

CITY OF JEANNETTE
Westmoreland County, Pennsylvania

Bill No. 13-01

Ordinance No. 13-01

WHEREAS, the Council of the City of Jeannette, Westmoreland County, Pennsylvania (the “*City*”) desires to incur nonelectoral debt in the aggregate principal amount of \$2,333,000 by issuing its General Obligation Refunding Note, Series A of 2013 (the “*Series A Note*”) and its General Obligation Note, Series B of 2013 (the “*Series B Note*”, and, together with the Series A Note, the “*Notes*”) for the purpose of providing funds to pay the costs of (a) currently refunding the City’s outstanding General Obligation Bonds, Refunding Series of 1998 (the “*Refunded Bonds*”); (b) certain capital projects to be undertaken by the City (as further identified herein, the “*Capital Projects*”); and (c) issuing the Notes (collectively, the “*2013 Project*”); and

WHEREAS, such incurrence of authorized debt by the City will not, when aggregated with the existing net nonelectoral debt of the City, 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. 177 of December 19, 1996, as amended) (the “*Act*”); and

WHEREAS, the Council of the City (the “*Council*”) has determined that it is in the best financial interest of the City to sell the Notes at private negotiated sale, and the City has received a proposal for the purchase of the Notes from Huntington Public Capital Corporation (the “*Bank*”) dated September 23, 2013 (the “*Purchase Contract*”), as authorized by Section 8161(a) of the Act; and

WHEREAS, certain actions must be taken and/or authorized by the Council in connection with the issuance of the Notes in order to comply with the requirements of the Act and the Internal Revenue Code of 1986, as amended (the “*Code*”).

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Jeannette in the meeting assembled as follows:

SECTION 1. Project; Purpose; Costs of 2013 Project. For the purpose of providing funds for and toward the 2013 Project, the incurring of nonelectoral debt is hereby authorized. Such debt shall be evidenced by the issuance of two series of general obligation notes of the City, in an aggregate principal amount of \$2,333,000; one such series to be designated as “City of Jeannette, General Obligation Refunding Note, Series A of 2013” in the principal amount of \$1,822,000 (the “*Series A Note*”), and one such series to be designated as “City of Jeannette, General Obligation Note, Series B of 2013” in the principal amount of \$511,000 (the “*Series B Note*”).

The issuance of the Series A Note shall be for the purpose of paying the costs, including financing costs, of currently refunding all of the outstanding Refunded Bonds, and substituting notes for bonds in accordance with Section 8241(b)(5) of the Act.

The Refunded Bonds were part of an issue of tax-exempt bonds that were issued to refund the City’s General Obligation Bonds, Series of 1994 (the “*1994 Bonds*”). The 1994 Bonds were issued to finance, among other things, certain capital improvements to the City’s roads and sewer storm system which, at the time of issuance of the 1994 Bonds, were expected to have a useful life of at least forty (40) years. Based on the foregoing, the period of useful life of the improvements being refinanced with proceeds of the Series A Note (i.e. the remaining period of useful life of the improvements financed or

refinanced with proceeds the Refunded Bonds) is reasonably estimated to be in excess of twenty one (21) years.

The Series B Note is being issued to finance the costs of the Capital Projects identified in Exhibit A to this Ordinance. The City has received preliminary realistic cost estimates from professional consultants indicating that at least \$511,000 will be needed to complete the Capital Projects. The period of useful life of the Capital Projects is estimated to be in excess of 15 years.

SECTION 2. Filing with Department of Community and Economic Development. The Mayor, the City Clerk and members of the Council, or in their absence, their respective successors, are hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development of the Commonwealth of Pennsylvania (“**DCED**”), in accordance with the Act, a transcript of the proceedings relating to the issuance of the Notes, including but not limited to the Debt Statement and Borrowing Base Certificate required by Section 8110 of the Act, the certificate relating to the exclusion of self-liquidating debt from the City’s nonelectoral debt as required by Section 8025 of the Act (if applicable), and to take other necessary action and file all necessary documentation as may be required by the Act for the purpose of obtaining DCED’s approval of the nonelectoral debt.

SECTION 3. Sale of the Notes Authorized; Terms of the Notes.

