

**CITY OF JEANNETTE  
WESTMORELAND COUNTY, PENNSYLVANIA**

Bill No. 88-15  
First Reading Approved: October 5, 1988  
Adopted Finally: October 19, 1988

ORDINANCE NO. 88-15

AN ORDINANCE OF THE CITY OF JEANNETTE AUTHORIZING THE EXECUTION AND DELIVERY OF A 1988 GUARANTY AGREEMENT BETWEEN THE CITY OF JEANNETTE AND THE CITY OF JEANNETTE MUNICIPAL AUTHORITY, AUTHORIZING THE ASSIGNMENT THEREOF, APPROVING THE CONSULTING ENGINEERS' COST ESTIMATE AND REPORT, AND AUTHORIZING THE EXECUTION AND FILING OF A DEBT STATEMENT AND APPROVAL REQUEST FOR SAID 1988 GUARANTY AGREEMENT WITH THE DEPARTMENT OF COMMUNITY AFFAIRS, AND AUTHORIZING THE RESCISSION AND TERMINATION OF THE AGREEMENT OF LEASE, DATED AS OF MARCH 1, 1963, BETWEEN THE CITY OF JEANNETTE AND THE CITY OF JEANNETTE MUNICIPAL AUTHORITY.

**WHEREAS**, the City of Jeannette Municipal Authority (the "Authority") has heretofore been ordered by the Pennsylvania Department of Environmental Resources ("Pa. DER") to expand, upgrade and improve its previously constructed Sewage Treatment Plant pursuant to a Consent Decree, and the Authority has heretofore undertaken the planning for construction of said additional facilities to expand and upgrade said Sewage Treatment Plant (hereinafter called the "1988 Sewage Treatment Plant Improvement Project"); and

**WHEREAS**, the Authority previously constructed its Sewage Treatment Plant and Sewer System, and leased it to the City pursuant to an Agreement of Lease, dated as of March 1, 1963 (the "Lease"), through the issuance of \$1,187,000 - Sewer Revenue Bonds, Series of 1963 (the "1963 Bonds"), and the Sewer System was subsequently improved by the separation of certain sanitary sewers from the existing storm sewer system of the City, by the issuance of \$285,000 - City of Jeannette, General Obligation Bonds, Series of 1974 (the "1974 Bonds"); and

**WHEREAS**, the Authority and the City have previously determined that the Authority should become an "Operating Authority", and in order for the Authority to operate in a responsible and efficient manner, it is necessary that the full responsibility and obligation to maintain and provide for the capital needs of the Sewage Treatment Plant and Sewer System be placed in the Authority; and

**WHEREAS**, the Authority has therefore determined to refund the presently outstanding Series of 1963 Bonds and Series of 1974 Bonds in order to rescind and terminate its aforementioned Lease with the City and thereby become an Operating Authority (the "1988 Refinancing Project"); and

**WHEREAS**, in order to accomplish the above-stated purposes, the Authority has determined to issue under a new 1988 Trust Indenture an initial series of bonds to be designated as the "City of Jeannette Municipal Authority, Guaranteed Sewer Revenue Bonds, Series of 1988" (hereinafter called the "Series of 1988 Bonds" and "Bonds" and "bonds"), in the aggregate principal amount of \$310,000; and

**WHEREAS**, the Authority has also determined that it is in its best interest to obtain the moneys to finance the construction of upgrading and expanding the Authority's Sewage Treatment Plant through interim construction financing and thence subsequently through long term permanent financing possibly through the Pennvest Program of the Commonwealth of Pennsylvania or through the issuance of an additional series of long term Guaranteed Sewer Revenue Bonds of the Authority; and

**WHEREAS**, in order to provide a guaranty security instrument for said aforementioned Series of 1988 Bonds, it is necessary for the City to enter into a 1988 Guaranty Agreement, to be dated as of November 15, 1988 (the "1988 Guaranty Agreement"), with the City of Jeannette Municipal Authority (the "Authority"); and

**WHEREAS**, in order to render said 1988 Guaranty Agreement effective as to the City of Jeannette Municipal Authority as "excluded self-liquidating lease rental debt", it will be necessary, pursuant to Section 106 of the Local Government Unit Debt Act, for the City and the Authority to approve and adopt the Consulting Engineers' Cost Estimate as set forth in "Exhibit A" attached hereto and the Consulting Engineers' Report submitted herewith.

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

**SECTION 1.** The City of Jeannette shall enter into a guaranty agreement with the City of Jeannette Municipal Authority substantially in the form of the 1988 Guaranty Agreement, to be dated as of November 15, 1988, presented to this meeting, which is hereby approved and made a part hereof by reference only and is on file with the City Clerk.

**SECTION 2.** The Mayor and President of City Council is hereby directed to execute, on behalf of the City, the guaranty agreement substantially in the form of the said 1988 Guaranty Agreement, which 1988 Guaranty Agreement when consummated shall be sealed and attested to by the City Clerk, and shall, after proper

filings and approvals, be "excluded self-liquidating lease rental debt" of the City of Jeannette to the extent initially of \$310,000 (the initial principal amount of the proposed Guaranteed Sewer Revenue Bonds, Series of 1988, of said Authority), as guaranteed by said 1988 Guaranty Agreement.

**SECTION 3.** The Mayor and President of City Council and the City Clerk are hereby further directed to prepare, execute and verify under oath a "Debt Statement" of the City of Jeannette in order to make effective the aforementioned 1988 Guaranty Agreement, and to submit the same, together with an executed "Application for Approval" and executed "Debt Statement", and executed "Borrowing Base Certificate" and executed "Self-Liquidating Debt Exclusion Certificate" for said 1988 Guaranty Agreement and the necessary filing fee to the Pennsylvania Department of Community Affairs pursuant to the Local Government Unit Debt Act as promptly as practicable. Upon approval by the Pennsylvania Department of Community Affairs, the approved "Self-Liquidating Debt Exclusion Certificate" shall be promptly filed with the Records of the City in accordance with the Local Government Unit Debt Act. The City Council also hereby approves and adopts the Consulting Engineers' Cost Estimate as set forth in "Exhibit A" attached hereto and the Consulting Engineers' Report submitted herewith. Said officers are also hereby further authorized and directed to perform all other acts and do all other things necessary to obtain said approvals and perfect such exclusion.

**SECTION 4.** The City Council of the City of Jeannette hereby further authorizes and directs that the Authority shall continue and complete the expansion and upgrading of its Sewage Treatment Plant pursuant to and in compliance with the aforementioned Consent Decree and in accordance with the Plans and Specifications and Reports previously provided by Gannett Fleming Environmental Engineers, Inc. of Pittsburgh, Pennsylvania, the Consulting Engineers for the Authority, and previously approved by the Pennsylvania Department of Environmental Resources, and the City Council further authorizes and directs that the Authority complete its 1988 Refinancing Project, thereby terminating the existing Lease between the City and the Authority and enabling the Authority to proceed as an Operating Authority, through the issuance of said aforementioned Series of 1988 Bonds, with said debt being secured by said 1988 Guaranty Agreement approved hereunder.

**SECTION 5.** The City Council hereby authorizes and directs the assignment by the Authority of its rights under said 1988 Guaranty Agreement to such assignee as shall be required in conjunction with the issuance of the aforementioned Series of 1988 Bonds.

**SECTION 6.** The City Council of the City of Jeannette has considered and determined that under the present market conditions it is in the best financial interests of the City and the Authority that said aforementioned Series of 1988 Bonds of the Authority be sold by the Authority to Scheetz, Smith & Co., Incorporated, at a private sale by negotiation.

**SECTION 7.** The proper and appropriate officers of the City are also hereby authorized and directed to perform any and all other acts necessary and proper to be done as required by the Local Government Unit Debt Act, as reenacted, amended and revised, in connection with the financing of the 1988 Refinancing Project of the Authority.

**SECTION 8.** The City, as Lessee, hereby further agrees to rescind and terminate the Agreement of Lease, dated as of March 1, 1963, with the Authority, as Lessor, simultaneously with the execution and delivery of the Authority's 1988 Trust Indenture, and the appropriate officers of the City are hereby authorized and directed to execute and deliver to the Authority an agreement of rescission and termination.

**SECTION 9.** All ordinances or resolutions or parts of ordinances or resolutions not in accordance with this Ordinance are hereby repealed insofar as they affect this Ordinance.

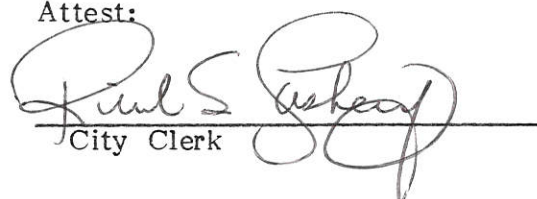
**SECTION 10.** This Ordinance shall take effect five (5) days after the second and final advertisement of its adoption.

**ORDAINED AND ENACTED** into law by the City Council of the City of Jeannette in lawful session assembled this October 19, 1988.

**CITY OF JEANNETTE**

(CITY SEAL)

Attest:

  
\_\_\_\_\_  
City Clerk

By   
\_\_\_\_\_  
Mayor and President of City Council

"EXHIBIT A"

CONSULTING ENGINEER'S COST ESTIMATE  
FOR  
1988 REFINANCING PROJECT

Amount of Series of 1963 Bonds to be Refinanced	\$324,000
Amount of Series of 1974 Bonds to be Refinanced	170,000
Legal	14,000
Printing Costs	3,500
Trustee	3,000
Bond Discount	10,500
Debt Service Reserve Fund Deposit	20,000
Miscellaneous	<u>5,000</u>
TOTAL	\$550,000
Less Authority Moneys on Hand	<u>-240,000</u>
TOTAL BOND ISSUE REQUIRED	\$310,000

GANNETT FLEMING ENVIRONMENTAL  
ENGINEERS, INC.

