

BOROUGH OF SEVEN FIELDS

BUTLER COUNTY, PENNSYLVANIA

ORDINANCE NO. 71

A ORDINANCE OF THE BOROUGH OF SEVEN FIELDS AUTHORIZING AND DIRECTING ISSUANCE OF GENERAL OBLIGATION BONDS, REFUNDING SERIES A OF 2007 AND TAXABLE REFUNDING SERIES B OF 2007, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$2,750,000 PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT OF THE COMMONWEALTH OF PENNSYLVANIA TO PROVIDE FUNDS TO BE USED FOR AND TOWARD THE CURRENT REFUNDING OF THE BOROUGH'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES A OF 1999 AND TAXABLE SERIES B OF 1999 (COLLECTIVELY, THE "PRIOR BONDS"), AND TO PAY THE COSTS OF ISSUING THE BONDS (COLLECTIVELY THE "PROJECT"); DETERMINING THAT SAID BONDS SHALL BE SOLD AT PRIVATE SALE BY NEGOTIATION; DETERMINING THAT SUCH DEBT TO BE INCURRED SHALL BE NONELECTORAL DEBT; DESCRIBING THE PROJECT AND PUBLIC PURPOSES FOR WHICH SAID DEBT IS TO BE INCURRED AND SPECIFYING THE REMAINING ESTIMATED USEFUL LIFE OF THE PROJECTS FINANCED BY THE PRIOR BONDS; SETTING FORTH THE TERMS OF AN ACCEPTABLE PROPOSAL FOR PURCHASE OF SAID BONDS AT PRIVATE SALE, AND FOR THE AWARDED OF SUCH BONDS AND SETTING FORTH RELATED PROVISIONS; PROVIDING THAT SUCH BONDS WHEN ISSUED SHALL BE GENERAL OBLIGATION BONDS; FIXING THE SUBSTANTIAL FORM, DENOMINATION, NUMBERS, DATE, MATURITY DATES, MAXIMUM INTEREST RATES, INTEREST PAYMENT DATES, REDEMPTION AND REGISTRATION PROVISIONS, PLACE OF PAYMENT OF PRINCIPAL AND INTEREST, AND OTHER PROVISIONS OF SUCH BONDS; AUTHORIZING THEIR EXECUTION, AUTHENTICATION AND ATTESTATION; PROVIDING COVENANTS RELATED TO DEBT SERVICE APPLICABLE TO SUCH BONDS AS REQUIRED BY SUCH ACT AND THE PENNSYLVANIA CONSTITUTION AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE BOROUGH IN SUPPORT THEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH BONDS; APPOINTING A PAYING AGENT AND SINKING FUND DEPOSITARY; PROVIDING COVENANTS TO INSURE PROMPT AND FULL PAYMENT OF ALL OBLIGATIONS OF SUCH BONDS WHEN DUE AND TO INSURE COMPLIANCE WITH FEDERAL INCOME TAX LAWS AND REGULATIONS; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS AND THINGS; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY SUCH ACT UPON THE INCURRING OF SUCH DEBT BY THE BOROUGH; PROVIDING FOR THE PURCHASE OF A POLICY OF MUNICIPAL BOND INSURANCE; PROVIDING FOR SEVERABILITY OF PROVISIONS; APPROVING AND AUTHORIZING A PRELIMINARY AND FINAL OFFICIAL STATEMENT; DESIGNATING THE SERIES A BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"; PROVIDING FOR CERTAIN COVENANTS BY THE BOROUGH REGARDING CONTINUING DISCLOSURE; AUTHORIZING AN ESCROW DEPOSIT AGREEMENT FOR THE INVESTMENT OF BOND PROCEEDS PENDING DISBURSEMENT FOR PURPOSES OF THE PROJECT; AUTHORIZING THE CALL FOR REDEMPTION OF THE PRIOR BONDS; AND

REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INsofar AS THE SAME
BE INCONSISTENT HEREWITH

WHEREAS, the Borough of Seven Fields, Butler County, Pennsylvania (hereinafter referred to as the "Borough" or as the "Issuer" or as "this Local Government Unit"), is a Borough existing under the laws of the Commonwealth of Pennsylvania and is a Local Government Unit, as defined in the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, (the "Act"); and

WHEREAS, the Borough desires to provide funds to be used for and toward the current refunding of the Borough's outstanding General Obligation Bonds, Series of A of 1999 (the "1999 Series A Bonds") (the "Series A Project") and Taxable Series B of 1999 (the "1999 Series B Bonds") (the "Series B Project") (the 1999 Series A Bonds and 1999 Series B Bonds are collectively referred to herein as the "Prior Bonds") and to pay the costs of issuing the Bonds (collectively, the "Project"), and for such purpose it hereby determines to issue its General Obligation Bonds, Refunding Series of A of 2007 and Taxable Refunding Series B of 2007 in the maximum aggregate amount of \$2,750,000; and

WHEREAS, the Borough Council has heretofore determined after due consideration that a private sale of the Bonds by negotiation is in the best financial interest of the Borough; and

WHEREAS, a proposal will be solicited and negotiated for the purchase of the Bonds (the "Proposal") from Fifth Third Securities, Inc (the "Purchaser") at a price of not less than 98.00 % of the aggregate maturing principal amount of the Bonds, and providing for interest rates and maturing principal amounts in each year not greater than the interest rates and principal amounts set forth on Schedule A attached here and subject to the further conditions set forth in Section 5 hereof (the "Parameters"); and

WHEREAS, the Borough Council desires to authorize the acceptance of the Proposal of the Purchaser within the Parameters, to award said Bonds to the Purchaser and to incur nonelectoral debt, in the maximum aggregate principal amount of \$2,750,000, by issuance of General Obligation Bonds, Refunding Series of 2007, all pursuant to the Act

NOW THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Seven Fields, as follows:

Section 1. The Borough of Seven Fields does hereby authorize and direct the incurring of nonelectoral debt by the issuance of general obligation bonds of the Borough, pursuant to this Ordinance, in the maximum aggregate principal amount of \$2,750,000 to be designated generally as General Obligation Bonds, Refunding Series of 2007 (the "Bonds"), and to be issued in accordance with the Act, to provide funds as hereinabove set forth

Section 2. The Borough hereby determines that the Bonds shall be issued in two separate series, to be designated as: "Borough of Seven Fields General Obligation Bonds, Refunding Series A of 2007," in the maximum aggregate principal amount of \$2,180,000 (the "Series A Bonds"), the proceeds of which will be used to pay the costs of the Series A Project; and "Borough of Seven Fields General Obligation Bonds, Taxable Refunding Series B of 2007," in the maximum aggregate principal amount of \$570,000 (the "Series B Bonds"), the proceeds of which will be used to pay the costs of the Series B Project.

Section 3. The Borough Council determines that the debt to be incurred pursuant to this Ordinance, of which the Bonds shall be evidence, shall be nonelectoral debt of the Borough. The Project is being undertaken to reduce total debt service over the life of both series of Prior Bonds pursuant to Section 8241(b)(1) of the Act.

Section 4. The remaining estimated useful life of the improvements financed by the Prior Bonds is not less than 25 years.

Section 5 The Borough Council hereby confirms its prior finding and determines that a private sale by negotiation of the Bonds is in the best financial interest of the Borough. The Borough Council agrees to accept a Proposal of the Purchaser to purchase the Bonds provided such proposal is within the Parameters set forth herein and provides to the Borough a savings from the Project, in an amount of not less than \$400,000 over the life of the series, and the Bonds are awarded to the Purchaser at a minimum purchase price of 98.00 % of the par amount of the Bonds, exclusive of original issue discount or original issue premium, plus accrued interest from the dated date of the Bonds to the date of closing; subject to the approval of the authorizing proceedings by the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Department") in accordance with the provisions of the Act. Such Proposal shall provide for an optional redemption date for the Bonds, at a redemption price of 100% of the principal amount thereof together with accrued interest to the date fixed for redemption, of no later than November 1, 2017. The proper officers of the Borough are hereby authorized and directed to execute and deliver an acceptance of such acceptable Proposal, in such form as shall be approved by the Borough Solicitor, Bond Counsel and the officers executing such acceptance.

