

MUNICIPALITY OF MONROEVILLE
COUNTY OF ALLEGHENY

ORDINANCE NO. 1564

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF ITS CAPITAL IMPROVEMENT NOTE, SERIES OF 1987 (THE "NOTE") IN THE PRINCIPAL AMOUNT OF ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,750,000) FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE VARIOUS CAPITAL IMPROVEMENT PROJECTS CONSISTING OF, AMONG OTHER THINGS, SEWER REPAIR AND ROAD REPAIR; STATING THE ESTIMATED USEFUL LIVES OF THE PROJECTS FOR WHICH SAID NOTE IS ISSUED; FIXING THE FORM, DENOMINATION, NUMBER, DATE, INTEREST RATE AND MATURITY DATE OF THE NOTE; PROVIDING FOR THE MANNER OF EXECUTION OF THE NOTE AND FOR THE AUTHENTICATION OF THE NOTE BY A PAYING AGENT; PROVIDING FOR THE MANNER AND PLACE OF PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTE; APPROVING THE CERTIFICATE OF AUTHENTICATION, THE ENDORSEMENT AND THE RECORD OF REGISTRATION; APPOINTING THE FISCAL AGENT, PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITARY; PROVIDING REMEDIES; COVENANTING TO BUDGET FOR DEBT SERVICE ON THE NOTE AND TO APPROPRIATE AND PAY AMOUNTS FOR SUCH DEBT SERVICE WHEN DUE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE MUNICIPALITY FOR THE NOTE; ESTABLISHING A SINKING FUND AND PROVIDING FOR THE PAYMENT OF THE NOTE THEREFROM; PROVIDING THAT THIS ORDINANCE AND THE LOCAL GOVERNMENT UNIT DEBT ACT SHALL CONSTITUTE A CONTRACT BETWEEN THE MUNICIPALITY AND THE OWNER OF THE NOTE; AUTHORIZING THE FILING OF THE DEBT STATEMENT, THE BORROWING BASE CERTIFICATE, AND A TRANSCRIPT OF PROCEEDINGS AND APPLICATION FOR APPROVAL; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE NOTE AT AN INVITED NEGOTIATED SALE AND AWARDING THE NOTE TO THE PURCHASER NAMED IN SUCH PROPOSAL; AUTHORIZING DELIVERY OF THE NOTE AND EXECUTION AND DELIVERY OF SUCH OTHER DOCUMENTS AS MAY BE ADVISABLE IN CONNECTION WITH THE SALE AND ISSUANCE THEREOF; ESTABLISHING THE DATE OF EFFECTIVENESS OF THE ORDINANCE; COVENANTING TO MAINTAIN THE TAX-EXEMPT STATUS OF THE NOTE UNDER EXISTING AND PROPOSED FEDERAL TAX LAWS; AND REPEALING OR RESCINDING ALL INCONSISTENT ORDINANCE OR ORDINANCES.

WHEREAS, the Council of the Municipality of Monroeville, Allegheny County, Pennsylvania (the "Municipality") desires to incur debt in the amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000), without the assent of the electors and to issue a Capital Improvement Note, Series of 1987 (the "Note") in evidence of such debt, for the purpose of providing funds for and toward the Municipality's capital improvement program; and the payment of the costs of the issuance of the Note; and

WHEREAS, such incurrence of authorized debt by the Municipality, will not, when aggregated with the existing net non-electoral debt of the Municipality, result in a violation of the limitations of the Constitution of the Commonwealth of Pennsylvania or of the Local Government Unit Debt Act (Act No. 52 of April 28, 1978, as amended) (the "Act"); and

WHEREAS, the Note is being issued and sold by the Municipality to fund the Municipality's capital improvements program, consisting of sewer repair and road repair and various other projects with an estimated average useful life of 30 years as shown on Exhibit "A" attached to this Ordinance; and

WHEREAS, the Council of the Municipality has determined that it is desirable and in the best interests of the Municipality to sell the Note through negotiation by invitation as authorized by 701(a) of the Act; and

WHEREAS, the Council of the Municipality have invited several purchasers to make a proposal with respect to the purchase of the Note; and

WHEREAS, at a meeting held on the date hereof, the Council of the Municipality received proposals from several prospective purchasers for the sale of the Note; and .