C E R T I F I C A T E

I, the undersigned, City Clerk of the City of Jeannette, Westmoreland County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said City which was duly and finally enacted by the affirmative vote of a majority of the members of the Governing Body of said City at a meeting thereof duly called and held on October 19, 1988, with said members voting in the following manner:

<u>Members of City Council</u>	<u>Vote</u>
Jeffry A. Pavetti, Mayor and President of City Council	_____
Carol Francese	_____
Glenn D. Hoak	_____
Don Shirer	_____
James F. Solomon	_____

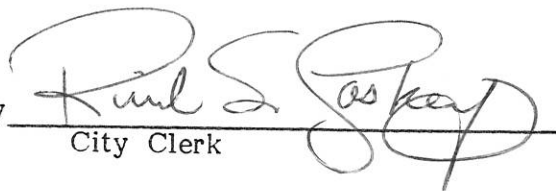
I hereby further certify that proper notices before and after its adoption were duly published, as required by law, in a newspaper of general circulation, published or circulating in the City, and that the same was duly recorded in the Ordinance Book of said City, and that said Ordinance has not been amended, modified or rescinded and is still in full force and effect.

**WITNESS** my hand and the seal of the City of Jeannette this October  
\_\_\_\_, 1988.

CITY OF JEANNETTE

(CITY SEAL)

By

  
\_\_\_\_\_  
City Clerk

**WHEREAS**, the Authority intends to permanently finance the 1988 Sewage Treatment Plant Improvement Project through the issuance of either Guaranteed Sewer Revenue Bonds in the open market or a Promissory Note/Bond to the Pennsylvania Infrastructure Investment Authority ("Pennvest"); and

**WHEREAS**, in order to secure to the Authority, the Trustee and the purchasers of the Series of 1988 Bonds the performance of the Authority's obligations described in the 1988 Trust Indenture with respect to the payment of the Series of 1988 Bonds in accordance with the true intent and meaning of the Series of 1988 Bonds, the City wishes to guarantee the payment of said Series of 1988 Bonds as and when due and to guarantee, at the request of the Authority, the payment of any and all of the Authority's subsequently issued Sewer Revenue Bonds or Promissory Note/Bond to Pennvest representing the intended permanent financing for the 1988 Sewage Treatment Plant Improvement Project; and

**WHEREAS**, such a guaranty of the City has induced the Authority and the Trustee to assume their respective obligations under the 1988 Trust Indenture, has induced the Registered Holders of the Series of 1988 Bonds to purchase the Series of 1988 Bonds, and has secured for the residents of the City the benefits of the Authority's 1988 Refinancing Project.

**NOW, THEREFORE**, in consideration of the covenants set forth herein, the benefits to the residents of the City to be obtained hereby, and the purchase of the Series of 1988 Bonds by the Registered Holders thereof, and intending to be legally bound hereby, the City hereby guarantees (a) the full and prompt payment of the principal and premium (if any) of each and every Series of 1988 Bond when and as the same shall become due and payable, whether at the stated maturity thereof, by acceleration, by call for redemption or otherwise, and (b) the full and prompt payment of the interest on each and every Series of 1988 Bond when and as the same shall become due and payable, to the extent that said principal and premium (if any) and interest are not paid as and when due and payable by the Authority. In furtherance of this guarantee, the City further agrees that in the event the Authority shall at any time withdraw from the Debt Service Reserve Fund, established and maintained under the Authority's 1988 Trust Indenture, any portion of or all of the moneys necessary to meet the payment of principal, premium (if any) and/or interest on the Series of 1988 Bonds and give written notice of the same to the City, then this 1988 Guaranty Agreement shall immediately be activated and the City pursuant hereto shall promptly within the following fiscal year of the City, in the manner hereinafter provided, budget, appropriate and pay to the Authority for deposit into and replenishment of said Debt Service Reserve Fund an amount of money equal to said moneys so withdrawn and expended by the Authority.

In furtherance thereof, the City covenants and agrees with the Authority, the Trustee, any successor trustee under the 1988 Trust Indenture, and the Registered Holders from time to time of the Series of 1988 Bonds issued and outstanding under the 1988 Trust Indenture that, if the Authority shall fail to pay the full amount of the principal or applicable premium (if any) at maturity or upon prior redemption and the interest, when and as the same shall become due and payable with respect to the Series of 1988 Bonds or shall pay any portion of or all of said principal, premium (if any) and/or interest on the Series of 1988 Bonds from moneys withdrawn from its Debt Service Reserve Fund established and maintained under its 1988 Trust Indenture, the City shall duly and punctually advance the moneys required to pay or cause to be paid

the principal, or premium (if any), as the case may be, of each and every Series of 1988 Bond and the interest thereon on the dates and at the places and in the manner stated in said Series of 1988 Bonds or shall, as hereinabove provided, pay or cause to be paid to the Authority within the City's following fiscal year the amount of money which is equal to the moneys so withdrawn by the Authority from its Debt Service Reserve Fund for the deposit into and replenishment of said Debt Service Reserve Fund, according to the true intent and meaning thereof. The City further represents and covenants to the Registered Holders from time to time of the Series of 1988 Bonds that it will (a) include the amounts payable in respect of this 1988 Guaranty Agreement, for each fiscal year in which such amounts shall be payable, in its general municipal budget for that year, (b) appropriate such amounts from its general revenues, and (c) promptly pay or cause the Authority to pay, in respect of this 1988 Guaranty Agreement, the full amount of the principal or applicable premium (if any) at maturity or upon prior redemption, and the interest, when and as the same shall become due and payable, at the times and places, under the conditions and in the manner prescribed in the 1988 Trust Indenture and in the Series of 1988 Bonds, or pay to the Authority the above required moneys for the prompt deposit into and replenishment of the Authority's Debt Service Reserve Fund as herein provided, according to the true intent and meaning thereof; and that the amounts so pledged are, and the amounts to be so budgeted, appropriated and paid will be, the amounts specified in the 1988 Trust Indenture (or if any of the Series of 1988 Bonds shall be redeemed prior to maturity, the premium (if any) specified in the 1988 Trust Indenture, in accordance with the provisions of the 1988 Trust Indenture), which will be sufficient for the payment or deposit of such amounts when due and payable. For such budgeting, appropriation and full and timely payment of said deficient debt service charges or deposits the City hereby pledges its full faith, credit and taxing power, including unlimited ad valorem taxes levied upon all property in the City taxable for municipal purposes, and other general revenues of the City available for such purposes. In furtherance of this guarantee, the City hereby irrevocably and unconditionally covenants and agrees to budget and make annual appropriations, when necessary, from the General Fund of the City, and to pay the same in a timely manner to the Authority to meet the guarantees hereunder of the City according to the true intent and meaning hereof. The City agrees that this covenant shall be specifically enforceable and intends that it be unlimited as to rate and amount. All payments by the City shall be paid in lawful money of the United States of America. Each and every default in payment of the principal or applicable premium (if any), or interest on, any Series of 1988 Bond or payment from the Authority's Debt Service Reserve Fund shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises. This 1988 Guaranty Agreement shall be specifically enforceable to the extent permitted by law, continuing in each fiscal year until every obligation created hereunder is paid in full in accordance with the terms hereof. This 1988 Guaranty Agreement is intended to be a contract of guaranty and not one of suretyship under the laws of the Commonwealth of Pennsylvania.

The Authority covenants and agrees with the City (and these covenants are specifically enforceable or in lieu thereof may be administered by the City) that it will not, without the prior written consent of the City, (i) make or consent to any alteration (including, without limitation, any extension of the time of payment of principal or interest or premium (if any) on the Series of 1988 Bonds, it being understood that a failure to take action to compel payment when due shall not be considered an extension of time) in the terms of the Series of 1988 Bonds or the 1988 Trust Indenture, (ii) fail, neglect or refuse to carry out its duties under the 1988 Trust Indenture,



except as specifically permitted by the 1988 Trust Indenture, (iii) fail, neglect or refuse to impose and promptly and diligently collect all anticipated sewer service charges in conjunction with its 1988 Sewage Treatment Plant Improvement Project, and (iv) adjust its sewer service rates, rents, tap charges, assessments, initial charges and surcharges in a manner unsatisfactory to the interests of the City, or its successors or assigns; provided, however, that any adjustment in such sewer service rates, rents, tap charges, assessments, initial charges and surcharges required to permit the Authority to comply with its obligations under the 1988 Trust Indenture shall be deemed satisfactory to the City.

In the event that the City shall make any payments under this 1988 Guaranty Agreement, the Authority covenants to repay to the City, as soon as practicable, from the net receipts and revenues of the Sewer System, as defined in the 1988 Trust Indenture, after adequate provision has been made for the payment of the current annual debt service requirements on all Bonds issued under the 1988 Trust Indenture and outstanding and the current expenses of said Sewer System, as and when due, all moneys previously paid or advanced by the City pursuant to this 1988 Guaranty Agreement.

The City covenants during the term of this 1988 Guaranty Agreement not to compete or grant permission or franchises to any other person to compete with the Sewer System and the sanitary sewage collection, transportation and treatment services rendered from time to time by the Authority. Furthermore, the City covenants, during the entire term of this 1988 Guaranty Agreement, to require every owner of property in the City of Jeannette whose property abuts upon any public sanitary or combined sewer presently in existence or to be constructed in the future by the City or the Authority to connect to the Sewer System.