Section 6. The Bonds, when issued, will be general obligation bonds of the Borough.

Section 7. The Bonds shall be issued as registered Bonds without coupons and shall be dated as of August 1, 2007.

Section 8. The Bonds shall bear interest payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2007, until maturity

Section 9. Except as to distinguishing numbers, denominations, principal amounts, interest rates, and maturity dates, the Bonds shall be substantially in the form and of the tenor and purport hereinafter set forth, with insertions and variations (including CUSIP numbers) approved by the Paying Agent, as may be appropriate for different denominations and maturity dates. The Bonds shall be issued in the denominations of \$5,000 principal amount and in integral multiples in excess thereof. The debt service requirements including rates of interest for the Bonds are set forth on Schedule A attached to this Ordinance and made a part hereof.

Section 10. Each of the Bonds shall be transferable or exchangeable by the registered owner thereof upon surrender thereof to the Paying Agent, at a designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner thereof or his attorney in fact or legal representative. The Paying Agent shall enter any transfer of ownership of any of the Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and series for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations, of the same maturity and series.

Section 11. This Local Government Unit and the Paying Agent may deem and treat the persons in whose names the Bonds shall be registered as the absolute owners thereof for all purposes, whether such Bonds shall be overdue or not, and payment of the principal of,

premium, if any, on and/or interest on the Bonds shall be made only to or upon the order of the registered owners thereof or their legal representative, but such registration may be changed, as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds, to the extent of the sum or sums so paid, and neither this Local Government Unit nor the Paying Agent shall be affected by any notice to the contrary.

Section 12. This Local Government Unit shall cause to be kept, at the designated corporate trust office of the Paying Agent, books for the registration, exchange and transfer of the Bonds in the manner provided herein and therein so long as the Bonds shall remain outstanding. Such registrations, exchanges and transfers shall be made without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

Section 13. The Bonds of each series shall be numbered consecutively, as issued, beginning with the number 1, without regard to denomination or maturity, and shall bear interest at the rates per annum and shall mature on the dates and in the aggregate amounts, as set forth in Schedule A attached to and made a part of this Ordinance.

Section 14. The Bonds shall be subject to mandatory and optional redemption prior to their stated dates of maturity as set forth in the forms of such Bonds made a part hereof, attached hereto as Exhibit "A" and Exhibit "B" and made a part of this Ordinance.

Section 15. If the date for payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the designated corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which

is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

Section 16. This Local Government Unit appoints U.S. Bank National Association with a corporate trust office in Pittsburgh, Pennsylvania (the "Paying Agent") as the paying agent and registrar with respect to the Bonds and directs that the principal of, premium if any, and interest on the Bonds shall be payable at a designated corporate trust office of the Paying Agent in lawful money of the United States of America. This Local Government Unit appoints the firm of Houston Harbaugh, P C. as Bond Counsel for the Bonds being issued.

Section 17. The forms of the Bonds, the forms of the Paying Agent's Certificates to be endorsed thereon and the forms of Assignment shall be respectively and substantially as set forth in the attached Exhibit "A" with respect to the Series A Bonds and Exhibit "B" with respect to the Series B Bonds, with appropriate insertions and variations.

Section 18. The Bonds shall be executed in the name of and in behalf of this Local Government Unit by the original or facsimile signature of the President or Vice President of the Borough Council, and the official seal of this Local Government Unit shall be shall be impressed or a facsimile thereof imprinted thereon and the original or facsimile signature of the Borough Manager shall be imprinted thereon in attestation thereof; and said officers are authorized to execute and attest the Bonds.

Section 19. No Bond constituting one of the Bonds shall be entitled to any benefit under this Ordinance nor shall it be valid, obligatory or enforceable for any purpose until such Bond shall have been registered and authenticated by the Certificate of Authentication endorsed

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

Section 20. This Local Government Unit covenants to and with registered owners, from time to time, of the Bonds which shall be outstanding, from time to time, pursuant to this Ordinance, that this Local Government Unit: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of this Local Government Unit 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 its Sinking Fund (hereinafter identified) or any other of its revenues or funds the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this Local Government Unit shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this Local Government Unit shall be specifically enforceable.

Section 21. There is created, pursuant to Section 8221 of the Act, a sinking fund for the Bonds, to be known as "Sinking Fund -- General Obligation Bonds, Series of 2007" (the "Sinking Fund") which Sinking Fund shall be administered in accordance with applicable provisions of the Act. Any moneys in the Sinking Fund not required for prompt expenditure may, at the written direction of the Borough, 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 the Federal Savings and Loan 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 22. This Local Government Unit appoints U.S. Bank National Association as the sinking fund depository with respect to the Sinking Fund

Section 23. This Local Government Unit covenants to make payments out of the Sinking Fund, or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of the Bonds of each such Series when due

Section 24. The President or Vice President and the Secretary or Borough Manager respectively, of the Governing Body of this Local Government Unit, which shall include their duly qualified successors in office, if applicable, are authorized and directed, as required, necessary and/or appropriate; (a) to prepare, to certify and to file the debt statement as required by Section 8110 of the Act; (b) to prepare and to file with the Department any statements required by the Act that are necessary to qualify all or any portion of the debt of this Local Government Unit, that is subject to exclusion as self liquidating or subsidized debt, for exclusion from the appropriate debt limit of this Local Government Unit as self liquidating or subsidized debt; (c) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings for the required approval relating to the debt, of which debt the Bonds, upon issuance, will be evidence, as required by Section 8111 of the Act; (d) to pay or to cause to be paid to the Department all proper filing fees required in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action

The Governing Body of this Local Government Unit authorizes and directs that an appropriate borrowing base certificate be prepared for filing with the Department as required by the Act.

Section 25. The President or Vice President and the Secretary or Borough Manager, respectively, of the Governing Body of this Local Government Unit are authorized and directed to contract with the Paying Agent for its services as paying agent with respect to the Bonds and as sinking fund depository in connection with the Sinking Fund and to arrange for the payment of the reasonable fees of the Paying Agent for such services.

Section 26. It is declared that the debt to be incurred hereby, together with any other indebtedness of this Local Government Unit, is not in excess of any limitation imposed by the Act upon the incurring of debt by this Local Government Unit.

Section 27. Proper officials of this Local Government Unit are authorized and directed to deliver the Bonds, but only after the Department has certified or is deemed to have certified its approval pursuant to the Act

Section 28. The Borough, simultaneously with the delivery of the Bonds to the Purchaser, shall enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with U.S. Bank National Association, Pittsburgh, Pennsylvania, as successor to National City Bank of Pennsylvania, as Escrow Agent and as the Paying Agent for the Prior Bonds, providing for the deposit of government obligations sufficient in amount to pay principal of and interest on the Prior Bonds to their first call date and to pay the redemption price of the Prior Bonds on such call date, so that simultaneously with such delivery of the Bonds the Prior Bonds no longer shall be deemed to be outstanding for the purpose of determining the net debt of the Borough.

The President or Vice President of Borough Council and the Secretary or Borough Manager, respectively, of the Borough are authorized and directed to execute, to attest and to

seal, as appropriate, and to deliver the Escrow Deposit Agreement, simultaneously with the delivery of the Bonds. The Borough does hereby approve the Escrow Deposit Agreement, subject, however, to appropriate insertions, omissions and variations being made with respect thereto to give effect to then known facts, figures and circumstances at the time of execution and delivery thereof.