(a) *Authorization to Execute the Purchase Contract.* After considering the advantages and disadvantages of a public sale of the Notes as compared to a sale by negotiation, the private sale by negotiation of the Notes is hereby found to be in the best financial interest of the City. The City hereby authorizes the sale of the Notes to the Bank pursuant to the Purchase Contract attached hereto as Exhibit B. Such sale is conditioned, however, upon all parts of this Ordinance becoming effective and DCED approving the incurrence of debt to be evidenced by the Notes.

(b) *Terms of the Notes.* (i) The Series A Note in the sum of \$1,822,000 shall be dated and bear interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act, at the rate of interest of 3.50% per annum, payable on the unpaid balance of the Series A Note on each April 1 and October 1 commencing April 1, 2014 until paid. Principal of the Series A Note shall be payable in installments as follows:

Series A Note – Principal Payments			
Date	Amount	Date	Amount
4/1/2014	\$ 99,000.00	4/1/2021	\$125,000.00
4/1/2015	\$101,000.00	4/1/2022	\$129,000.00
4/1/2016	\$105,000.00	4/1/2023	\$135,000.00
4/1/2017	\$109,000.00	4/1/2024	\$139,000.00
4/1/2018	\$112,000.00	4/1/2025	\$200,000.00
4/1/2019	\$117,000.00	4/1/2026	\$207,000.00
4/1/2020	\$121,000.00	4/1/2027	\$123,000.00

(ii) The Series B Note in the sum of \$511,000 shall be dated and bear interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act, at the rate of interest of 3.10% per annum, payable on the unpaid balance of the Series B Note on each April

1 and October 1 commencing April 1, 2014 until paid. The principal of the Series B Note shall be payable in installments as follows:

Series B Note – Principal Payments			
Date	Amount	Date	Amount
4/1/2014	\$40,000.00	4/1/2020	\$48,000.00
4/1/2015	\$41,000.00	4/1/2021	\$49,000.00
4/1/2016	\$42,000.00	4/1/2022	\$51,000.00
4/1/2017	\$43,000.00	4/1/2023	\$52,000.00
4/1/2018	\$45,000.00	4/1/2024	\$54,000.00
4/1/2019	\$46,000.00		

Attached hereto as Exhibit C is a debt service schedule showing all payments of principal of and interest on the Notes through maturity.

(c) *Delivery of the Notes and Certain Closing Documents.* The Mayor, the President of the Council, the Vice President of the Council and the Secretary/Treasurer of the City (collectively, the “*Authorized Officers*”) and Campbell & Levine, LLC, note counsel to the City, are each hereby further authorized to do everything necessary for the prompt execution and delivery of the Notes to the Bank and for the proper application and use of the proceeds of the sale thereof, executing such certificates and receipts as may be necessary to properly document the issuance of the Notes.

SECTION 4. Appointment of Registrar and Sinking Fund Depository. The Huntington National Bank is hereby appointed Registrar and Sinking Fund Depository for the Notes (the “*Sinking Fund Depository*”).

SECTION 5. Form of Notes; Execution and Authentication. The Notes shall be issued substantially in the forms of Exhibit C-1 and C-2 hereto, with appropriate omissions, insertions and variations.

The Notes shall be executed on behalf of the City by the manual or facsimile signatures of the Mayor, attested to by the manual or facsimile signature of the City Clerk or other authorized officer of the Council, and shall have a facsimile of the corporate seal of the City imprinted thereon. The members of the Council are hereby authorized and directed to deliver the Notes to the Bank and receive payment therefore on behalf of the City after sale of the same in the manner required by law and this Ordinance.

SECTION 6. Redemption. The Notes shall be subject to redemption prior to maturity at the option of the City, in whole or in part on the fifth anniversary of the date of issuance of the Notes, or on any date thereafter. Any such redemption shall be made at the redemption price of 100% of the principal amount to be redeemed, together with accrued interest, if any, from the most recent Interest Payment Date to the date fixed for redemption.

SECTION 7. Default; Remedy. If the City fails or refuses to make any required deposit in the Sinking Fund (as defined in and created pursuant to Section 9 of this Ordinance), or to satisfy any of the covenants contained herein or in the Notes, and such failure continues for thirty (30) days (each such event is referred to hereinafter as an “*Event of Default*”), the Bank shall be entitled to any remedy provided in the Act or at law or in equity for the benefit of the Noteholders, subject to any limitations contained in Subchapter D (Sections 8261 through 8266) of the Act.