Furthermore, the City covenants to guarantee, at the request of the Authority, and at the appropriate time and in the same manner as stated above for the Series of 1988 Bonds, any and all subsequent Sewer Revenue Bonds or Pennvest loans representing the permanent financing of the 1988 Sewage Treatment Plant Improvement Project.

Finally, the City assigns and allocates to the Authority (as a subordinate entity of the City) a \$310,000 portion of the governmental bond limitation (represented by the Authority's above referenced Series of 1988 Bonds) of the City's 1988 small-issuer exception to the rebate requirements for governmental units with taxing powers issuing Five Million Dollars or less of bonds in a calendar year, pursuant to and in compliance with the provisions of Section 148(c) of the 1986 Internal Revenue Code, as amended.

The obligations herein contained of the parties hereto shall inure to the benefit of and shall be binding upon the respective successors of the parties hereto. The City hereby consents and agrees to pay directly to Pittsburgh National Bank, and its successors, as the Trustee under the 1988 Trust Indenture aforementioned, as the assignee of the Authority's right, title and interest in and to this 1988 Guaranty Agreement, any moneys paid hereunder by the City.

**IN WITNESS WHEREOF**, the **CITY OF JEANNETTE** has caused this 1988 Guaranty Agreement to be executed by its Mayor and President of City Council and its corporate seal to be impressed hereon and attested by its City Clerk, and the **CITY OF JEANNETTE MUNICIPAL AUTHORITY** has caused this 1988 Guaranty Agreement to be executed on its behalf by its Chairman or its Vice Chairman and its corporate seal to be impressed hereon and attested by its Secretary or its Assistant Secretary, all as of the date first above-written, but actually on this November 15, 1988.

(CITY SEAL)

**CITY OF JEANNETTE**

Attest:

By \_\_\_\_\_  
Mayor and President of City Council

\_\_\_\_\_  
City Clerk

**CITY OF JEANNETTE MUNICIPAL AUTHORITY**

(AUTHORITY SEAL)

Attest:

By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

ASSIGNMENT

**KNOW ALL MEN BY THESE PRESENTS** that, for and in consideration of the sum of One Dollar (\$1.00), lawful money of the United States of America, paid to **CITY OF JEANNETTE MUNICIPAL AUTHORITY** by **PITTSBURGH NATIONAL BANK**, as the Trustee under the 1988 Trust Indenture, dated as of November 15, 1988, with said Authority, the receipt of which is hereby acknowledged, and in implementation of said Authority's obligations under said 1988 Trust Indenture, said Authority has assigned, transferred, set over and pledged, unto Pittsburgh National Bank, as said Trustee as aforesaid, all its right, title and interest in, to and under the foregoing 1988 Guaranty Agreement and in and to any moneys payable by the City of Jeannette to said Authority thereunder.

City of Jeannette Municipal Authority hereby directs the said City, which is a party to said 1988 Guaranty Agreement, to pay directly to Pittsburgh National Bank, as said Trustee as aforesaid, all moneys payable under said 1988 Guaranty Agreement by said City to said Authority.

By accepting this Assignment, Pittsburgh National Bank, as said Trustee as aforesaid, covenants and agrees that it will not, without the prior written consent of said City, (i) make or consent to any alteration (including, without limitation, any extension of the time of payment of principal or interest or premium (if any) on the Series of 1988 Bonds issued under said 1988 Trust Indenture, it being understood that a failure to take action to compel payment when due shall not be considered an extension of time) in the terms of said 1988 Trust Indenture or the Series of 1988 Bonds issued thereunder, (ii) make any advances or loans to said Authority after the happening of an Event of Default, as defined in said 1988 Trust Indenture, or (iii) fail, neglect or refuse to carry out its duties as Trustee under said 1988 Trust Indenture, except as specifically permitted by said 1988 Trust Indenture.

**IN WITNESS WHEREOF, CITY OF JEANNETTE MUNICIPAL AUTHORITY** has caused this Assignment to be executed on its behalf by its Chairman or Vice Chairman and its corporate seal to be hereunto affixed and attested by its Secretary or Assistant Secretary, and **PITTSBURGH NATIONAL BANK** has caused this Assignment to be accepted on its behalf by one of its Vice Presidents or one of its Trust Officers, and its Bank Seal to be impressed hereon and attested by one of its Authorized Officers, all on this November 15, 1988.

**CITY OF JEANNETTE MUNICIPAL  
AUTHORITY**

(AUTHORITY SEAL)

Attest:

By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

Accepted on this November 15, 1988.

**PITTSBURGH NATIONAL BANK**, as Trustee

By \_\_\_\_\_  
Vice President

**CITY OF JEANNETTE  
(WESTMORELAND COUNTY, PENNSYLVANIA)**

**CONSULTING ENGINEER'S REPORT UNDER  
SECTIONS 106 AND 206 OF THE  
LOCAL GOVERNMENT UNIT DEBT ACT  
FOR THE 1988 REFINANCING PROJECT OF  
CITY OF JEANNETTE MUNICIPAL AUTHORITY**

We, **GANNETT FLEMING ENVIRONMENTAL ENGINEERS, INC.**, are the duly appointed, qualified and acting Consulting Engineers for City of Jeannette Municipal Authority (hereinafter called the "Authority") which heretofore acquired and constructed certain sanitary sewage collection, transportation and treatment facilities (collectively, called the "Sewage Treatment Plant" and the "Sewer System") serving the City of Jeannette and certain areas in adjacent municipalities, all located in Westmoreland County, Pennsylvania, and which previously leased said Sewage Treatment Plant and said Sewer System to the City of Jeannette (hereinafter called the "City").

In order to finance the cost of the prior acquisition and construction of the original Sewage Treatment Plant and the Sewer System, the Authority previously issued \$1,187,000, principal amount, of its old Sewer Revenue Bonds, Series of 1963, dated as of March 1, 1963 (the "1963 Bonds"), under a Trust Indenture, dated as of March 1, 1963 (the "1963 Indenture"), between the Authority and Pittsburgh National Bank, as the 1963 Trustee, of which \$324,000, principal amount, of the 1963 Bonds presently remain outstanding.

The Authority previously entered into an Agreement of Lease, dated as of March 1, 1963 (the "Lease"), with the City pursuant to which the Authority leased the Sewage Treatment Plant and the Sewer System to the City, and the City previously agreed, among other things, to pay the Authority semi-annual lease rentals for furnishing sewage collection, transportation and treatment services to the City and its customers.

The Authority and the City previously determined that it was necessary to construct certain improvements and additions to the Sewer System, and the Sewer System was subsequently improved by the separation of certain sanitary sewers from the existing storm sewer system of the City, which was financed by the issuance of \$285,000 - City of Jeannette, General Obligation Bonds, Series of 1974 (the "1974 Bonds"), of which \$170,000, principal amount, of the 1974 Bonds presently remain outstanding.

The Authority and the City have determined that the Authority should become an "Operating Authority", and in order for the Authority to operate in a responsible and efficient manner, it is necessary that the full authority, responsibility and obligation to maintain and provide for the capital needs and operation of the Sewage Treatment Plant and the Sewer System be placed in the Authority.

The Authority and the City have determined that it is necessary to release, cancel and discharge the 1963 Indenture and provide for the current refunding of its 1963 Bonds, and in order to obtain funds to long term permanently finance said current refunding of the 1963 Bonds and the current refunding of the City's 1974 Bonds, the Authority will finance the same through the issuance of \$310,000, principal amount, of its Guaranteed Sewer Revenue Bonds, Series of 1988, dated as of November 15, 1988 (the "1988 Bonds"), under its new 1988 Trust Indenture, dated as of November 15, 1988 (the "1988 Indenture"), between the Authority and Pittsburgh National Bank, as Trustee.

The Authority, under the 1988 Trust Indenture and through the issuance of its 1988 Bonds, will obtain the release, cancel and discharge the 1963 Indenture and provide for the current refunding of all of its outstanding 1963 Bonds and the current refunding of all of the City's outstanding Series of 1974 Bonds (hereinafter referred to as the "1988 Refinancing Project"). Pursuant to and in accordance with the provisions of Sections 106 and 206 of Act No. 1978-52 of the Commonwealth of Pennsylvania, entitled the "Local Government Unit Debt Act" (as reenacted, amended and revised), to obtain the approval for the exclusion of self-liquidating Lease Rental Debt of the City of Jeannette for City of Jeannette Municipal Authority's proposed Series of 1988 Bonds in the total amount of \$310,000, as guaranteed by the 1988 Guaranty Agreement, dated as of November 15, 1988 (the "1988 Guaranty Agreement"), between the Authority and the City, we hereby report and certify to the following:

- (i) The estimated cost of the 1988 Refinancing Project of \$310,000 is shown on the attached Schedule "A".
- (ii) The total principal amount of the proposed \$310,000 Guaranteed Sewer Revenue Bonds, Series of 1988, including the dates, interest rates and amounts of each stated maturity thereof, along with the estimated amount of Annual Debt Service for each year during the life of said bond issue, is set forth in Schedule "B" included herewith.
- (iii) The estimated date of completion of the 1988 Refinancing Project is on or before November 20, 1988.
- (iv) The estimated net sewer revenues of the Authority for each year of the proposed Series of 1988 Bonds, together with calculations showing that said net revenues will be sufficient in each year to pay the Debt Service required, are set forth in Schedule "C" included herewith.
- (v) We, the undersigned Consulting Engineers, hereby certify that the said net sewer revenues set forth in said Schedule "C" attached hereto have been computed from our best estimates of the gross sewer revenues to be obtained from the rates and charges established and to be established for the use of the City of Jeannette Municipal Authority's Sewage Treatment Plant and Sewer System, and by deducting from such gross revenues, in each year, the total estimated cost of operation and maintenance chargeable against such revenues, which computations have been based on assumptions deemed reasonable for such purpose by us.