Section 29. Subject to the issuance and delivery of the Bonds, the Prior Bonds are hereby authorized to be called for redemption on their first call date, and the Borough hereby calls for redemption on November 1, 2007 all of the Prior Bonds then outstanding maturing after November 1, 2007 at the redemption price of 100% of the principal amount thereof, together with unpaid interest thereon accrued to the redemption date, and the Borough hereby authorizes and directs the payment pursuant to their stated maturity date of the outstanding Prior Bonds due November 1, 2007, including the interest thereon, said redemption and payment to be made in accordance with the Ordinance authorizing the Prior Bonds, this Ordinance and the Escrow Deposit Agreement

The Borough hereby designates and appoints U.S. Bank National Association as the agent for the Borough, to effect the redemption and payment of the Prior Bonds pursuant to the provisions of this Section and hereby authorizes and directs the said Bank to take all such action as shall from time to time be necessary or advisable in order to effect the redemption and payment of said Prior Bonds on the dates specified, including the giving of all notices of the redemption of said Prior Bonds on the specified redemption date therefor as shall be required by the applicable provisions of the Ordinance of the Borough authorizing the Prior Bonds, this Ordinance and the Escrow Deposit Agreement.

Section 30. The Borough hereby authorizes, directs and ratifies the action of the proper officers of the Borough, or the Escrow Agent, the Paying Agent and/or the Purchaser on

behalf of the Borough in ordering the purchase as agent for the Borough of such direct noncallable United States of America Treasury securities in the principal amounts, at the prices and maturing on the dates set forth or described in the Escrow Deposit Agreement, with such changes thereto as may be recommended by the Solicitor or Bond Counsel. The Borough certifies that the investment of the proceeds of the Bonds to be deposited pursuant to the Escrow Deposit Agreement and this Borough shall be made only in direct obligations of the United States of America.

Section 31. This Local Government Unit covenants to and with purchasers of the Series A Bonds that it will make no use of the proceeds of the Series A Bonds which, if such use reasonably had been expected on the date of issue of the Series A Bonds, would have caused the Series A Bonds to be arbitrage bonds; and this Local Government Unit further covenants to comply with the requirements of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and with the applicable regulations implementing said Code that duly have been published in the Federal Register or with such other regulations implementing said Code, if and to the extent applicable, during the term of such issue, unless in the opinion of nationally recognized bond counsel, such compliance is not required in order to maintain the exemption of the interest on the Series A Bonds from federal income tax.

Without limiting the generality of the foregoing, this Local Government Unit agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series A Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series A Bonds.

This Local Government Unit hereby covenants with the owners from time to time of the Series A Bonds that, from and after the issue date of the Series A Bonds, it will take no action or

permit any action to be taken with respect to the proceeds of the Series A Bonds which would cause the Series A Bonds to come within the definition of "private activity bonds" contained in Section 141 of the Code and it will comply with all requirements of the Code and the Regulations thereunder applicable to the Series A Bonds

Section 32. This Local Government Unit hereby designates the Series A Bonds as "qualified tax exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code

Section 33. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this Local Government Unit that such remainder shall be and shall remain in full force and effect

Section 34. The President or Vice President and Secretary or Borough Manager of the Borough are hereby authorized and directed to execute and deliver such other documents, including but not limited to the Representation Letter referred to in Section 38 hereof to enable the Bonds to be initially issued in book-entry form, and to take such other action as may be necessary or appropriate, including the establishment of a Clearing Account, in order to effectuate the execution and delivery of any necessary agreements relating to the issuance and sale of the Bonds authorized herein.

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

The President or Vice President of the Borough Council is hereby authorized and directed to make such investment of proceeds of the Bonds pending their disbursement for purposes of the Project and to execute and deliver such investment agreement for the investment of the

proceeds of the Bonds as may be necessary or appropriate and approved by the Solicitor and Bond Counsel and as may be permitted by the Act.

Section 35. The Borough hereby authorizes and directs the President or Vice President of the Borough Council to execute a Continuing Disclosure Commitment on behalf of the Borough on or before the date of issuance and delivery of the Bonds to the Purchaser. Such Continuing Disclosure Commitment shall be executed and delivered to satisfy the terms and conditions of the accepted Proposal for sale of the Bonds and Securities and Exchange Commission Rule 15c2-12, and shall be in form and substance satisfactory to the Purchaser, to the Solicitor to the Borough and to the officers of the Borough executing the same, whose approval shall be deemed conclusively to have been given upon execution and delivery thereof.

The Borough hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Commitment. Notwithstanding any other provision of this Ordinance, failure of the Borough to comply with the Continuing Disclosure Commitment shall not be considered an event of default with respect to the Bonds; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borough to comply with its obligations under this Section and such Continuing Disclosure Commitment.

Section 36. The Preliminary Official Statement with respect to the Bonds presented as part of these proceedings and ordered filed with the permanent records thereof is hereby approved and adopted for use in connection with the underwriting of the Bonds by the Purchaser and the offer, sale and purchase of the Bonds. Such Preliminary Official Statement, for purposes of SEC Rule 15c2 12 (b)(1), is deemed by the Borough Council to be final as of its date but is subject to completion in a final official statement as to offering price, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings

and such other terms as are specified in the Purchaser's proposal accepted at this meeting. The President or Vice President is hereby authorized to execute and approve a final Official Statement relating to the Bonds provided that said Official Statement shall have been approved by the Solicitor to the Borough. The distribution of the Preliminary Official Statement is hereby ratified and the Purchaser is hereby authorized to use the Preliminary Official Statement and the final Official Statement in connection with the sale of the Bonds.

Section 37 Subject to acceptance of the Proposal in accordance with Section 5 of this Ordinance, the Borough hereby agrees to purchase and to accept the Policy of Ambac Assurance Corporation (the "Insurer") insuring the payment when due of the principal of and interest on the Bonds as provided therein and directs that the appropriate premium shall be promptly paid at the settlement of the sale of the Bonds. As long as the Bond insurance shall be in full force and effect and the Insurer is making payments pursuant to its Policy, the Borough agrees to comply with the provisions of the policy as required by the Insurer. Certain terms and provisions required in order for the Insurer to issue the Policy are set forth on Exhibit C attached hereto and incorporated herein by reference as if set forth fully herein.

Section 38. The Bonds shall be made available for purchase under a book-entry only system available through The Depository Trust Company, a New York corporation ("DTC"). At or prior to settlement for the Bonds, this Local Government Unit and the Paying Agent shall execute or signify their approval of a Representation Letter in the form approved by the appropriate officer of this Local Government Unit executing the same (the "Representation Letter"). The appropriate officers of this Local Government Unit and the Paying Agent shall take such action as may be necessary from time to time to comply with the terms and provisions of the Representation Letter, and any successor paying agent for the Bonds, in its written

acceptance of its duties under this Ordinance, shall agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

Section 39. Notwithstanding the foregoing provisions of this Ordinance, the Bonds of each series shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Bonds of such series of each maturity, and the following provisions shall apply with the respect to the registration, transfer and payment of the Bonds:

(a) Except as provided in subparagraph (g) below, all of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC; provided that if DTC shall request that the Bonds be registered in the name of a different nominee, the Paying Agent shall exchange all or any portion of the Bonds for an equal aggregate principal amount of Bonds of the same series, interest rate and maturity registered in the name of such nominee or nominees of DTC.

(b) No person other than DTC or its nominee shall be entitled to receive from this Local Government Unit or the Paying Agent either a Bond or any other evidence of ownership of the Bonds, or any right to receive any payment in respect thereof, unless DTC or its nominee shall transfer record ownership of all or any portion of the Bonds on the registration books (the "Register") maintained by the Paying Agent in connection with discontinuing the book-entry system as provided in subparagraph (g) below or otherwise.