WHEREAS, the proposal of Philadelphia National Bank was considered at said meeting of the Council of the Municipality, said proposal being for the sum of \$1,750,000 with a "net interest cost" of \$71,255.69, and a "net interest rate" of 4.49% (as those terms are used in Section 709 of the Act) in each case assuming a settlement date of May 5, 1987; and

WHEREAS, the Council of the Municipality deems it in the best interests of the Municipality that the aforesaid proposal of Philadelphia National Bank be accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE MUNICIPALITY OF MONROEVILLE, AND IT IS HEREBY RESOLVED BY THE AUTHORITY OF SAID COUNCIL THAT:

Section 1. The Council of the Municipality does hereby authorize and direct the incurring of non-electoral debt through the issuance of a Capital Improvement Note, Series of 1987 (the "Note") in the aggregate principal amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) for the purpose of providing funds for and toward the cost of:

(a) The Municipality's capital improvements program consisting of sewer repair and road repair and various other projects, as shown in Exhibit "A" attached to this Ordinance;

(b) the costs of issuing the Note.

Section 2. The realistic estimated average useful life of the projects for which the Note was issued is 30 years.

Section 3. The Note shall be in fully registered form in the denomination of \$1,750,000, shall be numbered R-1, shall be dated its date of issuance, which is expected to be on or about May 5, 1987, shall bear interest from such date until payment of the principal sum has been made or provided for, upon redemption or at maturity, with interest payable at maturity, at the rate of interest per annum of 4.49%. The Note shall mature on March 31, 1988 and shall be subject to prepayment in whole or in part at any time without payment of any premium or penalty.

Section 4. The Note shall be executed by the proper officials of the Municipality, the Municipal Manager and Mayor of the Municipality, and shall have affixed thereto the seal of the Municipality.

Section 5. The principal of the Note shall be payable at the principal corporate trust office in Philadelphia, Pennsylvania of the Paying Agent hereinafter approved, or the corporate trust office of any successor paying agent appointed by the Municipality pursuant to the Act. Interest on the Note shall be paid by check or draft, on each Interest Payment Date, and mailed to the address of the registered owner of the Note.

Any payments of principal of or interest on the Note shall be in such coin or currency as at the respective times of payment shall constitute legal tender for the payment of public and private debts.

Section 6. The terms and provisions of the Note are incorporated herein as though set forth in full herein, and said Note shall be substantially in the form attached hereto as Exhibit "B", subject to such amendments, insertions and deletions as may be appropriate.

Section 7. Philadelphia National Bank of Philadelphia, Pennsylvania is hereby appointed Fiscal Agent, Paying Agent, Sinking Fund Depository and Registrar for the Note (the "Paying Agent" or the "Fiscal Agent"). The Paying Agent is hereby authorized and requested, upon written order of the Mayor or Municipal Manager or other authorized officer of this Municipality, to authenticate the Note and deliver it to the purchaser thereof designated in such order.

Section 8. If the Municipality shall fail or refuse to make any required deposit in the sinking fund established by Section 10 of this Ordinance, or to satisfy any of the covenants herein contained, the Fiscal Agent may, and upon request of the registered owner of the Note, upon being furnished with indemnity satisfactory to it against the expenses and possible liabilities in connection with the duties thereby accepted, shall, exercise any remedy provided in the Act or at law or in equity for the benefit of the registered owner of the Note and shall disburse all funds so collected to the persons entitled to receive payments pursuant to the terms of the Note as provided in the Act, subject to any limitations contained in Article XII thereof. If the Fiscal Agent is willing at such time to serve and exercise the powers conferred upon a trustee appointed in

the manner provided in Section 1203 of the Act, subject as aforesaid, such representation shall be exclusive for the purposes therein and in the Act provided.