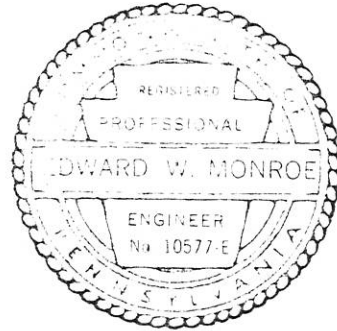
- (vi) We, the undersigned Consulting Engineers, further certify that we were and are qualified to act with such regard to the City of Jeannette Municipal Authority's Sewage Treatment Plant and Sewer System as so financed, such qualifications being based upon our experience record as set forth in Schedule "D" included herewith with regard to sewerage projects of a similar nature.

**GANNETT FLEMING ENVIRONMENTAL  
ENGINEERS, INC.,** Consulting Engineers

By Edward W. Monroe  
Edward W. Monroe, P.E.

(Registered Professional Engineer's  
Seal)

October 13, 1988



SCHEDULE "A"

CITY OF JEANNETTE MUNICIPAL AUTHORITY  
(Westmoreland County, Pennsylvania)

CONSULTING ENGINEER'S COST ESTIMATE  
FOR  
1988 REFINANCING PROJECT

Amount of Series of 1963 Bonds to be Refinanced	\$324,000
Amount of City's Series of 1974 Bonds to be Refinanced	170,000
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TOTAL	\$550,000
Less Authority Moneys on Hand	<u>-240,000</u>
TOTAL BOND ISSUE REQUIRED	\$310,000

GANNETT FLEMING ENVIRONMENTAL  
ENGINEERS, INC.

*Edward W. Monroe*





SCHEDULE "B"

**GUARANTEED DEBT SERVICE PAYMENTS**

	PERIOD ENDING	PRINCIPAL	ANNUAL RATE	INTEREST	TOTAL
1	11/15/89	5,000.00*	7.250	25,550.00	30,550.00
2	11/15/90	5,000.00*	7.250	25,187.50	30,187.50
3	11/15/91	10,000.00*	7.250	24,825.00	34,825.00
4	11/15/92	10,000.00*	7.250	24,100.00	34,100.00
5	11/15/93	10,000.00	7.250	23,375.00	33,375.00
6	11/15/94	10,000.00*	7.750	22,650.00	32,650.00
7	11/15/95	10,000.00*	7.750	21,875.00	31,875.00
8	11/15/96	10,000.00*	7.750	21,100.00	31,100.00
9	11/15/97	10,000.00*	7.750	20,325.00	30,325.00
10	11/15/98	15,000.00	7.750	19,550.00	34,550.00
11	11/15/99	15,000.00*	8.250	18,387.50	33,387.50
12	11/15/00	15,000.00*	8.250	17,150.00	32,150.00
13	11/15/01	15,000.00*	8.250	15,912.50	30,912.50
14	11/15/02	20,000.00*	8.250	14,675.00	34,675.00
15	11/15/03	20,000.00	8.250	13,025.00	33,025.00
16	11/15/04	20,000.00*	8.750	11,375.00	31,375.00
17	11/15/05	25,000.00*	8.750	9,625.00	34,625.00
18	11/15/06	25,000.00*	8.750	7,437.50	32,437.50
19	11/15/07	30,000.00*	8.750	5,250.00	35,250.00
20	11/15/08	30,000.00	8.750	2,625.00	32,625.00
		=====		=====	=====
TOTAL		310,000.00		344,000.00	654,000.00

\*Subject to Mandatory Sinking Fund Redemption

SCHEDULE "C"

CITY OF JEANNETTE MUNICIPAL AUTHORITY  
ESTIMATED FUTURE ANNUAL SEWAGE TREATMENT PLANT  
AND SEWER SYSTEM NET REVENUES AND EXPENSES

	Year Ending December 31				1992 and Thereafter to 2008
<u>Revenues</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	
State Subsidy	\$ 18,700	\$ 18,700	\$ 18,700	\$ 46,200	\$ 46,200
Sewer Rentals					
City of Jeannette	965,500	967,600	969,200	970,800	972,400
Penn Borough	21,300	32,200	32,200	32,200	32,200
Hempfield Township	22,600	42,500	42,500	42,500	42,500
Unterberger Trailers	11,000	12,500	12,600	12,600	12,600
Penn Township	5,700	8,600	8,700	8,700	8,700
	<u>\$1,044,800</u>	<u>\$1,082,100</u>	<u>\$1,083,900</u>	<u>\$1,113,000</u>	<u>\$1,114,600</u>
Gross Sewer System Revenue					
<u>Expenses</u>					
Administration	100,100	94,200	98,000	100,000	100,000
Operating	563,800	552,400	585,000	600,000	600,000
Total Operating & Administration Expenses	663,900	646,600	683,000	700,000	700,000
Net Revenue Available for Debt Service & Coverage	380,900	435,500	400,900	413,000	414,600
Debt Service & Coverage	81,933 <sup>(1)</sup>	289,847 <sup>(2)</sup>	289,847 <sup>(2)</sup>	289,847 <sup>(2)</sup>	289,847 <sup>(2)</sup>
Transfer to Surplus Fund	298,967	145,653	111,053	123,153	124,753

(1) Includes 45 days of 1988 Refinancing Bond Issue.

(2) Includes proposed bond issue for financing System Improvements.

**SCHEDULE "D"**

**CITY OF JEANNETTE MUNICIPAL AUTHORITY  
CERTIFICATE OF CONSULTING ENGINEER  
AS TO QUALIFICATIONS IN  
COMPLIANCE WITH LOCAL GOVERNMENT UNIT DEBT ACT**

We, Gannett Fleming Environmental Engineers, Inc., do hereby certify that the principals comprising this firm of Consulting Engineers, which specializes in the field of Sanitary Engineering, have been in actual practice for over 70 years, have represented over 150 municipalities and authorities, as well as private industries, have furnished engineering services for over 5,000 sanitary sewerage projects, and are qualified to furnish engineering services for the existing sewerage facilities and the sanitary sewerage project to be financed by the City of Jeannette Municipal Authority.

WITNESS the due execution hereof this 13th day of October, 1988.

**GANNETT FLEMING ENVIRONMENTAL  
ENGINEERS, INC.**

By Edward W. Monroe  
Edward W. Monroe, P.E.

(Registered Professional Engineer's  
Seal)

Subscribed and sworn to before me  
this 13th day of October, 1988.

Thomas S. Lynch  
Notary Public

NOTARIAL SEAL  
THOMAS S. LYNCH, NOTARY PUBLIC  
PITTSBURGH, ALLEGHENY COUNTY  
MY COMMISSION EXPIRES MAY 20, 1991

Member, Pennsylvania Association of Notaries



## CITY OF JEANNETTE MUNICIPAL AUTHORITY

### 1988 GUARANTY AGREEMENT

**1988 GUARANTY AGREEMENT**, dated as of November 15, 1988, between the **CITY OF JEANNETTE** (the "City"), a third class city organized and existing under the laws of the Commonwealth of Pennsylvania and situated in the County of Westmoreland in said Commonwealth, and **CITY OF JEANNETTE MUNICIPAL AUTHORITY** (the "Authority"), a body corporate and politic, organized and existing under the laws of the Commonwealth of Pennsylvania, having its principal office in the City of Jeannette and County of Westmoreland in said Commonwealth.

**WHEREAS**, the Authority previously constructed its Sewage Treatment Plant and Sewer System (collectively, herein sometimes referred to as its "Sewer System"), and leased it to the City pursuant to an Agreement of Lease, dated as of March 1, 1963 (the "Lease"), through the prior issuance of \$1,187,000 - Sewer Revenue Bonds, Series of 1963 (the "1963 Bonds"), and the Sewer System was subsequently improved by the separation of certain sanitary sewers from the existing storm sewer system of the City through the prior issuance of \$285,000 - City of Jeannette, General Obligation Bonds, Series of 1974 (the "1974 Bonds"); and

**WHEREAS**, the Authority and the City have determined that the Authority should become an "Operating Authority", and in order for the Authority to operate in a responsible and efficient manner, it is necessary that the full responsibility and obligation to maintain and provide for the capital needs of the Sewage Treatment Plant and Sewer System be placed in the Authority; and

**WHEREAS**, the Authority has determined to refund the presently outstanding Series of 1963 Bonds and Series of 1974 Bonds in order to terminate its Lease with the City and thereby become an "Operating Authority" (the "1988 Refinancing Project"); and

**WHEREAS**, in order to accomplish the above, the Authority has determined to issue pursuant to its 1988 Trust Indenture, dated as of November 15, 1988 (the "1988 Trust Indenture"), a new series of bonds to be designated as "City of Jeannette Municipal Authority, Guaranteed Sewer Revenue Bonds, Series of 1988" (hereinafter called the "Series of 1988 Bonds" and "Bonds" and "bonds"), limited to the aggregate principal amount of \$310,000; and

