Andy Brunette

CERTIFICATION OF RESOLUTION

I, Andy Brunette, Manager of the Township of Hopewell, hereby certify that the foregoing is a true and correct copy of a Resolution, duly adopted by the majority vote of said Local Government Unit, at a meeting duly held on the 10th day of January, 2011, and that the Minutes of said meeting showing how each member voted have been duly recorded in the official minutes of said Local Government Unit.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 10th day of January, 2011.



Andy Brunette, Manager

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF HOPEWELL
3.30% TAX AND REVENUE ANTICIPATION NOTE - SERIES OF 2011

The Township of Hopewell, Beaver County, Commonwealth of Pennsylvania, (the Issuer"), for value received hereby promises to pay to ESB Bank, (the "Bank"), or its assignee, the Principal sum of:

**** THREE HUNDRED FIFTY THOUSAND DOLLARS ** (\$350,000.00)**

on the 31ST day of December, 2011. Interest shall be payable monthly beginning February 10, 2011 and continuing monthly on the same day, until maturity on December 31, 2011, at which time all accrued interest not yet paid, shall become due and payable. (Computed on the basis of actual number of days in the then-current calendar year that principal is outstanding, based upon a year of three hundred sixty (360) days at the rate of Three and point Thirty percent, (3.30%) per annum). Both the principal of and interest on the Note shall be payable in such coin or currency as at the place and at the time of payment shall be legal tender for the payment of public and private debts in the United States (or by instrument payable in immediately available legal tender as aforesaid), at the principal office of ESB Bank, Ellwood City, Pennsylvania.

This is the 3.30% Tax and Revenue Anticipation Note, Series of 2011, authorized and issued in the principal amount of \$350,000.00, (the "Note") in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996 (P.L. 1158, No. 177) (the "Act") and pursuant to a resolution (the "Resolution") adopted by the governing body of the Issuer and filed together with other required documents, with the Pennsylvania Department of Community and Economic Development. Reference is hereby made to the Act and the Resolution for a complete statement of the rights and limitations of rights of holders of the Note, to all of which the holder hereof by acceptance of this Note assents.

Tax Exempt Status: The rate as defined as interest rate, is the tax exempt rate. Should the Township lose it's tax exempt status or should there be a change in the rate of income tax imposed on Lender by Section 11 of the Internal Revenue Code, as amended (the Lender Tax Rate), the interest rate will then be adjusted to the Lender's, then current, Prime Rate of Interest. The maximum rate the Lender could charge is 10.00%

Lenders Rights: In the event of breach or default by Borrower, Lender may, after giving such notices as required by applicable law, declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

Attorney's Fees; Expenses: Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorney's fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

Governing Law: This Note will be governed by, construed and enforced in accordance with federal law and the laws of the Commonwealth of Pennsylvania.

EXHIBIT

A

Choice of Venue: If there is a lawsuit concerning this transaction, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Beaver County, Commonwealth of Pennsylvania.

Prepayment: Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: ESB Bank, 600 Lawrence Avenue, Ellwood City, PA 16117-1930, Attention, Commercial Loan Department.

This Note is equally and ratably secured with all other Notes, if any, issued under the Resolution by the pledge of, a security interest in and a lien and charge on the taxes and revenues of the Issuer, specified in the Resolution to be received during the period when the Note is outstanding. Issuer covenants that such pledge, security interest, lien and charge have been perfected and are enforceable in the manner provided by the Act.

The Issuer covenants that it will not make any use of the proceeds of the Note or do or suffer any other action which would cause the Note to be an "arbitrage bond" as such term is defined in Section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder; and that the Issuer has designated the Note as a "qualified tax-exempt obligation" within the meaning of paragraph (b) (3) (B) of Section 265 of the Code.

Issuer covenants that all acts, conditions and things required to be done or performed precedent to and in the issuance of this Note or in the creation of the obligation of which this Note is evidence have been done or performed as required by law, and that this Note shall be a general obligation of the Township of Hopewell, as provided in the Act.

IN WITNESS WHEREOF, the Township of Hopewell, Beaver County, Pennsylvania, has caused this Note to be signed in its name and on its behalf by the signature of the President of its Board of Commissioners and its seal to be hereunto impressed, and duly attested by the signature of the Township Manager of such body, this 11th day of January, 2011.

TOWNSHIP OF HOPEWELL
BEAVER COUNTY, PENNSYLVANIA

BY: Richard Bufalini, President, Board of
Richard Bufalini Commissioners

Seal Attest: Andy Brunette, Manager
Andy Brunette

Lender: ESB Bank By: Louis C. Frischkorn, Vice President Commercial Lending/Public Finance



A Subsidiary of ESB Financial Corporation

December 7, 2010

Township of Hopewell
c/o Andy Brunette, Township Manager/Controller
1700 Clark Blvd.
Aliquippa, PA 15001

Dear Mr. Brunette:

ESB Bank, herein after referred to as the ("Bank"), agrees to purchase the Township of Hopewell, Beaver County, Pennsylvania 2011 Tax and Revenue Anticipation Note under the following terms and conditions.

