

THE CITY OF JEANNETTE
Westmoreland County, Pennsylvania

BILL NO. 10-12

ORDINANCE NO. 10-13

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE CITY OF JEANNETTE, WESTMORELAND COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$500,000.00 FOR SUNDRY PURPOSES; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the City of Jeannette, Westmoreland County, Pennsylvania be increased for the purpose of funding unfunded debt that has accumulated as a result of performed and contracted services;

WHEREAS, the local government unit has received preliminary realistic cost estimates from professional consultants indicating the sum of FIVE HUNDRED THOUSAND (\$500,000.00) DOLLARS will be needed to fund such debt; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the City of Jeannette, Westmoreland County, Pennsylvania, and it is hereby ordained and enacted by the authority of the same as follows:

SECTION 1. That the aggregate principal amount of the City of Jeannette, proposed to be issued is \$500,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$500,000.00 dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth

in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act, at the rate of interest of 4.25% per annum, payable on the unpaid balance of said Note on December 29, 2010, during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 4.25% per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows:

(See Attached Payment Schedule Marked as Exhibit "A")

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payments dates thereof, without notice or penalty.

The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 3. The said Note is hereby declared a general obligation of the City of Jeannette, Westmoreland County, Pennsylvania. The local government unit hereby covenants that it shall include the amount of debt service on the Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the Note and the interest thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the City is hereby irrevocably pledged.

The amounts which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 4.25% are as follows:

(See Attached Payment Schedule Marked as Exhibit "A")

SECTION 4. The form of said Note shall be substantially as set forth in the attached Exhibit.

SECTION 5. The said Note shall be executed in the name and under the corporate seal of the local government unit by Mayor, Robert M. Carter and attested to by the City Clerk. The City Clerk is hereby authorized and directed to deliver said Note to the purchaser, and received payment therefore on behalf of the local government unit. The City Clerk of the local government unit is authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 6. First Niagara Bank, N.A., is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as a "Sinking Fund 2010 General Obligation Note" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 7. Mayor, Robert M. Carter, of the unit is hereby authorized to contract with First Niagara Bank, N.A. for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 8. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the general obligation Note in the amount of \$500,000.00 herein authorized to be issued and sold is hereby awarded and sold to First Niagara Bank, N.A. in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to the them and is in the form set

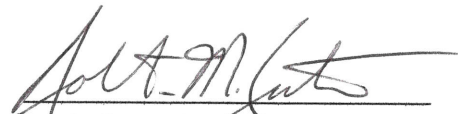
forth in this Ordinance as Exhibit "B"; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act.

SECTION 9. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Tribune Review newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 10. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

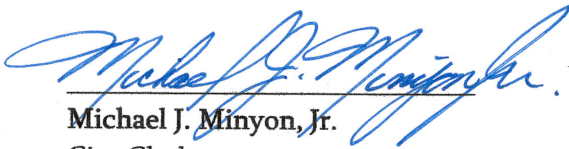
ORDAINED AND ENACTED THIS 13th day of December, 2010.

THE CITY OF JEANNETTE:



By: Robert M. Carter,
Mayor and President of Council

ATTEST:



Michael J. Minyon, Jr.
City Clerk

Commonwealth of Pennsylvania
Westmoreland County

CITY OF JEANNETTE
General Obligation Note

\$ 500,000.00

DATED: 12/29/2010

KNOW ALL MEN BY THESE PRESENTS, that the City of Jeannette, Westmoreland County, Commonwealth of Pennsylvania, a local government unit existing by and under the laws of said Commonwealth for value received, hereby acknowledges itself indebted and promises to pay to the purchaser, or registered assigns, the sum of \$500,000.00 dollars in installments as follows:

(See Attached Payment Schedule Marked as Exhibit "A")

With interest on the unpaid principal balance at the rate of four and one quarter percent (4.25%) per annum, payable on December 29, 2020, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of four and one quarter percent (4.25%) per annum, (computed on the basis of 365 days to the year) with the option in the local government unit to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof without notice of penalty.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the offices of First Niagara Bank N.A., Pennsylvania.

It is hereby recited that this Note is authorized to be issued in accordance with the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of the 1978 Session.

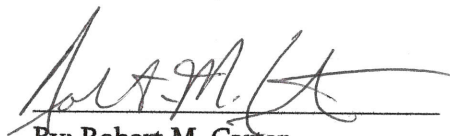
It is hereby certified that all acts, conditions, and things required to be or be done, happen, and be performed precedent to and in the issuance of this Note or in the creation of

the debt of which it is evidence, have been done, happened and been performed in regular and due form and manner as required by law; and that this Note, together with all other indebtedness of the said local government unit is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note the entire full faith, credit and taxing power of said local government unit are hereby irrevocably pledged.

It is hereby further certified that the said local government unit has effectively covenanted to include the amount of the debt service on this Note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

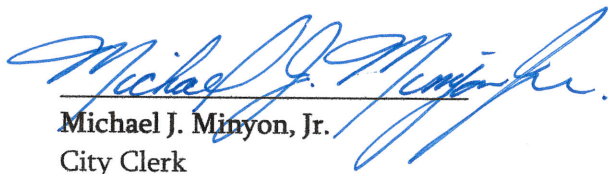
IN WITNESS WHEREOF, the City of Jeannette, Westmoreland County, Pennsylvania, has caused this Note to be properly executed by the proper officers of the local government unit and its corporate seal to be hereto affixed, attested to by the Mayor and City Clerk as of the 13th day of December, 2010.

THE CITY OF JEANNETTE:



By: Robert M. Carter,
Mayor and President of Council

ATTEST:



Michael J. Minyon, Jr.
City Clerk