**WHEREAS**, the Authority will operate and maintain the Sewer System for the benefit of the City of Jeannette, and other adjacent areas, during the term of the Series of 1988 Bonds, and will levy upon and collect assessments and initial and monthly user charges from customers benefited by and using the Sewer System in amounts sufficient to pay the principal of and the interest and premium (if any) on the Series of 1988 Bonds and all other bonds subsequently issued under the 1988 Trust Indenture; and

**WHEREAS**, the Authority has heretofore been ordered by the Pennsylvania Department of Environmental Resources ("Pa. DER") to expand, upgrade and improve its previously constructed Sewage Treatment Plant pursuant to a Consent Decree, and the Authority has heretofore undertaken the planning for construction of said additional facilities to expand and upgrade the Sewage Treatment Plant (hereinafter called the "1988 Sewage Treatment Plant Improvement Project"); and

**APPLICATION FOR APPROVAL**

In the Matter of the Proposed Increase of Indebtedness in  
Accordance with the Provisions of the  
Local Government Unit Debt Act

To

**THE DEPARTMENT OF COMMUNITY AFFAIRS  
HARRISBURG, PENNSYLVANIA**

---

**CITY OF JEANNETTE**  
Westmoreland County, Pennsylvania

Proposed Increase in the Sum of  
\$310,000  
as Excluded Self-Liquidating Lease Rental Debt

---

The undersigned duly authorized officers of the City of Jeannette, Westmoreland County, Pennsylvania, herewith make application pursuant to Section 411 of the Local Government Unit Debt Act for approval of the incurring of the aforementioned debt.

This debt in the total amount of \$310,000 will be incurred by the City of Jeannette, as Lease Rental Debt in conjunction with the execution and delivery of the 1988 Guaranty Agreement, dated as of November 15, 1988, for reference purposes only, by and between the City of Jeannette and the City of Jeannette Municipal Authority (the "Authority"), which has been assigned as security for the issuance of \$310,000 of said Authority's Guaranteed Sewer Revenue Bonds, Series of 1988, under and pursuant to its 1988 Trust Indenture, dated as of November 15, 1988, with Pittsburgh National Bank, as the Trustee.

The Guaranteed Sewer Revenue Bonds, Series of 1988, of said Authority in the total amount of \$310,000, which are supported by the aforementioned 1988 Guaranty Agreement, are at the interest rates and shall mature in the years as set forth in the maturity schedule attached hereto in "Exhibit 1", and are being issued to current refund its existing old Series of 1963 Bonds (previously issued in 1963 before the adoption of the Local Government Unit Debt Act) in order to terminate a Lease Agreement, dated as of March 1, 1963, between the City of Jeannette and said Authority, and to current refund the City of Jeannette, General Obligation Bonds, Series of 1974, in each case, in order to eliminate certain covenants and restrictions in each of said existing bond issues which have been previously determined by the City of Jeannette and said Authority to be unduly burdensome and restrictive, all in compliance with Section 1101(3) of the Local Government Unit Debt Act.

The complete transcript of the proceedings which are herewith submitted by overnight courier service in lieu of certified mail, return receipt requested, in support of this Application for Approval consists of the following:

1. Certified copy of Ordinance No. 88-15 authorizing the execution and delivery of the 1988 Guaranty Agreement and this Application and approving the Consulting Engineer's Report and Cost Estimate and the "Self-Liquidating Debt Exclusion Certificate".
2. Proofs of Publication of said Ordinance No. 88-15:
  - a. Notice of Proposed Adoption.
  - b. Notice of Final Enactment.
3. Copy of the Consulting Engineer's Report.
4. Copy of the Bond Purchase Proposal to the Authority from Scheetz, Smith & Co., Incorporated.

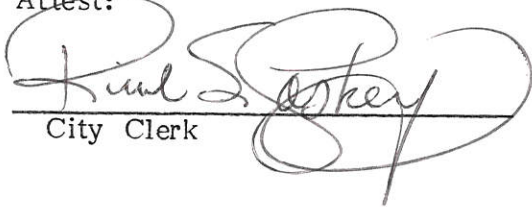
5. Unexecuted counterparts of the 1988 Guaranty Agreement.
6. Debt Statement (including "Exhibit A" and "Exhibit B").
7. Self-Liquidating Debt Exclusion Certificate ("Exhibit C").
8. Filing fee in the required amount.

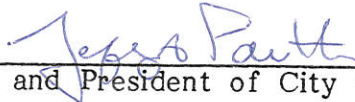
IN WITNESS WHEREOF, we **JEFFRY A. PAVETTI**, Mayor and President of City Council, and **RICHARD S. LASKEY**, City Clerk, of the City of Jeannette, Westmoreland County, Pennsylvania, have hereunto set our hands and affixed the corporate seal of the City of Jeannette this 19th day of October, 1988.

CITY OF JEANNETTE

(CITY SEAL)

Attest:

  
\_\_\_\_\_  
City Clerk

By   
\_\_\_\_\_  
Mayor and President of City Council

"EXHIBIT 1"

CITY OF JEANNETTE MUNICIPAL AUTHORITY

\$310,000  
GUARANTEED SEWER REVENUE BONDS,  
SERIES OF 1988

Dated as of November 15, 1988

Denominations - \$5,000 and integral multiples thereof

MATURITY SCHEDULE

<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity (November 15)</u>
\$ 40,000	7.25%	1993
55,000	7.75%	1998
85,000	8.25%	2003
130,000	8.75%	2008

Average Annual Debt Service - \$32,700.00

DEBT SERVICE SCHEDULE

	<u>PERIOD ENDING</u>	<u>PRINCIPAL</u>	<u>ANNUAL RATE</u>	<u>INTEREST</u>	<u>TOTAL</u>
1	11/15/89	5,000.00*	7.250	25,550.00	30,550.00
2	11/15/90	5,000.00*	7.250	25,187.50	30,187.50
3	11/15/91	10,000.00*	7.250	24,825.00	34,825.00
4	11/15/92	10,000.00*	7.250	24,100.00	34,100.00
5	11/15/93	10,000.00	7.250	23,375.00	33,375.00
6	11/15/94	10,000.00*	7.750	22,650.00	32,650.00
7	11/15/95	10,000.00*	7.750	21,875.00	31,875.00
8	11/15/96	10,000.00*	7.750	21,100.00	31,100.00
9	11/15/97	10,000.00*	7.750	20,325.00	30,325.00
10	11/15/98	15,000.00	7.750	19,550.00	34,550.00
11	11/15/99	15,000.00*	8.250	18,387.50	33,387.50
12	11/15/00	15,000.00*	8.250	17,150.00	32,150.00
13	11/15/01	15,000.00*	8.250	15,912.50	30,912.50
14	11/15/02	20,000.00*	8.250	14,675.00	34,675.00
15	11/15/03	20,000.00	8.250	13,025.00	33,025.00
16	11/15/04	20,000.00*	8.750	11,375.00	31,375.00
17	11/15/05	25,000.00*	8.750	9,625.00	34,625.00
18	11/15/06	25,000.00*	8.750	7,437.50	32,437.50
19	11/15/07	30,000.00*	8.750	5,250.00	35,250.00
20	11/15/08	30,000.00	8.750	2,625.00	32,625.00
TOTAL		===== 310,000.00		===== 344,000.00	===== 654,000.00

\*Subject to Mandatory Sinking Fund Redemption

**DEBT STATEMENT**

In the Matter of the Proposed Increase of Indebtedness in  
Accordance with the Provisions of the  
Local Government Unit Debt Act

To

**THE DEPARTMENT OF COMMUNITY AFFAIRS  
HARRISBURG, PENNSYLVANIA**

---

**CITY OF JEANNETTE**

Westmoreland County, Pennsylvania

Proposed Increase in the Sum of  
\$310,000  
as Excluded Self-Liquidating Lease Rental Debt

---

The undersigned duly authorized officers of the City of Jeannette, Westmoreland County, Pennsylvania, a third class city under the law, being duly sworn according to law, depose and say that for the City of Jeannette:

(1) The gross nonelectoral indebtedness is \$887,000, and the gross lease rental debt is \$1,710,000, both as set forth in the "Debt Statement Computation" attached hereto and made a part hereof as "Exhibit A".

(2) The total claimed credits and exclusions from such gross nonelectoral indebtedness is \$0.00, and the total claimed credits and exclusions from such gross lease rental indebtedness is \$1,710,000, both as itemized and set forth also in the "Debt Statement Computation" attached hereto and made a part hereof as "Exhibit A".

(3) The remaining net nonelectoral debt available is \$5,632,960 and the remaining net nonelectoral and lease rental debt available is \$8,240,944, as calculated and set forth also in the "Debt Statement Computation" attached hereto and made a part hereof as "Exhibit A" and as supported by the "Borrowing Base Certificate" that is also attached hereto and made a part hereof as "Exhibit B".

(4) The aggregate principal amount of Guaranteed Sewer Revenue Bonds, Series of 1988, to be issued and entered into by the City of Jeannette Municipal Authority and to be supported by the 1988 Guaranty Agreement, dated as of November 15, 1988, for reference purposes only, entered into by said Authority and the City is \$310,000.

(5) The total amount of the aforementioned \$310,000 Guaranteed Sewer Revenue Bonds, Series of 1988, of said Authority, as supported by said 1988 Guaranty Agreement with the City, which is to be excluded as self-liquidating lease rental debt of the City is \$310,000, and the amount which constitutes new net lease rental debt (not excluded) is \$0.00.

(6) Therefore, after the guarantee by the City and issuance of the aforementioned Series of 1988 Bonds by City of Jeannette Municipal Authority, there shall be outstanding net nonelectoral debt of the City of \$887,000, and net nonelectoral and net lease rental debt of the City of \$887,000.