SECTION 8. General Obligation Covenant. The Notes will be direct and general obligations of the City, issued pursuant to the Ordinance and in accordance with the terms of the Act. The City hereby irrevocably pledges the City's full faith, credit and taxing power for the payment of the principal of and interest on the Notes. The City hereby further covenants with the holders of the Notes that it (a) shall include in its budget for each fiscal year the amount of the debt service on the Notes payable in each such fiscal year, (b) shall appropriate such amounts from its general revenues for the payment of such debt service, and (c) shall duly and punctually pay or cause to be paid from the Sinking Fund, or any other of its revenues or funds, the principal of and interest on the Notes, respectively, on the dates, and at the places and in the manner stated in the Notes. The City hereby pledges its full faith, credit and taxing power for such budgeting, appropriation and payment. The foregoing covenants shall be specifically enforceable as provided in the Act.

SECTION 9. Sinking Fund. In accordance with the provisions of the Act, the City will create, at or prior to the delivery of the Notes, a sinking fund (the "***Sinking Fund***") for the Notes which will be held by Huntington National Bank, as Sinking Fund Depository, and shall be maintained until all Notes are paid in full. All moneys deposited in the Sinking Fund, without further action or filing, will be subject to a perfected security interest in favor of the registered owners of the Notes (the "***Noteholders***") until such moneys have been properly disbursed. It is the duty of the City to deposit into the Sinking Fund the moneys required to be paid at the times and in the amounts provided in the pledge or covenant made in this Ordinance. If the appropriation of moneys is insufficient to make the deposit required to be made for the interest on and principal of the Notes, the Act provides that it is the duty of the City to pay into the Sinking Fund that portion of each receipt of tax moneys and other available revenues as will result in the timely accumulation of sufficient moneys in the Sinking Fund.

SECTION 10. Redemption of the Refunded Bonds.

(a) The City hereby authorizes and directs any of the Authorized Officers to call the Refunded Bonds for redemption on November 1, 2013 or such earlier or later date as shall be selected by the Authorized Officers, provided that such date shall not be later than ninety (90) days after the date of issuance of the Notes, by providing written notice to the holders of the Refunded Bonds as provided therein.

(b) The Authorized Officers of the City are hereby authorized and directed to execute all documents and to take such other action as may be necessary or advisable to effect the redemption and payment of the Refunded Bonds.

SECTION 11. Internal Revenue Code Covenants. The City covenants with the Noteholders that no part of the proceeds of the Notes shall at any time be used, directly or indirectly, (a) to acquire securities or obligations the acquisition of which would cause the Notes to be "arbitrage bonds" as defined in Section 148 of the Code, or (b) to make or finance loans to persons other than governmental units or to be used in any trade or business carried on by any person other than a governmental unit, with the effect that the interest on the Notes is no longer excluded from gross income under the Code. Any member of the Council is hereby authorized and directed to execute the non-arbitrage certificate required by Section 148 of the Code.

SECTION 12. Appointment of Professionals. The City hereby appoints Campbell & Levine, LLC, as Note Counsel ("***Note Counsel***") for the purpose of rendering the necessary opinions of Note Counsel with respect to the Notes, and hereby appoints Boenning and Scattergood as Financial Advisor with respect to the Notes.

SECTION 13. Payment of Expenses. All expenses incurred in connection with the issuance of the Notes are authorized to be paid from the proceeds of the sale of the Notes upon submission of appropriate invoices.

SECTION 14. Qualified Tax-Exempt Obligations. The City hereby designates the Notes as “qualified tax-exempt obligations” for purposes of and with the effects contemplated by Section 265(b)(5) of the Code.

SECTION 15. Ratification of Advertisement; Notice of Enactment of Ordinance. The City hereby ratifies all acts undertaken by its officers, employees and agents with respect to the advertising of a summary of this Ordinance as required by the Act in The Jeannette Spirit, a newspaper of general circulation in the City, in accordance with Section 8003(a) of the Act. The advertisement in such newspaper of notice of the enactment of this Ordinance is hereby directed within fifteen (15) days following the date of final enactment hereof in accordance with Section 8003(b) of the Act.