(c) So long as any Bonds are registered in the name of DTC or any nominee thereof, all payments of the principal or redemption price of or interest on such Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of this Local Government Unit or the Paying Agent with respect to the principal or redemption price of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of

the Bonds outstanding of any maturity, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Paying Agent, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(d) This Local Government Unit and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to holders of Bonds under this Ordinance, registering the transfer of Bonds, obtaining any consent or other action to be taken by holders of Bonds and for all other purposes whatsoever; and neither this Local Government Unit nor the Paying Agent shall be affected by any notice to the contrary. Neither this Local Government Unit nor the Paying Agent shall have any responsibility or obligation to any participant in DTC, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any such participant, or any other person which is not shown on the Register as being a registered owner of Bonds, with respect to (1) the Bonds, (2) the accuracy of any records maintained by DTC or any such participant, (3) the payment by DTC or any such participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (4) any notice which is permitted or required to be given to holders of the Bonds under this Ordinance, (5) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Bonds, and (6) any consent given or other action taken by DTC as holder of the Bonds.

(e) So long as the Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all notices required or permitted to be given to the holders of such Bonds under this Ordinance shall be given to DTC as provided in the Representation Letter.

(f) In connection with any notice or other communication to be provided to holders of Bonds pursuant to this Ordinance by this Local Government Unit or the Paying Agent with respect to any consent or other action to be taken by holders of Bonds, DTC shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that this Local Government Unit or the Paying Agent may establish a special record date for such consent or other action. This Local Government Unit or the Paying Agent shall give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

(g) The book-entry system for registration of the ownership of the Bonds may be discontinued at any time if either (1) after notice to this Local Government Unit and the Paying Agent, DTC determines to resign as securities depository for the Bonds, or (2) after notice to DTC and the Paying Agent, this Local Government Unit determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of this Local Government Unit. In either of such events (unless in the case described in clause (2) above, this Local Government Unit appoints a successor securities depository), the Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of this Local Government Unit or the Paying Agent for the accuracy of such designation. Whenever DTC requests this Local Government Unit and the Paying Agent to do so, this Local Government Unit and the Paying Agent shall cooperate with DTC in taking

appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds

Section 40. The proper officers of the Borough are authorized and directed to execute and deliver the necessary certificates, receipts, affidavits and all such other documents and to do all other acts as may be necessary and proper to carry out the intent and purposes of this Ordinance, or as may be required in connection with the issuance, sale and delivery of the Bonds and the undertakings of the Borough pursuant to the Proposal and this Ordinance

Section 41. All Ordinances or parts of Ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed

DULY ADOPTED this 11th day of June, 2007 by the Borough Council of the Borough of Seven Fields, Butler County, Pennsylvania, in lawful session duly assembled.

BOROUGH OF SEVEN FIELDS
Butler County, Pennsylvania

ATTEST:

By s/John J. White
President of Borough Council

s/Thomas B. Smith
Borough Manager

(SEAL)

Approved this 11th day of June, 2007.

By s/Edward W. Bayne III
Mayor, Borough of Seven Fields

EXHIBIT A

(FORM OF BOND)

(FACE OF BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BUTLER
BOROUGH OF SEVEN FIELDS
GENERAL OBLIGATION BOND
REFUNDING SERIES A OF 2007

No RA -

\$

Original Date
of Series: August 1, 2007

Maturity Date: _____ 1, _____

Interest Rate:

Cusip:

Registered Owner:

Principal Amount: Dollars

The Borough of Seven Fields, Butler County, Pennsylvania (the "Issuer"), a Borough existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth"), for value received, promises to pay to the order of the registered owner shown hereon, or registered

assigns, on the maturity date stated hereon, upon presentation and surrender hereof, the principal amount shown on this General Obligation Bond, Refunding Series A of 2007 (the "Series A Bond"), and to pay semiannually on May 1 and November 1 of each year, beginning November 1, 2007 to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the Record Date (hereinafter defined) preceding November 1, 2007, in which event this Bond will bear interest from August 1, 2007, or such Bond is authenticated after a Record Date and before the succeeding interest payment date, in which case it shall bear interest from the immediately succeeding interest payment date, or unless, as shown by the records of U.S. Bank National Association (the "Paying Agent"), which has a corporate trust office in Pittsburgh, Pennsylvania, as Paying Agent, or its successor, interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid or provided on this Bond, or if no interest has been paid or provided, from August 1, 2007 until such principal sum is paid. The interest on this Bond, which is payable by check or draft drawn on the Paying Agent, and the principal of this Bond, which is payable upon surrender, are payable in lawful money of the United States of America at a designated corporate trust office of the Paying Agent. Payment of the interest hereon shall be made to the registered owner hereof whose name and address shall appear, at the close of business on the fifteenth day of the calendar month (whether or not a business day) next preceding each calendar month in which an interest payment date occurs (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the

Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest, which special record date may not be less than ten (10) days nor more than fifteen (15) days prior to the proposed date of payment of such defaulted interest. The Paying Agent shall give notice of such special record date and of the proposed date of payment of the defaulted interest to the registered owners by first class mail postage prepaid and addressed to the affected registered owners at their registered addresses as of the date of such mailing, at least fifteen (15) days prior to the special record date, but not more than thirty (30) days prior to the date of payment of the defaulted interest.

This Series A Bond is one of a duly authorized issue of bonds of the Issuer (the "Bonds"), which issue of bonds consists or may consist of several series of varying denominations, dates, maturities and tenors, all issued and to be issued under and pursuant to the Ordinance hereinafter described, all equally and ratably secured by the pledge contained in said Ordinance. This Series A Bond is one of a series entitled "Borough of Seven Fields General Obligation Bonds, Refunding Series A of 2007 (the "Series A Bonds"), stated to mature on November 1 of each of the years ____ to ____, inclusive, in the aggregate principal amount of _____ Dollars (\$_____).

The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth, and by virtue of a duly adopted Ordinance (the "Ordinance") of the Issuer, duly enacted on _____, 2007. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds.

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from 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 Ordinance and applicable to this series of Bonds, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and available taxing power

The Series A Bonds are issuable only in the form of registered bonds, without coupons, in the denominations of \$5,000 principal amount or any integral multiple thereof

The Series A Bonds may be exchanged for a like aggregate principal amount of Series A Bonds of other authorized denominations, of the same maturity

This Bond may be transferred or exchanged by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney in fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series A Bond or Bonds of authorized denominations of the same series, maturity, interest rate and form for the aggregate amount

which the registered owner is entitled to receive at the earliest practicable time. The Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary.

The Series A Bonds stated to mature on November 1, _____ and _____ are subject to mandatory redemption, in part, prior to maturity, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the dates fixed for redemption, on November 1 of the years and in the amounts set forth below:

Bonds Stated to Mature on November 1, _____			Bonds Stated to Mature on November 1, _____		
Year	Principal Amount	*	Year	Principal Amount	*
	\$			\$	

*By Maturity.

The Series A Bonds stated to mature on and after November 1, _____ shall be subject to redemption prior to maturity at the option of the Borough, as a whole on or after November 1, _____ or on any date thereafter, or in part, in any order of maturity selected by the Borough and within a maturity as selected by lot by the Paying Agent, on November 1, _____ or on any date thereafter, at 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

If a Bond is of a denomination larger than \$5,000, a portion of the Bond may be redeemed. For the purpose of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion of a Bond being subject to redemption. In the case of partial redemption of a Bond, the notice of

redemption shall specify the portion of a Bond to be redeemed and shall state that payment of the redemption price shall be made only upon surrender of a Bond in exchange for Bonds of like form of authorized denominations in aggregate amount equal to the unredeemed portion thereof; provided, however, that should this Bond be registered in the name of The Depository Trust Company ("DTC") or Cede & Co., as nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

Any redemption, as hereinbefore authorized, shall be made by mailing a copy of such notice of redemption by first class mail not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of Bonds to be redeemed in whole or in part at the address(es) shown on the registration books in accordance with the requirements of the Ordinance; provided, however, that failure to give such notice of redemption by mailing, or any defect therein or in the mailing thereof with respect to any one Bond shall not affect the validity of any proceeding for redemption of any other Bonds so called for redemption

On the date designated for redemption, money for payment of the principal, premium, if any, and accrued interest being held by the Paying Agent, interest on the Bonds and portions thereof so called for redemption shall cease to accrue and such Bonds and portions thereof shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any

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 Bond or in the creation of

the debt of which this Bond 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 Bond, together with any other indebtedness of the Issuer, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Issuer

The Issuer, in the Ordinance, 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 interest on the Bonds shall be deposited not later than the date fixed for the disbursement thereof. The Issuer has covenanted, in the Ordinance, to make payments from such sinking fund or from any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Bond.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the original or facsimile signature of the President or Vice President of the Borough Council, and its seal or a facsimile thereof to be imprinted hereon and the original or a facsimile signature of the Borough Manager to be imprinted hereon in attestation thereof, all as of the 1st day of August, 2007.