(7) The Borrowing Base is \$2,607,984, as calculated and set forth in the "Borrowing Base Certificate" attached hereto and made a part hereof as "Exhibit B".

(8) The nonelectoral debt limit is \$6,519,960, and the nonelectoral plus lease rental debt limit is \$9,127,944, both as calculated and set forth in the "Debt Statement Computation" attached hereto and made a part hereof as "Exhibit A".



IN WITNESS WHEREOF, we JEFFRY A. PAVETTI, Mayor and President of City Council, and RICHARD S. LASKEY, City Clerk, of the City of Jeannette, Westmoreland County, Pennsylvania, have hereunto set our hands and affixed the seal of the City of Jeannette this 19th day of October, 1988.

CITY OF JEANNETTE

(CITY SEAL)

By Jeffrey A. Pavetti  
Mayor and President of City Council

Attest:

Richard S. Laskey  
City Clerk

Sworn to as being true and correct as they verily believe and subscribed before me, a Notary Public, this 19th day of October, 1988.

\_\_\_\_\_  
Notary Public

(N. P. SEAL)

My Commission Expires:

**EXHIBIT A**

**CITY OF JEANNETTE**

Westmoreland County, Pennsylvania

**DEBT STATEMENT COMPUTATION  
FOR (a) EXISTING NET NONELECTORAL DEBT AND  
(b) NET NONELECTORAL PLUS NET LEASE RENTAL DEBT  
PURSUANT TO SECTION 208 OF THE  
LOCAL GOVERNMENT UNIT DEBT ACT**

**A. Gross principal amount of all incurred debt:**

**1. General Obligation Bond Issues:**

	<u>Amount Outstanding</u>	
<b>a. Electoral</b>		
(i)	\$ _____	
(ii)	\$ _____	
(iii)	\$ _____	
		\$ _____ -0-
<b>b. Nonelectoral (not including Tax Anticipation Notes)</b>		
(i) 1973 General Obligation Bonds, dated April 15, 1973 (\$120,000)	\$ _____ 92,000 (a)	
(ii) 1974 General Obligation Bonds, dated July 15, 1974 (\$285,000)	\$ _____ 170,000 (b)	
(iii) 1978 General Obligation Bonds, dated December 1, 1978 (\$895,000)	\$ _____ 505,000 (c)	
(iv) 1987 General Obligation Note (\$150,000)	\$ _____ 120,000 (d)	
		\$ _____ 887,000

**2. Authority (Agreement of Lease or Service Agreement or Purchase Agreement)**

<b>a. Water</b>	\$ _____	
<b>b. Sewer</b>	\$ _____	
<b>c. Other</b> Parking Authority of the City of Jeannette, Guaranteed Parking Revenue Bonds, Series of 1978	\$ _____ 1,710,000 ** (e)	
<b>d. School</b>		
(i)	\$ _____	
(ii)	\$ _____	
(iii)	\$ _____	
<b>e. School - Special</b>	\$ _____	
<b>f. School - Vo-Tech</b>	\$ _____	
		\$ _____ 1,710,000
<b>3. Capital Improvement Loans</b>		\$ _____ -0-

Total gross principal amount of all incurred debt		\$ 2,597,000
Less (a) gross incurred electoral debt		\$ -0-
(b) gross incurred lease rental debt		\$ 1,710,000
<b>GROSS NONELECTORAL DEBT</b>		\$ 887,000

	<u>Nonelectoral</u>	<u>Lease Rental</u>
<b>B. Gross debt</b>	\$ 887,000	\$ 1,710,000
Less: (1) All funds in sinking funds, reserve funds or accounts, and net bond proceeds	\$ _____	\$ _____
(2) Current appropriations for payment of principal and overdue interest and net lease rentals	\$ _____	\$ _____
(3) Uncollected amounts of assessments to extent available for the payment of the principal amount of the debt	\$ _____	\$ _____
(4) Delinquent taxes and other municipal liens*	\$ _____	\$ _____
(5) Self-liquidating and subsidized debt	\$ _____	\$ 1,710,000
(6) Surplus cash not specifically appropriated*	\$ _____	\$ _____
(7) Other solvent debts*	\$ _____	\$ _____
(8) Indemnifying insurance coverage in connection with debt**	\$ _____	\$ _____
Total deductions	\$ -0-	\$ 1,710,000
Net Debt (Gross Debt less Credits)	\$ 887,000	\$ -0-
		\$ 887,000
<b>NET NONELECTORAL AND LEASE RENTAL DEBT</b>		\$ 887,000

\*To be applied first to nonelectoral debt, any excess then to lease rental debt.

\*\*To be applied exclusively to nonelectoral debt.

- (a) This Nonelectoral Debt was approved \_\_\_\_\_, 1973 - Approval No. 8644. (According to the City of Jeannette this is the correct balance - please adjust your records to reflect the same).
- (b) This Nonelectoral Debt was approved July 29, 1974 - Approval No. 8766.
- (c) This Nonelectoral Debt was approved \_\_\_\_\_, 1978 - Approval No. 9139.
- (d) This Nonelectoral Debt was approved \_\_\_\_\_, 1987 - Approval No. S-7402.
- (e) This Lease Rental Debt was approved \_\_\_\_\_, 1978 - Approval No. LRA-887 and excluded as self-liquidating on \_\_\_\_\_, 1978, No. E-548. In compliance with Sections 206(b) and 410(b) of the Local Government Unit Debt Act, it is hereby certified that no decreases (other than decreases resulting from the payment of said bonds in accordance with their terms as duly reflected therein) or increases in the amount to be excluded as required by any changes of circumstances, and since there have been no such changes, the principal amounts (as reduced by payments heretofore made to date on said bonds as stipulated above) of the excluded self-liquidating debt as previously approved by the Pennsylvania Department of Community Affairs as set forth in this Note (e) shall continue to be excluded as self-liquidating debt. (According to the Trustee, Pittsburgh National Bank, this is the correct balance - please adjust your records to reflect the same. Enclosed is a printout of the principal outstanding for these Series of 1978 Bonds.

**NET NONELECTORAL DEBT**

Net Nonelectoral Debt Limitation:

$\frac{\$ 2,607,984}{\text{"Borrowing Base"}} \times 250\% =$  \$ 6,519,960

Less Existing Net Nonelectoral Debt \$ 887,000

**REMAINING NET NONELECTORAL DEBT  
AVAILABLE:** \$ 5,632,960

\* \* \* \* \*

**NET NONELECTORAL DEBT PLUS  
NET LEASE RENTAL DEBT**

Net Nonelectoral Debt Plus Net Lease Rental Debt Limitation:

$\frac{\$ 2,607,984}{\text{"Borrowing Base"}} \times 350\% =$  \$ 9,127,944

Less Existing Net Nonelectoral and Lease  
Rental Debt \$ 887,000

**REMAINING NET NONELECTORAL AND  
LEASE RENTAL DEBT AVAILABLE:** \$ 8,240,944

EXHIBIT B

CITY OF JEANNETTE  
Westmoreland County, Pennsylvania

BORROWING BASE CERTIFICATE  
PURSUANT TO SECTION 209 OF THE  
LOCAL GOVERNMENT UNIT DEBT ACT  
FOR LEASE RENTAL DEBT

We, the undersigned, hereby certify pursuant to Section 102 (c) (3) of the Local Government Unit Debt Act that:

A. We are the duly authorized Officers of the CITY OF JEANNETTE, by definition a Local Government Unit under said aforementioned Act;

B. The total revenues received by said Local Government Unit for the three full fiscal years ended next preceding the date of the incurring of the lease rental debt as evidenced by the 1988 GUARANTY AGREEMENT, dated as of November 15, 1988, for reference purposes only, by and between said Local Government Unit, and CITY OF JEANNETTE MUNICIPAL AUTHORITY, to be entered into in connection with said Authority's \$310,000, principal amount, of GUARANTEED SEWER REVENUE BONDS, SERIES OF 1988, are as follows:

<u>Fiscal Year</u>	<u>1985</u>	<u>19 86</u>	<u>19 87</u>
<u>All monies received</u>	\$ <u>2,964,670</u>	\$ <u>2,006,811</u>	\$ <u>2,852,472</u>
<u>Less</u>			
1. Subsidies or reimbursements from U.S.A. or Com. of Pa. measured by the cost of, or given or paid on account of projects financed by debt.	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
2. Project revenues, rates, receipts, user charges, special assessments and special levies pledged or budgeted for specific self-liquidating debt, or for payments under leases, guaranties, subsidy contracts or other agreements which could constitute lease rental debt except that such payments are payable solely from such sources.	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

3. Interest from funds pledged or budgeted for the payment or security of outstanding debt and interest on bond or note proceeds.

\$           -0-                \$           -0-                \$           -0-          

4. Grants and gifts in aid of or measured by the construction or acquisition of specific projects.

\$           -0-                \$           -0-                \$           -0-          

5. Proceeds from disposition of capital assets and other non-recurring items.

\$           -0-                \$           -0-                \$           -0-          

Total exceptions . . . . . \$           -0-                \$           -0-                \$           -0-          

Total revenues . . . . . \$   2,964,670                \$   2,006,811                \$   2,852,472          

C. The Borrowing Base (i.e. the annual arithmetic average of the total revenues for said three full fiscal years) is \$   2,607,984          .