SECTION 16. Effective Date. This Ordinance shall become effective on the earliest date permitted by the Act.

SECTION 17. Incidental Action. The members of the Council of the City and the Authorized Officers are hereby authorized and directed to execute and deliver such other certificates, documents and instruments and to take or approve the taking of such other action as may be necessary or appropriate in order to redeem the Refunded Bonds or effectuate the execution and delivery of the Notes, and to execute and deliver such additional certificates, documents and instruments as shall be deemed necessary or appropriate by the City’s Solicitor.

SECTION 18. Repeal. All Ordinances or parts thereof insofar as they are inconsistent herewith are hereby repealed or rescinded.

[Remainder of page intentionally left blank.]

DULY ENACTED into law this 24th day of September, 2013.

ATTEST:

CITY OF JEANNETTE

City Clerk

By: _____
Mayor

(SEAL)

CERTIFICATE

I, the undersigned Chief Clerk of the City of Jeannette, Pennsylvania, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly enacted at a meeting of the Council of the City on September 24, 2013, and that at such meeting a quorum was present and acting throughout, after due notice to the members of the Council of the City and to the public and such meeting was at all times open to the public; that the Ordinance was duly recorded in the City's Minutes Book and that a summary thereof was published as required by law in a newspaper of general circulation in the City. I further certify that the City met the advance notice requirements of Act No. 175 of the 1974 Pennsylvania General Assembly by advertising the date of the meeting and posting a notice of such meeting at the public meeting place of the City.

I further certify that the total number of members of the City Council is six (6), that the vote upon the Ordinance was called and duly recorded on the minutes of said meeting and that the members voted in the following manner:

Robert M. Carter	Aye ___	No ___	Absent ___	Abstention ___
Mark Clark	Aye ___	No ___	Absent ___	Abstention ___
William Bedont	Aye ___	No ___	Absent ___	Abstention ___
Kathie Tanyer	Aye ___	No ___	Absent ___	Abstention ___
Mark Levander	Aye ___	No ___	Absent ___	Abstention ___

WITNESS my hand and the seal of the City of Jeannette, Westmoreland County, Pennsylvania, this 24th day of September, 2013.

ATTEST/WITNESS:

CITY OF JEANNETTE

By: _____

Name: Michael J. Minyon

Title: City Clerk

(SEAL)

EXHIBIT A

CAPITAL PROJECTS

Utility relocation service	\$275,000
Demoliton and site construction services	\$125,000
Road restoration and reconstruction	\$100,000
Total	\$500,000

EXHIBIT B
PURCHASE CONTRACT

EXHIBIT C-1

FORM OF SERIES A NOTE

UNITED STATES OF AMERICA
CITY OF JEANNETTE
COUNTY OF WESTMORELAND
COMMONWEALTH OF PENNSYLVANIA

GENERAL OBLIGATION REFUNDING NOTE, SERIES A OF 2013

No. R-__

Principal Amount: **\$1,822,000.00**

Rate: **3.50%**

Dated Date: October 30, 2013

Maturity Date: April 1, 2027

Registered Owner: **HUNTINGTON PUBLIC CAPITAL CORPORATION**

The City of Jeannette, County of Westmoreland, Commonwealth of Pennsylvania (the “*City*”), for value received and intending to be legally bound, promises to pay to the registered owner shown hereon or its registered assigns: (a) on the maturity date shown hereon unless redeemed prior thereto as hereinafter provided, the principal sum shown hereon; and (b) interest on such principal sum on each April 1 and October 1 (each an “*Interest Payment Date*”) commencing April 1, 2014, at the rate of interest cited above, computed on the basis of a year of 365 or 366 days, as the case may be, provided, however, that after maturity, whether by acceleration or otherwise, this Note shall bear interest until fully paid at a fixed rate per annum equal to two percent (2%) above the interest rate stated above, payable on demand. The principal of and interest on this Note shall be payable at the principal office of The Huntington National Bank, Pittsburgh, Pennsylvania.

This Note is issued by the City of Jeannette in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended (the “*Act*”), without the assent of the electors, pursuant to an Ordinance (the “*Ordinance*”) of the Council of the City enacted on September 24, 2013. The Note is being issued for the purpose of providing funds to pay the costs of the 2013 Project as defined in the Ordinance, and to pay the costs of issuing the Note.