Section 9. The Note, as a general obligation of the Municipality, shall be payable from the taxing power and other revenue of the Municipality. The Municipality hereby covenants with the owner of the Note that the Municipality shall include the amount of the debt service on the Note for each fiscal year of the Municipality in which such sums are payable in its budget for such year, shall appropriate such amounts from its general revenues for the payment of such debt service and shall punctually pay or cause to be paid from the Sinking Fund established for the Note hereunder or any of its other revenues or funds the principal of and interest on the Note at the dates and places or in the manner stated in the Note, according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Municipality hereby pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

Section 10. A sinking fund is hereby established designated "Sinking Fund - Municipality of Monroeville, Capital Improvement Note, Series of 1987" (the "Sinking Fund"), which shall be held by the Fiscal Agent segregated from all other funds of the Municipality. The Municipality shall deposit in the Sinking Fund not later than the business day next preceding each date when interest or principal is to become due on the Note a sufficient part of each above-mentioned appropriation so

that on each such payment date the Sinking Fund will contain, together with any other available funds therein, sufficient moneys to pay in full interest and principal then due on the Note. The Sinking Fund shall be secured and invested by the Fiscal Agent in securities or deposits authorized by the Act, upon direction of the Municipality, all as provided in the Act. Said deposits and securities shall be in the name of the Municipality but subject to withdrawal or collection only by the Fiscal Agent and said deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund. The Fiscal Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the Note when due and payable.

Section 11. This Ordinance and the Act as in force from time to time shall constitute a contract between the Municipality and the registered owner of the Note. Said contract may be modified with the consent of the registered owner of the Note, provided, however, that no such modification may be made which would modify the terms of payment of or the rate of interest payable on the Note without the consent of the registered owner of the Note.

Section 12. The Mayor and the Acting Municipal Manager of the Municipality, or in the absence of either, the authorized representatives of the Municipality and their respective successors, are hereby authorized and directed to prepare or cause to be prepared, certify and file with the Department of Community Affairs of the Commonwealth of Pennsylvania a debt

statement and borrowing base certificate and, if deemed appropriate, an application for exclusion of subsidized or self-liquidating debt and the Municipality shall certify to and send to the Department of Community Affairs an accurate copy of the proceedings had for increasing the debt of the Municipality, and shall take all such further action as may be required by the Act for the purpose for obtaining said Department's approval of said increase of debt.

Section 13. The proposal of Philadelphia National Bank (the "Purchaser"), dated March 27, 1987, for the purchase of the Note through negotiation by invitation at the price and in accordance with the other terms and conditions contained in such proposal is hereby accepted by the Council of Municipality having found that such negotiation by invitation is in the best interests of the Municipality and the Note is hereby awarded to the Purchaser, said acceptance and award being conditioned, however, upon all parts of this Ordinance becoming effective and the Department of Community Affairs of the Commonwealth of Pennsylvania approving the incurrence of debt to be evidenced by the Note. As set forth in such proposal the Note is purchased at a price of \$1,750,000 (such being 100% of the par amount thereof). The officers of the Municipality are hereby authorized to endorse the acceptance of the Municipality upon such proposal, to deliver a copy, as so endorsed, to the Purchaser and to cause a copy of such proposal to be attached to this Ordinance. The Acting Municipal Manager or the Mayor, or the proper officials of the Municipality are further authorized

to direct and deliver the Note to the Purchaser upon fulfillment of the aforementioned conditions and receipt of the purchase price payable under such proposal and in connection therewith, the proper officials of the Municipality are hereby authorized to execute the necessary affidavits and all such other papers, as may be necessary or convenient to make settlement or as may be required in the issuance of the Note.

Section 14. The Municipality covenants with the registered owner of the Note that no part of the proceeds of the Note shall at any time be used directly or indirectly (a) to acquire securities or obligations the acquisition of which would cause the Note to be "arbitrage bonds" as defined in Section 103 of the Internal Revenue Code of 1986, as amended, of the United States of America as amended and supplemented, or any similar statutory provision or any rule or regulation promulgated thereunder (the "Code"); or (b) to make or finance loans to persons other than governmental units or in any trade or business carried on by any person other than a governmental unit, with the effect that the interest on the Note is no longer exempt from Federal income taxes. The Municipality further designates the Note as a "qualified tax-exempt obligation" under Section 265(b)(3)(B) of the Internal Revenue Code of 1986 and agrees that it will take such steps as may be necessary to cause the Note to continue to be such an obligation during the period the Note is outstanding as provided in the form of the Note attached hereto as Exhibit "B".

Section 15. This Ordinance shall become effective on the earliest date permitted by the Act.

Section 16. All ordinances or parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

ADOPTED AND RESOLVED this 31st day of March, 1987.

(SEAL)

MUNICIPALITY OF MONROEVILLE

By: Michael P. Lynch
Mayor

By: Washington C. Atk
Acting Municipal Manager