

<u>Note Numbered</u>	<u>Interest Rate</u>	<u>Denomination</u>	<u>Maturity Date</u>
1	4.85%	\$95,000.00	_____, 2005

**Section 7.** The Note shall be subject to redemption prior to whole, or in part, from time to maturity, at the option of this Township, as time, on any date, upon payment of the outstanding principal amount thereof, together with accrued interest.

**Section 8.** The principal and interest on the Note shall be payable at the principal office of Sovereign Bank (the "Paying Agent"), 3 Terry Drive, Suite 102, Newtown, PA, 18940, in lawful money of the United States of America.

**Section 9.** The form of the Note, including the form of Delivery Endorsement, shall be substantially as follows, with appropriate insertions, omissions, and variations:

**TOWNSHIP OF RUSH  
SCHUYLKILL COUNTY, PENNSYLVANIA,  
GENERAL OBLIGATION NOTE,  
SERIES A OF 2000  
NO. 1**

THE TOWNSHIP OF RUSH, Schuylkill County, Pennsylvania (the "Township"), a municipal corporation of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of Sovereign Bank (the "Bank"), 3 Terry Drive, Suite 102, Newtown, PA, 18940, or registered assigns, unless this Note shall be prepaid, upon surrender hereof, the principal sum of Ninety-five Thousand Dollars (\$95,000.00), and to pay principal and interest on the principal sum hereof, which, from time to time, shall be outstanding and shall remain unpaid, until the principal sum hereof fully shall have been paid, at a rate of 4.85% per annum, payable in twenty (20) quarterly installments commencing three (3) months after the date of delivery hereof, and ending at maturity on \_\_\_\_\_, 2005, or until the aggregate principal sum hereof shall have been paid in full.

The principal and interest on this Note shall be payable at the principal office of Sovereign Bank (the "Paying Agent"), located at 3 Terry Drive, Suite 102, Newtown, PA, 18940, in lawful money of the United States of America.

This Note is the note of the Township, known generally as "General Obligation Note, Series A of 2000", dated for convenience as of the date of delivery hereof, in the principal amount of Ninety-five Thousand Dollars (\$95,000.00).

This Note may be prepaid, in whole or in part, at the option of the Township, without payment of any premium or penalty, upon payment of the outstanding principal amount thereof, together with accrued interest until payment hereof in full.

This Note is issued in accordance with provisions of the Act of the General Assembly of the Commonwealth, Act No. 1972-185, as re-enacted, amended, and revised by Act No. 1978-52, as amended and supplemented, known as the Local Government Unit Debt Act (the "Act"), and by virtue of a duly adopted Resolution (the "Resolution") of the Board of Supervisors of the Township. The Act, as such shall have been in effect when this Note was authorized, and the Resolution shall constitute a contract between the Township and the registered owner, from time to time, of this Note.

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

The Township has covenanted, in the Resolution, to and with registered owner, from time to time, of this Note that shall be outstanding, from time to time, pursuant to the Resolution, that the Township: (i) shall include the amount of the debt service for this Note, for each fiscal year of the

Township in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation, and payment, the Township has pledged and does pledge, irrevocably, to place a first lien on the dump truck and attachments in favor of the Bank, together with a pledge of its full faith and credit and/or taxing power and other revenues to be received during the period while this Note is outstanding. The Act provides that the foregoing covenant of the Township shall be enforceable specifically.

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