BOROUGH OF SEVEN FIELDS
Butler County, Pennsylvania

By _____
President, Borough Council

ATTEST:

Borough Manager

(SEAL)

(FORM OF PAYING AGENT'S CERTIFICATES)

CERTIFICATE OF AUTHENTICATION
CERTIFICATE AS TO OPINION

It is certified that:

(i) This Series A Bond is one of the Bonds described in the within mentioned Ordinance;
and

(ii) The text of the Opinion printed upon this Bond is a true and correct copy of the text of an original Opinion issued by Houston Harbaugh, P C., Pittsburgh, Pennsylvania, Bond Counsel, dated and delivered on the date of the original delivery of, and payment for, such Bonds, that is on file at our designated corporate trust office where the same may be inspected.

Paying Agent

U S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Signature

Date of Registration and Authentication:

(FORM OF ASSIGNMENT)
ASSIGNMENT

FOR VALUE RECEIVED, _____

(the "Transferor"), the undersigned, hereby sells, assigns and transfers

unto _____ (the
"Transferee")
Name

Address

[Social security or Federal Employer Identification No. _____]

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

Date:

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

Signature Guaranteed:

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

EXHIBIT B

(FORM OF BOND)

(FACE OF BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL in as much as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BUTLER
BOROUGH OF SEVEN FIELDS
GENERAL OBLIGATION BOND
TAXABLE REFUNDING SERIES B OF 2007

No. BA -

\$

Original Date
of Series: August 1, 2007

Maturity Date: _____ 1, _____

Interest Rate:

Cusip:

Registered Owner:

Principal Amount: Dollars

The Borough of Seven Fields, Butler County, Pennsylvania (the “Issuer”), a Borough existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”), for value received, promises to pay to the order of the registered owner shown hereon, or registered

assigns, on the maturity date stated hereon, upon presentation and surrender hereof, the principal amount shown on this General Obligation Bond, Taxable Refunding Series B of 2007 (the "Series B Bond"), and to pay semiannually on May 1 and November 1 of each year, beginning November 1, 2007 to the registered owner hereof, interest on said principal sum, at the rate per annum stated hereon, from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the Record Date (hereinafter defined) preceding November 1, 2007, in which event this Bond will bear interest from August 1, 2007, or such Bond is authenticated after a Record Date and before the succeeding interest payment date, in which case it shall bear interest from the immediately succeeding interest payment date, or unless, as shown by the records of U.S. Bank National Association (the "Paying Agent"), which has a corporate trust office in Pittsburgh, Pennsylvania, as Paying Agent, or its successor, interest on this Bond shall be in default, in which event this Bond shall bear interest from the date on which interest was last paid or provided on this Bond, or if no interest has been paid or provided, from August 1, 2007 until such principal sum is paid. The interest on this Bond, which is payable by check or draft drawn on the Paying Agent, and the principal of this Bond, which is payable upon surrender, are payable in lawful money of the United States of America at a designated corporate trust office of the Paying Agent. Payment of the interest hereon shall be made to the registered owner hereof whose name and address shall appear, at the close of business on the fifteenth day of the calendar month (whether or not a business day) next preceding each calendar month in which an interest payment date occurs (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the

Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest, which special record date may not be less than ten (10) days nor more than fifteen (15) days prior to the proposed date of payment of such defaulted interest. The Paying Agent shall give notice of such special record date and of the proposed date of payment of the defaulted interest to the registered owners by first class mail postage prepaid and addressed to the affected registered owners at their registered addresses as of the date of such mailing, at least fifteen (15) days prior to the special record date, but not more than thirty (30) days prior to the date of payment of the defaulted interest.

This Series B Bond is one of a duly authorized issue of bonds of the Issuer (the "Bonds"), which issue of bonds consists or may consist of several series of varying denominations, dates, maturities and tenors, all issued and to be issued under and pursuant to the Ordinance hereinafter described, all equally and ratably secured by the pledge contained in said Ordinance. This Series B Bond is one of a series entitled "Borough of Seven Fields General Obligation Bonds, Taxable Refunding Series B of 2007 (the "Series B Bonds"), stated to mature on November 1 of each of the years ____ to ____, inclusive, in the aggregate principal amount of _____ Dollars (\$_____).

The Bonds have been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth, and by virtue of a duly adopted Ordinance (the "Ordinance") of the Issuer, duly enacted on _____, 2007. The Act, as such shall have been in effect when the Bonds were authorized, and the Ordinance shall constitute a contract between the Issuer and registered owners, from time to time, of the Bonds

The Issuer has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Bonds that shall be outstanding, from time to time, pursuant to the Ordinance, that the Issuer: (i) shall include the amount of the debt service for the Bonds, for each fiscal year of the Issuer in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from 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 Ordinance and applicable to this series of Bonds, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and places and in the manner stated therein, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment, the Issuer has pledged and does pledge, irrevocably, its full faith, credit and available taxing power.

The Series B Bonds are issuable only in the form of registered bonds, without coupons, in the denominations of \$5,000 principal amount or any integral multiple thereof.

The Series B Bonds may be exchanged for a like aggregate principal amount of Series B Bonds of other authorized denominations, of the same maturity.

This Bond may be transferred or exchanged by the registered owner hereof upon surrender of this Bond to the Paying Agent, at its designated corporate trust office, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of this Bond or his attorney in fact or legal representative. The Paying Agent shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series B Bond or Bonds of authorized denominations of the same series, maturity, interest rate and form for the aggregate amount

which the registered owner is entitled to receive at the earliest practicable time. The Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer and the Paying Agent shall not be affected by any notice to the contrary.

The Series B Bonds stated to mature on November 1, _____ and _____ are subject to mandatory redemption, in part, prior to maturity, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the dates fixed for redemption, on November 1 of the years and in the amounts set forth below:

Bonds Stated to Mature on November 1, _____			Bonds Stated to Mature on November 1, _____		
Year	Principal Amount	*	Year	Principal Amount	*
	\$			\$	

*By Maturity.

The Series B Bonds stated to mature on and after November 1, _____ shall be subject to redemption prior to maturity at the option of the Borough, as a whole on or after November 1, _____ or on any date thereafter, or in part, in any order of maturity selected by the Borough and within a maturity as selected by lot by the Paying Agent, on November 1, _____ or on any date thereafter, at 100% of the principal amount thereof together with accrued interest to the date fixed for redemption.

If a Bond is of a denomination larger than \$5,000, a portion of the Bond may be redeemed. For the purpose of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by \$5,000, each \$5,000 portion of a Bond being subject to redemption. In the case of partial redemption of a Bond, the notice of

redemption shall specify the portion of a Bond to be redeemed and shall state that payment of the redemption price shall be made only upon surrender of a Bond in exchange for Bonds of like form of authorized denominations in aggregate amount equal to the unredeemed portion thereof; provided, however, that should this Bond be registered in the name of The Depository Trust Company ("DTC") or Cede & Co., as nominee, this Bond need not be surrendered for payment and exchange in the event of a partial redemption hereof and the records of the Paying Agent shall be conclusive as to the amount of this Bond which shall have been redeemed.