Redemption. The Note shall be subject to redemption prior to maturity as follows:

Optional Redemption. This Note shall be subject to optional redemption prior to maturity at the option of the City, in whole or in part on the fifth anniversary of the date of issuance of the Note, or on any date thereafter. Any such redemption shall be made at the redemption price of 100% of the principal amount to be redeemed, together with accrued interest, if any, from the most recent Interest Payment Date to the date fixed for redemption.

Mandatory Redemption. This Note is subject to mandatory sinking fund redemption prior to maturity in part, on April 1 of each year commencing on April 1, 2014, as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption.

Series A Note – Principal Payments

Date	Amount	Date	Amount
4/1/2014	\$ 99,000.00	4/1/2021	\$125,000.00
4/1/2015	\$101,000.00	4/1/2022	\$129,000.00
4/1/2016	\$105,000.00	4/1/2023	\$135,000.00
4/1/2017	\$109,000.00	4/1/2024	\$139,000.00
4/1/2018	\$112,000.00	4/1/2025	\$200,000.00
4/1/2019	\$117,000.00	4/1/2026	\$207,000.00
4/1/2020	\$121,000.00	4/1/2027	\$123,000.00

The interest rate on this Note has been established based on a legal opinion received by the Bank and the City to the effect that under existing statutes, rulings and regulations, as now administered, the interest received on this Note by the Bank is not subject to Federal income tax and the Note is a "qualified tax exempt obligation" as described in Section 265(b)(3)B of the Code. In the event, as a result of a change in existing statutes or in the interpretation or administration thereof by the Internal Revenue Service or by any action or failure to take action by the City (hereinafter "IRS Action"), it shall be determined (after the Bank shall have taken such steps as in its reasonable judgment shall be required to dispute such determination) that all or any portion of the interest thereafter received by the Bank shall be subject to Federal income tax or that the Note is not a "qualified tax exempt obligation," the rate of interest payable on this Note thereafter shall be changed to such rate as may be negotiated by the Bank and the City and, if a rate cannot be agreed upon within 30 days after a demand is made to negotiate, the Bank, in its discretion, may demand that the Note and all sums unpaid or due shall become immediately payable. In addition, in the event such IRS Action shall require the Bank to pay Federal income taxes on interest received prior to the date of such IRS Action or shall disallow the Bank's allocable interest expense under Section 265(b) of the Code with respect to the Note, in the discretion of the Bank, and within 90 days after demand therefor, the City shall pay, during such period, as additional interest, an amount equal to the difference between the interest made subject to Federal income taxation by such IRS Action or disallowed under Section 265(b) of the Code and the rate of interest on this Note during the period that interest is taxed or disallowed. The obligation under the immediately preceding sentence shall survive payment in full of this Note.

If any one or more of the following events shall occur and be continuing or shall exist, that is to say:

- (a) The City shall default in the payment of principal of this Note when due; or
- (b) The City shall default in the payment of any installment of interest on this Note when due and such default shall continue unremedied for a period of five (5) days thereafter; or
- (c) The City shall default in the performance or observance of any covenant, agreement, condition, provision or duty contained in the Ordinance hereinafter referred to and such default shall not be remedied for a period of ten (10) days after written or telegraphic notice thereof to the City from the holder of this Note; or
- (d) Any certificate or financial statement furnished pursuant to the provisions of the Ordinance or the Act shall prove to have been false or misleading in any material respect as of the time made or furnished; or
- (e) If the City shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law, or shall consent to the appointment of or the taking of possession by a receiver,

liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part of the City's property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of any part of its property and such custody or control shall not be terminated or stayed within 90 days from the date of assumption of such custody or control;