**CITY OF JEANNETTE**

(CITY SEAL)

By           *Jeppa S. Balth*            
Mayor and President of City Council

Attest:

          *Ronald S. Spiker*            
City Clerk

Date: October 19, 1988

**"EXHIBIT C"**

**SELF-LIQUIDATING DEBT**  
**EXCLUSION CERTIFICATE**

In the Matter of the Proposed Increase of Indebtedness in  
Accordance with the Provisions of the  
Local Government Unit Debt Act

To

**THE DEPARTMENT OF COMMUNITY AFFAIRS**  
**HARRISBURG, PENNSYLVANIA**

---

**CITY OF JEANNETTE**  
Westmoreland County, Pennsylvania

Accompanying the Debt Statement for the Proposed  
Increase in the Sum of  
\$310,000.00  
as Excluded Self-Liquidating Lease Rental Debt

---

The undersigned duly authorized officers of the City of Jeannette, Westmoreland County, Pennsylvania, a third class city under the law, being duly sworn according to law, do hereby certify as follows:

A. The complete transcript of the proceedings for your Department's approval of the 1988 Guaranty Agreement, dated as of November 15, 1988, for reference purposes only, between the City of Jeannette and City of Jeannette Municipal Authority (the "Authority"), is submitted herewith for purposes of complying with Section 206 of the Local Government Unit Debt Act and qualifying said instrument as excluded self-liquidating lease rental debt of the City of Jeannette, and consists of the following:

- (1) Consulting Engineer's Report setting forth the cost estimates for the 1988 Refinancing Project and the information required by Section 206 of the Local Government Unit Debt Act.
- (2) Certified copy of Ordinance No. 88-15 approving said Consulting Engineer's Report, including the cost estimate.
- (3) Proofs of Publication of said Ordinance No. 88-15:
  - (a) Notice of Proposed Adoption.
  - (b) Notice of Final Enactment.

The aforesaid 1988 Guaranty Agreement supports and guarantees a total of \$310,000, through the issuance by City of Jeannette Municipal Authority of its Guaranteed Sewer Revenue Bonds, Series of 1988, initially dated as of November 15, 1988. Said Series of 1988 Bonds are to be issued in order to current refund the Authority's existing old 1963 Bond Issue and to current refund the City's General Obligation Bonds, Series of 1974.

The aforementioned Series of 1988 Bonds of the Authority to be issued, including the dates, interest rates and amounts of each stated maturity, and an amortization schedule, are set forth in detail in the Consulting Engineer's Report and is made a part hereof.

It is estimated, as set forth in the Consulting Engineer's Report submitted herewith, that the annual debt service payments guaranteed under the 1988 Guaranty Agreement will be paid totally from net revenues charged and received from customers of the City of Jeannette Municipal Authority using the Authority's Sewer System.

The Authority's 1988 Refinancing Project is estimated to be completed on or about December 20, 1988.

The estimated net revenues of the Sewer System for each year of the Series of 1988 Bonds are estimated, as set forth in the Consulting Engineer's Report submitted herewith, to be sufficient to pay the annual debt service payments on said obligations as guaranteed by the City of Jeannette under the 1988 Guaranty Agreement.

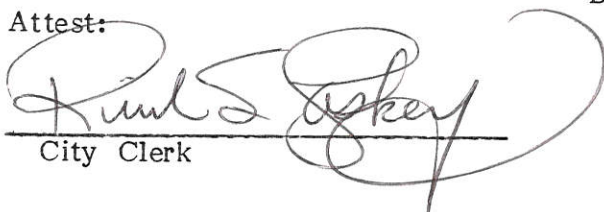
The guarantee payments of the City in conjunction with said 1988 Guaranty Agreement are therefore self-liquidating debt in compliance with Section 206 of the Local Government Unit Debt Act, and the City therefore herewith requests the approval by the Department of Community Affairs of said lease rental debt as excluded self-liquidating lease rental debt in the computation hereafter of lease rental debt of the City of Jeannette.

**IN WITNESS WHEREOF**, we, **JEFFRY A. PAVETTI**, Mayor and President of City Council, and **RICHARD S. LASKEY**, City Clerk, of the City of Jeannette, Westmoreland County, Pennsylvania, have hereunto set our hands and affixed the corporate seal of the City of Jeannette this 19th day of October, 1988.


**CITY OF JEANNETTE**

(CITY SEAL)

Attest:

  
\_\_\_\_\_  
City Clerk

By

  
\_\_\_\_\_  
Mayor and President of City Council

Sworn to as being true and correct as they verily believe and subscribed before me, a Notary Public, this 19th day of October, 1988.

\_\_\_\_\_  
Notary Public

(N.P. SEAL)

My Commission Expires:



## CITY OF JEANNETTE MUNICIPAL AUTHORITY

### 1974 ESCROW DEPOSIT AGREEMENT

**THIS AGREEMENT**, dated as of November 15, 1988, for reference purposes only, between the **CITY OF JEANNETTE** (the "City") and **PITTSBURGH NATIONAL BANK**, as the 1974 Paying Agent (the "1974 Paying Agent") under the Debt Ordinance, passed finally on June 27, 1974 (the "1974 Debt Ordinance"), and the Escrow Agent hereunder (the "Escrow Agent").

#### WITNESSETH:

**WHEREAS**, the City of Jeannette (the "City") previously issued \$285,000, original principal amount, of General Obligation Bonds, Series of 1974 ("Series of 1974 Bonds"), for the purpose of completing the Jeannette Sewage Separation Project, of which \$170,000 are presently outstanding; and

**WHEREAS**, the City previously appointed Pittsburgh National Bank as its Paying Agent and Sinking Fund Depository, pursuant to a Debt Ordinance, passed finally on June 27, 1974, for the Series of 1974 Bonds; and

**WHEREAS**, Pittsburgh National Bank is a national banking association, organized and existing under the laws of the United States of America, having its principal corporate trust office in the City of Pittsburgh, Pennsylvania; and

**WHEREAS**, the City has determined that it is in its best interest to provide for the current refunding and redemption in whole of all of its presently outstanding Series of 1974 Bonds by the City of Jeannette Municipal Authority (the "Authority") issuing the following series of new Bonds for the benefit of the City:

(a) City of Jeannette Municipal Authority, Guaranteed Sewer Revenue Bonds, Series of 1988, in the aggregate principal amount of \$310,000, dated as of November 15, 1988 (the "Series of 1988 Bonds"), to be issued as the initial series of Bonds under a new 1988 Trust Indenture, dated as of November 15, 1988 (the "1988 Trust Indenture"), with Pittsburgh National Bank, as the 1988 Trustee (the "1988 Trustee"); and

**WHEREAS**, the Authority, for the benefit of the City, has deposited with the 1974 Paying Agent/Escrow Agent, a portion of the proceeds of the Series of 1988 Bonds in cash sufficient to pay all principal and interest requirements on the Series of 1974 Bonds, to their redemption date of December 19, 1988.

**NOW, THEREFORE**, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

**SECTION 1.** The 1974 Paying Agent hereby acknowledges receipt from the Authority, for the benefit of the City, of cash in the amount of \$174,167.77 which shall be sufficient to make all payments and redemptions of principal of and interest on the outstanding Series of 1974 Bonds from the date hereof through and including December 20, 1988, inclusive, when due, and will be applied to the payment of the following:

Series of 1974 Bonds

(a) Principal Amount of Series of 1974 Bonds to be redeemed on 12/19/88-	\$170,000.00
(b) Total Accrued Interest to be paid on the Series of 1974 Bonds to be redeemed on 12/19/88-	<u>4,167.77</u>
TOTAL	\$174,167.77

**SECTION 2.** There is hereby created and established with the 1974 Paying Agent under the 1974 Debt Ordinance and the Escrow Agent hereunder a special and irrevocable Escrow Fund, designated "City of Jeannette - 1974 Escrow Fund" (the "1974 Escrow Fund"), to be held in the custody of the 1974 Paying Agent/Escrow Agent as a trust fund for the benefit of the holders of the Series of 1974 Bonds. The 1974 Escrow Fund shall be held by the 1974 Paying Agent/Escrow Agent separate and apart from all other funds of the City or of the 1974 Paying Agent/Escrow Agent.

The 1974 Paying Agent under the 1974 Debt Ordinance and the Escrow Agent hereunder is herewith irrevocably designated as the sole and exclusive agent of the City to expend the funds deposited herewith in the City's 1974 Escrow Fund and irrevocably directed to effect the payment of all interest and the payment of all principal at maturity or upon the redemption of all of the presently outstanding Series of 1974 Bonds. In order to accomplish said payments and redemptions, the 1974 Paying Agent/Escrow Agent is hereby irrevocably authorized and directed to publish for the benefit of the bondholders and mail to Standard & Poor's Corporation, Moody's Investors Service, Inc., the Daily Bond Buyer, and to the Representative of the Purchasers of the Series of 1974 Bonds (a) the required redemption notice, which is to be substantially in the form attached hereto and made a part hereof as "Exhibit A" on or about November 17, 1988, in order to redeem on December 19, 1988, all of the Series of 1974 Bonds maturing August 15, 1993 and August 15, 1999, all pursuant to and in accordance with the applicable provisions of the 1974 Debt Ordinance. The 1974 Paying Agent/Escrow Agent is further directed to take all other steps necessary to comply with the provisions of the 1974 Debt Ordinance so that all Series of 1974 Bonds presently outstanding will be properly paid and redeemed.