The aggregate principal amount, not to exceed \$350,000.00, as set forth below:

QUALIFIED TAX EXEMPT FIXED INTEREST RATE OF: 3.30%

1. **Rate Of Interest:** The rate of interest to be charged during the full term of the Note and how it is calculated is as follows; Interest on the Note shall be calculated on the basis of the actual number of days in the then current calendar year that Principal is outstanding, based upon a year of three hundred sixty (360) days.
2. **Optional Prepayment:** The loan may be prepaid at anytime without penalty. Interest shall be due monthly and principal at maturity on 12/31/2011.
3. **FEES:** No fees to be charged by the Bank for origination of the loan or for processing of documentation. ESB Bank shall prepare and provide the Note for review by the Township's Solicitor. The Township's Solicitor shall be responsible for preparation all other documentation and filing of all documents with the Department of Community and Economic Development. Bank to have received copies of all documents for review at least three days prior to filing.
5. **OTHER FEES:** If applicable. Any fees the Township should incur in connection with advertising of Board meetings, the PA Department of Community and Economic Development or the Township's solicitor, etc., are the responsibility of the Township.
6. The Bank shall have received the unqualified approving legal opinion of the Township's solicitor as to the due adoption, legal sufficiency and continuing effectiveness of the Resolution, the due authorization, execution, non-arbitrage, issuance and delivery of the Note, the absence of litigation and such matters as the Bank may reasonably request.
7. Loan to be secured by the filing of a UCC Financing Statement complying with the Uniform Commercial Code, against the full faith credit, taxing powers and revenues from all sources of the Township.

EXHIBIT

B

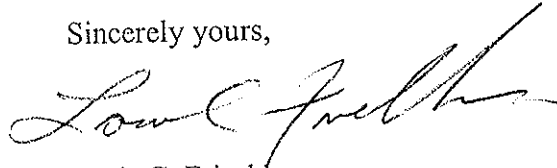
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- 8. This is a Commitment to Lend subject to satisfactory review, by the Bank of the Township's financials, the above listed items, those items which are part of the loan process as required under the Local Government Unit Debt Act and review of any other documentation, which the Bank may reasonably request.
- 9. This Commitment to Lend will remain in effect for a period of sixty (60) days from the above written date unless otherwise agreed upon, in writing, by both the Township and the Bank.

If you find the above terms and conditions agreeable, please so indicate by signing below and returning one copy of this proposal to us.

Should you have any questions or need any further information please feel free to contact the undersigned at (724)-601-7316 or the Commercial Loan Department at (724)-758-5584.

Sincerely yours,



Louis C. Frischkorn
VP Public Finance

Accepted this 11th day of January 2010.

TOWNSHIP OF HOPEWELL, PENNSYLVANIA

BY: *Richard Bucalini*, President, Board of Commissioners
(Name)

(Seal)

ATTEST: BY: *Andy Burnett*, Secretary
(Name)

CERTIFICATION OF TAXES AND REVENUES

**Certification as to Taxes and Revenues to be collected
For the fiscal year ending December 31, 2011
Township of Hopewell
Beaver County, Pennsylvania**

Pursuant to Section 8126 of the Local Government Unit Debt Act, the undersigned authorized officers of the Township of Hopewell ("Municipality"), Beaver County, Pennsylvania, do hereby certify as follows in connection with the proposed authorization by the Municipality, within thirty (30) days after the date of this certificate of a Tax and Revenue Anticipation Note payable to the order of ESB Bank, to wit:

1. The Municipality has no Tax Anticipation Notes or other borrowings in anticipation of taxes or other current revenues outstanding except as follows:

<u>Principal Amount</u>	<u>Maturity Date</u>
\$1.955 Million Bond Issue	2015
\$1.215 Million Bond Issue	2020

2. The undersigned have made a careful examination of the records of the Municipality of the actual revenues and expenditures to date during the estimate of the moneys to be received by the Municipality during the period when such Tax Anticipation Note will be outstanding from the taxes now levied and assessed and revenues including, without limitation, subsidies or reimbursements to be received, and the undersigned have also made a careful monthly estimate of the expenditures of the Municipality during the remainder of the fiscal year. Such estimate of revenues has taken due account of the past and anticipated collection experience of the Municipality and of current economic conditions.

Such actual revenues and expenditures and such estimates are as follows in the attached Exhibit "C"

The total estimated taxes and revenues remaining to be collected or received in the current fiscal year during the period when the Note will be outstanding are \$5,861,300 and 85% of such revenues is equal to \$4,982,105. Allowance has been made for fully paid Tax Anticipation Notes and for amounts paid into appropriate sinking funds if required.

WITNESS the due execution hereof this 20th, day of December, 2010

TOWNSHIP OF HOPEWELL, PENNSYLVANIA

BY: *Richard Bufalini*, President, Board of Commissioners
Richard Bufalini

Attest:

BY: *Andy Brunette*, Manager
Andy Brunette