Any redemption, as hereinbefore authorized, shall be made by mailing a copy of such notice of redemption by first class mail not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption to the registered owners of Bonds to be redeemed in whole or in part at the address(es) shown on the registration books in accordance with the requirements of the Ordinance; provided, however, that failure to give such notice of redemption by mailing, or any defect therein or in the mailing thereof with respect to any one Bond shall not affect the validity of any proceeding for redemption of any other Bonds so called for redemption.

On the date designated for redemption, money for payment of the principal, premium, if any, and accrued interest being held by the Paying Agent, interest on the Bonds and portions thereof so called for redemption shall cease to accrue and such Bonds and portions thereof shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption, together with the redemption premium, if any.

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 Bond or in the creation of

the debt of which this Bond 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 Bond, together with any other indebtedness of the Issuer, is not in excess of any limitation imposed by the Act upon the incurring of debt by the Issuer.

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

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the original or facsimile signature of the President or Vice President of the Borough Council, and its seal or a facsimile thereof to be imprinted hereon and the original or a facsimile signature of the Borough Manager to be imprinted hereon in attestation thereof, all as of the 1st day of August, 2007.

BOROUGH OF SEVEN FIELDS
Butler County, Pennsylvania

By _____
President, Borough Council

ATTEST:

Borough Manager

(SEAL)

(FORM OF PAYING AGENT'S CERTIFICATES)

CERTIFICATE OF AUTHENTICATION
CERTIFICATE AS TO OPINION

It is certified that:

(i) This Series B Bond is one of the Bonds described in the within mentioned Ordinance;
and

(ii) The text of the Opinion printed upon this Bond is a true and correct copy of the text of an original Opinion issued by Houston Harbaugh, P C , Pittsburgh, Pennsylvania, Bond Counsel, dated and delivered on the date of the original delivery of, and payment for, such Bonds, that is on file at our designated corporate trust office where the same may be inspected.

Paying Agent

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Signature

Date of Registration and Authentication:

(FORM OF ASSIGNMENT)
ASSIGNMENT

FOR VALUE RECEIVED, _____

(the "Transferor"), the undersigned, hereby sells, assigns and transfers

unto _____ (the
"Transferee")
Name

Address

[Social security or Federal Employer Identification No. _____]

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

Date:

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

Signature Guaranteed:

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

EXHIBIT C

FINANCIAL GUARANTY INSURANCE

May 16, 2007

**AMBAC ASSURANCE STANDARD PACKAGE FOR
LIMITED OR UNLIMITED TAX GENERAL OBLIGATION
AMBAC-INSURED TRANSACTIONS**

TO: Obligor, Obligor's Counsel, Managing Underwriter, Obligation Counsel and Underwriter's Counsel

RE: Preparation of Financing Documents for Ambac Assurance Insured Issues

The attached materials have been prepared to assist you in the preparation of documents for your Ambac Assurance Corporation ("Ambac Assurance") insured issue. Please modify the attached exhibits where appropriate and notify us as to any proposed modifications. If desired, these provisions can be incorporated into one section entitled "Financial Guaranty Insurance" within the applicable Resolution, Ordinance, Order or any other operative financing document (such applicable financing document will be referred to herein as the "Financing Document"). Please be advised that the provisions contained in this package are in addition to the conditions listed in the Commitment for Financial Guaranty Insurance and any other comments or changes that may be required by the Ambac Assurance personnel working on this financing. If you have any questions, please call one of the following persons: Nicholas A. Concilio, Dwight Kwa, Stephen M. Ksenak or David N. Abramowitz.

- Definitions (Exhibit A).
- Ambac Assurance consent required for changes to underlying documentation and exercise of remedies upon default (Exhibit B).
- NOTICES/INFORMATION to be given to Ambac Assurance (Exhibit C)
- Defeasance Language (Exhibit D).
- Description of Ambac Assurance Payment Procedure (Exhibit E).
- Ambac Assurance as a third-party beneficiary (Exhibit F).
- Suggested language for (i) Ambac Assurance Official Statement Disclosure, (ii) Notice of Sale, (iii) Bond Legend, and (iv) Cover page of Official Statement (Exhibit G).
- Form of Ambac Assurance Legal Opinion (Exhibit H).
- Form of Ambac Assurance Certificate of Insurer (Exhibit I).
- Ambac Assurance Wiring Instructions (Exhibit J).

EXHIBIT A
DEFINITIONS

The following definitions are those which Ambac Assurance recommends for the Financing Document:

“Ambac Assurance” shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

“Financial Guaranty Insurance Policy” shall mean the financial guaranty insurance policy issued by Ambac Assurance insuring the payment when due of the principal of and interest on the Obligations as provided therein.

EXHIBIT B
AMBAC ASSURANCE CONSENT LANGUAGE

Ambac Assurance requires that the Financing Document include the following consent provisions:

A. Consent of Ambac Assurance.

Any provision of this [Financing Document] expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance. Ambac Assurance reserves the right to charge the Obligor* a fee for any consent or amendment to the Financing Document while the Financial Guaranty Insurance Policy is outstanding.

B. Consent of Ambac Assurance in lieu of Holder Consent.

Unless otherwise provided in this Section, Ambac Assurance’s consent shall be required in lieu of Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental [Financing Document] or any amendment, supplement or change to or modification of the [Loan Agreement, Lease Agreement, etc.] (ii) removal of the Trustee or Paying Agent and selection and appointment of any successor trustee or paying agent [required in those transactions in which the Financing Document provides for a trustee or paying agent]; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

C. Consent of Ambac Assurance in the Event of Insolvency

Any reorganization or liquidation plan with respect to the Obligor* must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Holders who hold Ambac Assurance-insured Obligations absent a default by Ambac Assurance under the applicable Financial Guaranty Insurance Policy insuring such Obligations.

D. Consent of Ambac Assurance Upon Default.

Anything in this [Financing Document] to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this [Financing Document] [pursuant to state law]

[In transactions for which acceleration is a remedy for an event of default, the following two provisions must be included in the Financing Document in lieu of paragraph D above.]

D. Consent of Ambac Assurance Upon Default.

Anything in this [Financing Document] to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this [Financing Document], including, without limitation: (i) the right to accelerate the principal of the Obligations as described in this [Financing Document], and (ii) the right to annul any declaration of acceleration, and Ambac Assurance shall also be entitled to approve all waivers of events of default.

E. Acceleration Rights

Upon the occurrence of an event of default, the Trustee may, with the consent of Ambac Assurance, and shall, at the direction of Ambac Assurance or ___% of the Holders with the consent of Ambac Assurance, by written notice to the Obligor and Ambac Assurance, declare the principal of the Obligations to be immediately due and payable, whereupon that portion of the principal of the Obligations thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this [Financing Document] or in the Obligations to the contrary notwithstanding.

[In the event that the maturity of the Obligations is accelerated, the Bond Insurer may elect, in its sole discretion, to pay all or a portion of the accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Obligor) with respect to the Bonds, and the Bond Trustee shall accept such amounts. Upon payment of all of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy shall be fully discharged]*

* applies only in transactions in which acceleration of the Obligations is a possible remedy

EXHIBIT C

NOTICES/INFORMATION TO BE GIVEN TO AMBAC ASSURANCE

Ambac Assurance requires that the following notice provisions be incorporated in the Financing Document:

Notices to be sent to the attention of the SURVEILLANCE DEPARTMENT:

A. While the Financial Guaranty Insurance Policy is in effect, the Obligor* or the Trustee [as appropriate] shall furnish to Ambac Assurance, upon request, the following :

- (a) a copy of any financial statement, audit and/or annual report of the Obligor*
- (b) such additional information it may reasonably request.

Upon request, such information shall be delivered at the Obligor's* expense to the attention of the Surveillance Department, unless otherwise indicated.

B A copy of any notice to be given to the registered owners of the Obligations, including, without limitation, notice of any redemption of or defeasance of Obligations, and any certificate rendered pursuant to this [Financing Document] relating to the security for the Obligations, at no cost to Ambac.