then, and in any such event, the holder of this Note shall be entitled by written or telegraphic notice to the City to declare this Note and interest accrued thereon to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, and shall have such other rights as may be vested in such holder by the provisions of the Act.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST, OR PREMIUM, IF ANY, ON THIS NOTE, OR FOR ANY CLAIM BASED HEREON OR ON THE ORDINANCE AGAINST ANY MEMBER, OFFICER OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE CITY OR OF ANY SUCCESSOR BODY, AS SUCH, EITHER DIRECTLY OR THROUGH THE CITY OR ANY SUCH SUCCESSOR BODY, UNDER ANY CONSTITUTIONAL PROVISION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR BY ANY LEGAL OR EQUITABLE PROCEEDING OR OTHERWISE, AND ALL SUCH LIABILITY OF SUCH MEMBERS, OFFICERS AND EMPLOYEES IS RELEASED AS A CONDITION OF AND AS CONSIDERATION FOR THE ISSUANCE OF THIS NOTE.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the City to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the City is within every debt and other limit prescribed by the constitution and the statutes of the Commonwealth of Pennsylvania and applicable to the City; and that the City has established with the Sinking Fund Depository a sinking fund for the Note and shall deposit therein amounts sufficient to pay the principal of and interest on the Note as the same shall become due and payable.

This Note is hereby declared to be a general obligation of the City. The City, in the Ordinance authorizing the issuance of the series of Notes of which this Note is one, has covenanted with the Noteholders of the Notes that the City will include the amount of the debt service charges on the Notes for each fiscal year in which such sums are payable, in its budget for that year, that it will appropriate such amounts to the payment of such debt service; and that it will duly and punctually pay or cause to be paid the principal of every 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 budgeting, appropriation and payment, the City has pledged its full faith, credit and taxing power. This covenant is specifically enforceable.

WAIVER OF TRIAL BY JURY. THE CITY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENT CONTEMPLATED TO BE EXECUTED IN

CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE BANK TO ACCEPT THIS NOTE.

THE CITY HEREBY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY AT LAW AT ANY TIME OR TIMES TO APPEAR FOR THE CITY AND WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST THE CITY, IN ANY STATE OR FEDERAL COURT OF RECORD IN WESTMORELAND COUNTY, PENNSYLVANIA, AT ANY TIME AFTER ALL OR ANY PART OF THE OBLIGATIONS AND INDEBTEDNESS EVIDENCED BY THIS NOTE SHALL HAVE BECOME DUE, WHETHER BY LAPSE OF TIME, ACCELERATION, OR OTHERWISE, IN FAVOR OF BANK AND ITS SUCCESSORS AND ASSIGNS, FOR THE FULL AMOUNT THEN APPEARING DUE, TOGETHER WITH INTEREST, COSTS OF SUIT, AND REASONABNLE ATTORNEYS' FEES, BUT IN NO EVENT LESS THAN \$500.00, FOR COLLECTION OF SUCH SUMS, AND THEREUPON TO THE EXTENT PERMITTED BY LAW TO RELEASE ALL ERRORS AND WAIVE ALL RIGHTS TO APPEAL AND ANY STAY OF EXECUTION AND STAY, CONTINUANCE OR ADJOURNMENT OF SALE OF EXECUTION. THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE CITY SHALL SURVIVE ANY JUDGMENT, IT BEING UNDERSTOOD THAT SHOULD ANY JUDGMENT AGAINST THE CITY BE VACATED FOR ANY REASON, THE BANK MAY NEVERTHELESS UTILIZE THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IN THEREAFTER OBTAINING ONE OR MORE ADDITIONAL JUDGMENTS AGAINST THE CITY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by the true or facsimile signatures of the Mayor of the City and the Chief Clerk of the City and has caused the facsimile of its seal to be printed hereon.

CITY OF JEANNETTE

By: _____
Mayor

[SEAL]

By: _____
Chief Clerk

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or other identifying number of assignee

Please print or typewrite name and address including postal zip code of transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

Agent to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the Note, in every particular, without alteration or enlargement, or any change whatever.