C. To the extent that the Obligor has entered into a continuing disclosure agreement with respect to the Obligations, Ambac Assurance shall be included as party to be notified.

Notices to be sent to the attention of the GENERAL COUNSEL OFFICE:

A. The Trustee or Obligor* [as appropriate] shall notify Ambac Assurance of any failure of the Obligor* to provide relevant notices, certificates, etc.

B. Notwithstanding any other provision of this [Financing Document], the Trustee or Obligor* [as appropriate] shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder

[For transactions on which Ambac Assurance is also providing a swap surety bond:

Notices to be sent to the attention of TREASURY OPERATIONS:

A. Notice of all interest rate determinations shall be promptly delivered to Ambac Assurance, attention: Treasury Operations, Policy # _____]

Other Information to be given to Ambac Assurance:

The Obligor* will permit Ambac Assurance to discuss the affairs, finances and accounts of the Obligor* or any information Ambac Assurance may reasonably request regarding the security for the Obligations with appropriate officers of the Obligor*. The Trustee or Obligor* [as appropriate] will permit Ambac Assurance to [have access to the Project and] have access to and to make copies of all books and records relating to the Obligations at any reasonable time

*or appropriate obligor on the Obligations.

Ambac Assurance shall have the right to direct an accounting at the Obligor's expense, and the Obligor's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Obligations.

[FOR CALIFORNIA AND INDIANA (ABATEMENT STYLE) LEASES] The Trustee or Obligor [as appropriate] shall annually certify to Ambac that the insurance policies required by Section ___ of the [Lease/Indenture] are in full force and effect, and will provide Ambac with copies of such policies upon request.

EXHIBIT D

DEFEASANCE LANGUAGE

A. If applicable, the defeasance section of the Financing Document should include the following language:

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Obligations shall be paid by Ambac Assurance Corporation pursuant to the Financial Guaranty Insurance Policy, the Obligations shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Obligor, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Obligor to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

B. Ambac Assurance will allow the following obligations to be used as Permitted Investments for defeasance purposes in refunding escrow accounts:

(Ambac Assurance does not give a premium credit for the investment of accrued and/or capitalized interest).

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation);
- (2) Direct obligations of the United States of America; or
- (3) Senior debt obligations of other Government Sponsored Agencies approved by Ambac

EXHIBIT E

PAYMENT PROCEDURE PURSUANT TO THE FINANCIAL GUARANTY INSURANCE POLICY

The following language sets out the applicable procedure for payments under the Financial Guaranty Insurance Policy and should be incorporated into the Financing Document:

1. As long as the Obligation insurance shall be in full force and effect, the Obligor, the Trustee and any Paying Agent agree to comply with the following provisions:

(a) At least one (1) business day prior to all Interest Payment Dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Obligations on such Interest Payment Date. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or Accounts, the Trustee or Paying Agent, if any, shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Obligations to which such deficiency is applicable and whether such Obligations will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Ambac Assurance at least one (1) business day prior to an Interest Payment Date, Ambac Assurance will make payments of principal or interest due on the Obligations on or before the first (1st) business day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(b) the Trustee or Paying Agent, if any, shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, and all records relating to the Funds and Accounts maintained under this [Financing Document].

(c) the Trustee or Paying Agent, if any, shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Obligations entitled to receive principal or interest payments from Ambac Assurance under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Obligations entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Obligations surrendered to the Insurance Trustee by the registered owners of Obligations entitled to receive full or partial principal payments from Ambac Assurance

(d) the Trustee or Paying Agent, if any, shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Obligations entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Obligations (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Obligations to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Obligations for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Obligations the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) in the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on a Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Obligations which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(f) in addition to those rights granted Ambac Assurance under this [Financing Document], Ambac Assurance shall, to the extent it makes payment of principal of or interest on Obligations, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Obligations, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Obligor maintained by the Trustee or Paying Agent, if any, upon surrender of the Obligations by the registered owners thereof together with proof of the payment of principal thereof.

2. The Obligor hereby covenants and agrees that it shall reimburse Ambac Assurance for any amounts paid under the Financial Guaranty Insurance Policy and all costs of collection thereof and enforcement of this [Financing Document] and any other documents executed in connection with this [Financing Document], together with interest thereon, from the date paid or incurred by Ambac Assurance until payment thereof in full by the Obligor, payable at the Insurer Payment Rate (as hereinafter defined), including without limitation (to the extent permitted by applicable law) interest on claims paid by Ambac Assurance in respect of interest on the Obligations. Such payment obligation shall

be payable on demand and on a parity with, and from the same sources and secured by the same security as, regularly scheduled principal and interest payments in respect of the [Obligations]. For purposes of the foregoing, "Insurer Payment Rate" shall mean the lesser of (a) the maximum rate permissible under applicable usury or similar laws limiting interest rates and (b) the greater of (i) the then applicable highest rate of interest on the [Obligations] and (ii) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A. ("Chase") at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by Chase) plus 3 percent. The Insurer Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event that Chase ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as Ambac Assurance shall specify.

EXHIBIT F

INTERESTED PARTIES

In addition to the provisions listed above, Ambac also requires the following provision be incorporated into the Financing Document:

A. Ambac as Third Party Beneficiary.

To the extent that this [Financing Document] confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of this [Financing Document], Ambac is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

EXHIBIT G

AMBAC ASSURANCE CORPORATION DISCLOSURE LANGUAGE FOR OFFICIAL STATEMENTS, NOTICE OF SALE, AND BOND LEGEND

Notes to Bond/Underwriter Counsel:

1. The term "[Obligations]" must be conformed to the defined term that is utilized in the Official Statement for the offered securities.
2. The term "Obligor" should not be changed. This is the defined term utilized in the Financial Guaranty Insurance Policy.
3. "[Trustee/Paying Agent/Bond Registrar]" must be changed to reflect the proper parties participating in the transaction.

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance Corporation ("Ambac Assurance") has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the [Obligations], effective as of the date of issuance of the [Obligations]. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York, or any successor thereto (the "Insurance Trustee"), that portion of the principal of and interest on the [Obligations] that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and/or interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the [Trustee/Paying Agent/Bond Registrar]. The insurance will extend for the term of the [Obligations] and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the [Obligations] become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding

[Obligations], Ambac Assurance will remain obligated to pay the principal of and interest on outstanding [Obligations] on the originally scheduled interest and principal payment dates, including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the [Obligations], the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration, except to the extent that Ambac Assurance elects, in its sole discretion, to pay all or a portion of the accelerated principal and interest accrued thereon to the date of acceleration (to the extent unpaid by the Obligor). Upon payment of all such accelerated principal and interest accrued to the acceleration date, Ambac Assurance's obligations under the Financial Guaranty Insurance Policy shall be fully discharged.

In the event the [Trustee/Paying Agent/Bond Registrar] has notice that any payment of principal of or interest on [a/an] [Obligation] that has become Due for Payment and that is made to a holder by or on behalf of the Obligor has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, non-appealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment (as set forth in the Financial Guaranty Insurance Policy) Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity;
2. payment of any redemption, prepayment or acceleration premium; and
3. nonpayment of principal or interest caused by the insolvency or negligence of the Trustee, Paying Agent or Bond Registrar, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of the [Obligations] to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such [Obligations] to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to the Financial Guaranty Insurance Policy requires proof of holder entitlement to interest payments and an appropriate assignment of the holder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the [Obligation], appurtenant coupon, if any, or right to payment of the principal of or interest on such [Obligation] and will be fully subrogated to the surrendering holder's rights to payment

FOR TRANSACTIONS INVOLVING AUCTION RATE SECURITIES:

The Financial Guaranty Insurance Policy does not insure against loss relating to payments made in connection with the sale of the [Obligations] at auctions or losses suffered as a result of a holder's inability to sell the [Obligations].