EXHIBIT C-2

FORM OF SERIES B NOTE

UNITED STATES OF AMERICA
CITY OF JEANNETTE
COUNTY OF WESTMORELAND
COMMONWEALTH OF PENNSYLVANIA

GENERAL OBLIGATION NOTE, SERIES B OF 2013

No. R-__

Principal Amount: **\$511,000.00**

Rate: **3.1%**

Dated Date: October 30, 2013

Maturity Date: April 1, 2024

Registered Owner: **HUNTINGTON PUBLIC CAPITAL CORPORATION**

The City of Jeannette, County of Westmoreland, Commonwealth of Pennsylvania (the “*City*”), for value received and intending to be legally bound, promises to pay to the registered owner shown hereon or its registered assigns: (a) on the maturity date shown hereon unless redeemed prior thereto as hereinafter provided, the principal sum shown hereon; and (b) interest on such principal sum on each April 1 and October 1 (each an “*Interest Payment Date*”) commencing April 1, 2014, at the rate of interest cited above, computed on the basis of a year of 365 or 366 days, as the case may be, provided, however, that after maturity, whether by acceleration or otherwise, this Note shall bear interest until fully paid at a fixed rate per annum equal to two percent (2%) above the interest rate stated above, payable on demand. The principal of and interest on this Note shall be payable at the principal office of The Huntington National Bank, Pittsburgh, Pennsylvania.

This Note is issued by the City of Jeannette in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended (the “*Act*”), without the assent of the electors, pursuant to an Ordinance (the “*Ordinance*”) of the Council of the City enacted on September 24, 2013. The Note is being issued for the purpose of providing funds to pay the costs of the 2013 Project as defined in the Ordinance, and to pay the costs of issuing the Notes.

Redemption. The Note shall be subject to redemption prior to maturity as follows:

Optional Redemption. This Note shall be subject to optional redemption prior to maturity at the option of the City, in whole or in part on the fifth anniversary of the date of issuance of the Note, or on any date thereafter. Any such redemption shall be made at the redemption price of 100% of the principal amount to be redeemed, together with accrued interest, if any, from the most recent Interest Payment Date to the date fixed for redemption.

Mandatory Redemption. This Note is subject to mandatory sinking fund redemption prior to maturity in part, on April 1 of each year commencing on April 1, 2014, as set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to 100% of the principal amount thereof plus interest accrued thereon to the date fixed for redemption.

Series B Note – Principal Payments			
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4/1/2017	\$43,000.00	4/1/2023	\$52,000.00
4/1/2018	\$45,000.00	4/1/2024	\$54,000.00
4/1/2019	\$46,000.00		

The interest rate on this Note has been established based on a legal opinion received by the Bank and the City to the effect that under existing statutes, rulings and regulations, as now administered, the interest received on this Note by the Bank is not subject to Federal income tax and the Note is a "qualified tax exempt obligation" as described in Section 265(b)(3)B of the Code. In the event, as a result of a change in existing statutes or in the interpretation or administration thereof by the Internal Revenue Service or by any action or failure to take action by the City (hereinafter "IRS Action"), it shall be determined (after the Bank shall have taken such steps as in its reasonable judgment shall be required to dispute such determination) that all or any portion of the interest thereafter received by the Bank shall be subject to Federal income tax or that the Note is not a "qualified tax exempt obligation," the rate of interest payable on this Note thereafter shall be changed to such rate as may be negotiated by the Bank and the City and, if a rate cannot be agreed upon within 30 days after a demand is made to negotiate, the Bank, in its discretion, may demand that the Note and all sums unpaid or due shall become immediately payable. In addition, in the event such IRS Action shall require the Bank to pay Federal income taxes on interest received prior to the date of such IRS Action or shall disallow the Bank's allocable interest expense under Section 265(b) of the Code with respect to the Note, in the discretion of the Bank, and within 90 days after demand therefor, the City shall pay, during such period, as additional interest, an amount equal to the difference between the interest made subject to Federal income taxation by such IRS Action or disallowed under Section 265(b) of the Code and the rate of interest on this Note during the period that interest is taxed or disallowed. The obligation under the immediately preceding sentence shall survive payment in full of this Note.

If any one or more of the following events shall occur and be continuing or shall exist, that is to say:

- (a) The City shall default in the payment of principal of this Note when due; or
- (b) The City shall default in the payment of any installment of interest on this Note when due and such default shall continue unremedied for a period of five (5) days thereafter; or
- (c) The City shall default in the performance or observance of any covenant, agreement, condition, provision or duty contained in the Ordinance hereinafter referred to and such default shall not be remedied for a period of ten (10) days after written or telegraphic notice thereof to the City from the holder of this Note; or
- (d) Any certificate or financial statement furnished pursuant to the provisions of the Ordinance or the Act shall prove to have been false or misleading in any material respect as of the time made or furnished; or
- (e) If the City shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law, or shall consent to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part

of the City's property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing; or

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of any part of its property and such custody or control shall not be terminated or stayed within 90 days from the date of assumption of such custody or control;

then, and in any such event, the holder of this Note shall be entitled by written or telegraphic notice to the City to declare this Note and interest accrued thereon to be forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, and shall have such other rights as may be vested in such holder by the provisions of the Act.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST, OR PREMIUM, IF ANY, ON THIS NOTE, OR FOR ANY CLAIM BASED HEREON OR ON THE ORDINANCE AGAINST ANY MEMBER, OFFICER OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE CITY OR OF ANY SUCCESSOR BODY, AS SUCH, EITHER DIRECTLY OR THROUGH THE CITY OR ANY SUCH SUCCESSOR BODY, UNDER ANY CONSTITUTIONAL PROVISION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR BY ANY LEGAL OR EQUITABLE PROCEEDING OR OTHERWISE, AND ALL SUCH LIABILITY OF SUCH MEMBERS, OFFICERS AND EMPLOYEES IS RELEASED AS A CONDITION OF AND AS CONSIDERATION FOR THE ISSUANCE OF THIS NOTE.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the City to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Note, together with all other indebtedness of the City is within every debt and other limit prescribed by the constitution and the statutes of the Commonwealth of Pennsylvania and applicable to the City; and that the City has established with the Sinking Fund Depository a sinking fund for the Note and shall deposit therein amounts sufficient to pay the principal of and interest on the Note as the same shall become due and payable.

This Note is hereby declared to be a general obligation of the City. The City, in the Ordinance authorizing the issuance of the series of Notes of which this Note is one, has covenanted with the Noteholders of the Notes that the City will include the amount of the debt service charges on the Notes for each fiscal year in which such sums are payable, in its budget for that year, that it will appropriate such amounts to the payment of such debt service; and that it will duly and punctually pay or cause to be paid the principal of every 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 budgeting, appropriation and payment, the City has pledged its full faith, credit and taxing power. This covenant is specifically enforceable.

WAIVER OF TRIAL BY JURY. THE CITY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS,

STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE BANK TO ACCEPT THIS NOTE.

THE CITY HEREBY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY AT LAW AT ANY TIME OR TIMES TO APPEAR FOR THE CITY AND WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST THE CITY, IN ANY STATE OR FEDERAL COURT OF RECORD IN WESTMORELAND COUNTY, PENNSYLVANIA, AT ANY TIME AFTER ALL OR ANY PART OF THE OBLIGATIONS AND INDEBTEDNESS EVIDENCED BY THIS NOTE SHALL HAVE BECOME DUE, WHETHER BY LAPSE OF TIME, ACCELERATION, OR OTHERWISE, IN FAVOR OF BANK AND ITS SUCCESSORS AND ASSIGNS, FOR THE FULL AMOUNT THEN APPEARING DUE, TOGETHER WITH INTEREST, COSTS OF SUIT, AND REASONABNLE ATTORNEYS' FEES, BUT IN NO EVENT LESS THAN \$500.00, FOR COLLECTION OF SUCH SUMS, AND THEREUPON TO THE EXTENT PERMITTED BY LAW TO RELEASE ALL ERRORS AND WAIVE ALL RIGHTS TO APPEAL AND ANY STAY OF EXECUTION AND STAY, CONTINUANCE OR ADJOURNMENT OF SALE OF EXECUTION. THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST THE CITY SHALL SURVIVE ANY JUDGMENT, IT BEING UNDERSTOOD THAT SHOULD ANY JUDGMENT AGAINST THE CITY BE VACATED FOR ANY REASON, THE BANK MAY NEVERTHELESS UTILIZE THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IN THEREAFTER OBTAINING ONE OR MORE ADDITIONAL JUDGMENTS AGAINST THE CITY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by the true or facsimile signatures of the President or Vice President of the Council of the City and the Secretary of the Council of the City and has caused the facsimile of its seal to be printed hereon.

CITY OF JEANNETTE

By: _____
Mayor

[SEAL]

By: _____
Chief Clerk

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or other identifying number of assignee

Please print or typewrite name and address including postal zip code of transferee

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

Agent to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the Note, in every particular, without alteration or enlargement, or any change whatever.