FOR TRANSACTIONS INVOLVING VARIABLE RATE OBLIGATIONS:

The Financial Guaranty Insurance Policy does not insure against loss relating to payments of the purchase price of the [Obligations] upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of the [Obligations] upon tender by a registered owner thereof.

ADDITIONAL PARAGRAPH FOR CALIFORNIA TRANSACTIONS:

In the event that Ambac Assurance were to become insolvent, any claims arising under the Financial Guaranty Insurance Policy would be excluded from coverage by the California Insurance Guaranty Association, established pursuant to the laws of the State of California.

ADDITIONAL PARAGRAPH FOR CONNECTICUT TRANSACTIONS:

In the event that Ambac Assurance were to become insolvent, any claims arising under the Financial Guaranty Insurance Policy would be excluded from coverage by the Connecticut Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR FLORIDA TRANSACTIONS:

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the Florida Insurance Guaranty Association.

ADDITIONAL PARAGRAPH FOR NEW YORK TRANSACTIONS:

The insurance provided by the Financial Guaranty Insurance Policy is not covered by the property/casualty insurance security fund specified by the insurance laws of the State of New York.

ADDITIONAL PARAGRAPH FOR OKLAHOMA TRANSACTIONS:

WARNING: Any person who knowingly, and with intent to injure, defrauds or deceives any insurer or makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

ADDITIONAL PARAGRAPH FOR VIRGINIA TRANSACTIONS:

The Financial Guaranty Insurance Policy shall not be deemed invalid due to the absence of the required signature or countersignature.

Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin, and is licensed to do business in 50 states, the District of Columbia, the Territory of Guam, the Commonwealth of Puerto Rico and the U.S. Virgin Islands, with admitted assets of approximately \$10,194,000,000 (unaudited) and statutory capital of approximately \$6,557,000,000 (unaudited) as of March 31, 2007. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Inc. and Fitch Ratings have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in the Financial Guaranty Insurance Policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Obligor. **[THE FOLLOWING MUST BE INCLUDED IN ANNUAL APPROPRIATION LEASE TRANSACTIONS: No representation is made by Ambac Assurance regarding the federal income tax treatment of payments that are made by Ambac Assurance under the terms of the Financial Guaranty Insurance Policy due to non-appropriation of funds by the Lessee.]**

Ambac Assurance makes no representation regarding the [Obligations] or the advisability of investing in the [Obligations] and makes no representation regarding, nor has it participated in the preparation of, this Official Statement other than the information supplied by Ambac Assurance and presented under the heading "[Insert Title of Bond Insurance Section]"

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices is One State Street Plaza, 19th Floor, New York, New York 10004, and its telephone number is (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the SEC (File No. 1-10777) are incorporated by reference in this Official Statement:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and filed on March 1, 2007;
2. The Company's Current Report on Form 8-K dated and filed on April 25, 2007; and
3. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2007 and filed on May 10, 2007

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "**Available Information**".

NOTICE OF SALE

Ambac Assurance Corporation ("Ambac Assurance") has issued a commitment for a financial guaranty insurance policy relating to the Obligations. All bids may be conditioned upon the issuance, effective as of the date on which the Obligations are issued, of a policy of insurance by Ambac Assurance, insuring the payment when due of principal of and interest on the Obligations. Each Obligation will bear a legend referring to the insurance. The purchaser, holder or owner is not authorized to make any statements concerning the insurance beyond those set out here and in the Bond Legend without the approval of Ambac Assurance.

BOND LEGEND

Financial Guaranty Insurance Policy No. (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

COVER PAGE OF OFFICIAL STATEMENT

Payment of the principal of and interest on the [Obligations] when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Obligations.

SCHEDULE A

Maximum Principal Amounts, Interest Rates and Debt Service

Borough of Seven Fields, Butler County Pennsylvania

\$2,180,000 General Obligation Bonds, Refunding Series A of 2006

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
11/01/2011	Serial Coupon	4.250%	4.249%	90,000.00	100.000%	90,000.00
11/01/2012	Serial Coupon	4.300%	4.299%	140,000.00	100.000%	140,000.00
11/01/2013	Serial Coupon	4.350%	4.349%	145,000.00	100.000%	145,000.00
11/01/2014	Serial Coupon	4.400%	4.399%	150,000.00	100.000%	150,000.00
11/01/2015	Serial Coupon	4.450%	4.449%	155,000.00	100.000%	155,000.00
11/01/2016	Serial Coupon	4.500%	4.499%	165,000.00	100.000%	165,000.00
11/01/2017	Serial Coupon	4.550%	4.549%	175,000.00	100.000%	175,000.00
11/01/2020	Term 1 Coupon	4.600%	4.599%	555,000.00	100.000%	555,000.00
11/01/2023	Term 2 Coupon	4.650%	4.649%	605,000.00	100.000%	605,000.00
Total	-	-	-	\$2,180,000.00	-	\$2,180,000.00

Borough of Seven Fields, Butler County Pennsylvania

\$570,000 General Obligation Bonds, Taxable Refunding Series B of 2006

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
11/01/2007	Serial Coupon	5.700%	5.615%	135,000.00	100.000%	135,000.00
11/01/2008	Serial Coupon	5.700%	5.692%	120,000.00	100.000%	120,000.00
11/01/2009	Serial Coupon	5.750%	5.745%	125,000.00	100.000%	125,000.00
11/01/2010	Serial Coupon	5.800%	5.796%	125,000.00	100.000%	125,000.00
11/01/2011	Serial Coupon	5.850%	5.847%	65,000.00	100.000%	65,000.00
Total	-	-	-	\$570,000.00	-	\$570,000.00

Borough of Seven Fields, Butler County Pennsylvania

\$2,750,000 General Obligation Bonds, Issue Summary

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2007	135,000.00	5.700%	30,677.50	165,677.50
11/01/2008	120,000.00	5.700%	123,780.00	243,780.00
11/01/2009	125,000.00	5.750%	116,940.00	241,940.00
11/01/2010	125,000.00	5.800%	109,752.50	234,752.50
11/01/2011	155,000.00	4.921%	102,502.50	257,502.50
11/01/2012	140,000.00	4.300%	94,875.00	234,875.00
11/01/2013	145,000.00	4.350%	88,855.00	233,855.00
11/01/2014	150,000.00	4.400%	82,547.50	232,547.50
11/01/2015	155,000.00	4.450%	75,947.50	230,947.50
11/01/2016	165,000.00	4.500%	69,050.00	234,050.00
11/01/2017	175,000.00	4.550%	61,625.00	236,625.00
11/01/2018	180,000.00	4.600%	53,662.50	233,662.50
11/01/2019	185,000.00	4.600%	45,382.50	230,382.50
11/01/2020	190,000.00	4.600%	36,872.50	226,872.50
11/01/2021	195,000.00	4.650%	28,132.50	223,132.50
11/01/2022	200,000.00	4.650%	19,065.00	219,065.00
11/01/2023	210,000.00	4.650%	9,765.00	219,765.00
Total	\$2,750,000.00	-	\$1,149,432.50	\$3,899,432.50

CERTIFICATE

I, the undersigned, Borough Manager of the Borough of Seven Fields, Butler County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of a Ordinance of said Borough, which was duly enacted by the affirmative vote of a majority of the members of the governing body of said Borough at a meeting thereof duly called and held on the 11th day of June, 2007, after due notice to the members and to the public and which was at all times open to the public, the same was duly recorded in its Ordinance Book, and was published as required by law in a newspaper of general circulation in said Borough.

I further certify that the total number of the members of the governing body of the Borough is five; that the vote upon said Ordinance was called and duly recorded on the minutes of said meeting and that the members voted in the manner following:

	Vote
John White	<u>Yea</u>
Jack Oakley	<u>Yea</u>
Anita Ackerman	<u>Yea</u>
Jennifer Sikora	<u>Yea</u>
Dr. Michael Trotta	<u>Yea</u>

WITNESS my hand and seal of the Borough this 11th day of June, 2007.

s/Thomas B. Smith

Borough Manager

(SEAL)