**SECTION 3.** Concurrently with the execution of this 1974 Escrow Deposit Agreement, the 1974 Paying Agent/Escrow Agent shall invest the sum of \$174,167.77 in the 1974 Escrow Fund which shall be one or a combination of the following investments, (i) an interest bearing account of the 1974 Paying Agent/Escrow Agent, and/or (ii) a Certificate of Deposit of the 1974 Paying Agent/Escrow Agent. The \$174,167.77 shall remain invested until said aforementioned redemption date of December 19, 1988, by the 1974 Paying Agent/Escrow Agent in trust for the holders of the Series of 1974 Bonds.

**SECTION 4.** The 1974 Paying Agent/Escrow Agent agrees that the total principal amount of cash will be invested and held in trust for the holders of the Series of 1974 Bonds and agrees to apply said principal amount of cash, as the same becomes due, to the payment of all interest on and principal of the Series of 1974 Bonds from the date hereof through and including December 19, 1988, the amounts required for said purpose being listed above in Section 1 hereof. The unused portions of principal and earned interest after said redemption date shall be promptly transferred to the Authority's Capital Improvements and Redemption Fund under the Authority's 1988 Trust Indenture for use thereunder by the Authority for any purpose provided therein.

**SECTION 5.** The City hereby covenants that no part of the moneys or funds at any time in the 1974 Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Authority's Series of 1988 Bonds to be "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986, as amended, as then in effect.

**SECTION 6.** The 1974 Escrow Fund created hereby shall be irrevocable and the holders of the Series of 1974 Bonds shall have an express lien on all amounts representing principal and all amounts representing earned interest on the cash invested in the 1974 Escrow Fund until used and applied in accordance herewith.

**SECTION 7.** The 1974 Paying Agent/Escrow Agent hereby also acknowledges receipt from the Authority, for the benefit of the City, of the sum of \$1,750.00, being the amount which is sufficient to pay the fees and the costs of advertising and/or mailing the redemption notices due for the redemption of the Series of 1974 Bonds as provided in Section 2 hereinabove.

**SECTION 8.** The Authority hereby authorizes and directs the 1974 Paying Agent/Escrow Agent to currently redeem all of said Series of 1974 Bonds by the so-called cash defeasance method, and further hereby covenants and agrees to hold the 1974 Paying Agent/Escrow Agent harmless against any and all claims of any nature arising in any manner from this cash defeasance method.

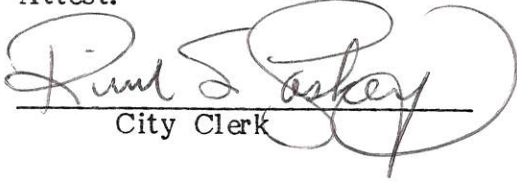
Further, the 1974 Paying Agent/Escrow Agent shall have no duty or obligation hereunder other than to take such specific action as is required of it from time to time under the provisions hereof, and it shall not incur any liability hereunder or in connection herewith for anything whatsoever other than willful default or gross negligence. Without limiting the generality of the foregoing, the 1974 Paying Agent/Escrow Agent shall be entitled to act and rely upon any letter, instruction, designation, request, consent, certificate or other instrument of any character which it shall believe to be genuine, duly authorized and signed by the proper person or persons, and the 1974 Paying Agent/Escrow Agent shall also be entitled to act and rely upon the advice of its counsel. The City hereby agrees to indemnify, hold harmless and defend the 1974 Paying Agent/Escrow Agent from and against any and all losses, claims, liability and expense, including the reasonable fees of its counsel, which it may suffer or incur hereunder or in connection herewith, except such as shall result solely and directly from its own willful default or gross negligence.

**IN WITNESS WHEREOF,** the parties hereto have each caused this 1974 Escrow Deposit Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written for reference purposes only, but actually executed and delivered on this November 15, 1988.

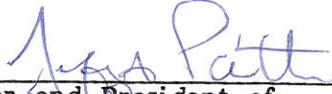
**CITY OF JEANNETTE**

(CITY SEAL)

Attest:

  
\_\_\_\_\_  
City Clerk

By

  
\_\_\_\_\_  
Mayor and President of  
City Council

**PITTSBURGH NATIONAL BANK**, as the 1974  
Paying Agent and Escrow Agent

(BANK SEAL)

Attest:

By

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Authorized Officer

**"EXHIBIT A"**

**LEGAL NOTICE**

TO THE BONDHOLDERS OF  
\$170,000  
CITY OF JEANNETTE  
GENERAL OBLIGATION BONDS, SERIES OF 1974,  
MATURING ON AUGUST 15 OF THE YEARS 1993 AND 1999.

**NOTICE** is hereby given that, pursuant to the provisions of the Debt Ordinance, passed finally on June 27, 1974, of the City of Jeannette, \$170,000, principal amount, of the above-designated Series of 1974 Bonds, being all of those Series of 1974 Bonds presently outstanding and maturing on August 15, 1993 and August 15, 1999, have been called for redemption on December 19, 1988, pursuant to the provisions of said Debt Ordinance, by the application of moneys on deposit in a 1974 Escrow Fund, created pursuant to a 1974 Escrow Deposit Agreement, dated as of November 15, 1988, for reference purposes only, and will be redeemed and paid on and after said date at the redemption price of 100% of the principal amount thereof, together with interest accrued thereon to the aforementioned date fixed for redemption.

Interest on the aforementioned Series of 1974 Bonds will cease to accrue from and after said December 19, 1988, the date fixed for said redemption, and each of said Series of 1974 Bonds should be presented for payment on or promptly after said redemption date of December 19, 1988, at the Principal Corporate Trust Office of Pittsburgh National Bank, in Pittsburgh, Pennsylvania, the Trustee.

**CITY OF JEANNETTE**

By \_\_\_\_\_  
City Clerk

Dated: November 15, 1988

\* \* \* \* \*

(NOTE: The above Notice is to be published once a week for two successive weeks, the first publication to be at least thirty (30) days before the redemption date, in a daily newspaper published and circulating generally in the City of Pittsburgh, Pennsylvania, and mailed, postage prepaid, at least thirty (30) days prior to said redemption date, to any registered owners (if applicable) and to Standard and Poor's Corporation, to Moody's Investors Service, Inc., to the Daily Bond Buyer, and to the nominal successors to the Representatives of the Purchasers of the Series of 1974 Bonds - Scheetz, Smith & Co., Incorporated).

CITY OF JEANNETTE MUNICIPAL AUTHORITY  
\$310,000  
GUARANTEED SEWER REVENUE BONDS,  
SERIES OF 1988

November 15, 1988

RELEASE, CANCELLATION AND DISCHARGE OF THE  
1963 AGREEMENT OF LEASE.

Immediately prior hereto, Pittsburgh National Bank, as the Trustee (hereinafter called the "1963 Trustee") under the 1963 Trust Indenture, dated as of March 1, 1963 (hereinafter called the "1963 Trust Indenture"), by and between the City of Jeannette Municipal Authority (the "Authority"), and said Bank, as the 1963 Trustee, has released, cancelled and discharged the lien of said 1963 Trust Indenture against the lease rentals and receipts and revenues and other moneys with respect to the Authority's "Sewer System", and against the City of Jeannette (hereinafter called the "City") with respect to the lease rentals and other moneys and covenants and agreements made under and pursuant to the Agreement of Lease, dated as of March 1, 1963 (hereinafter called the "1963 Agreement of Lease"), by and between the Authority, as the Lessor, and the City, as Lessee, which 1963 Agreement of Lease was heretofore assigned to said Bank, as the 1963 Trustee, as security for the Authority's Series of 1963 Bonds (hereinafter called the "1963 Bonds"), and said 1963 Trustee has heretofore reconveyed to the Authority all rights and title previously conveyed and assigned to the 1963 Trustee pursuant to the terms of said 1963 Trust Indenture and said 1963 Agreement of Lease. Since the lien of said 1963 Trust Indenture against the 1963 Agreement of Lease has been discharged and released, and provisions for the current refunding of all of the Authority's 1963 Bonds have been properly completed, the Authority, as the Lessor under the 1963 Agreement of Lease, herewith releases, cancels and discharges the 1963 Agreement of Lease with the City, as the Lessee, and the City herewith reconveys to the Authority all rights and title heretofore leased to the City and all moneys presently held under the City's Sewer System Fund pursuant to the terms of said 1963 Agreement of Lease.

For mutual and appropriate consideration, and intending to be legally bound hereby, the Authority and the City have executed this release, cancellation and discharge of the 1963 Agreement of Lease as of the day and year above written.

CITY OF JEANNETTE MUNICIPAL  
AUTHORITY

(AUTHORITY SEAL)

Attest:

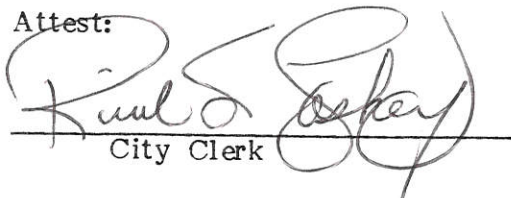
By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

CITY OF JEANNETTE

(CITY SEAL)

Attest:

  
\_\_\_\_\_  
City Clerk

By   
\_\_\_\_\_  
Mayor and President of City Council

COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF WESTMORELAND ) ss:

On this, the 15th day of November, 1988, before me, the undersigned officer, personally appeared NICHOLAS PRIOLO, who acknowledged himself to be the Chairman of the City of Jeannette Municipal Authority, and that he as such Chairman, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said corporation by himself as Chairman.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(N.P. SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires:

\* \* \* \* \*

COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF WESTMORELAND ) ss:

On this, the 15th day of November, 1988, before me, the undersigned officer, personally appeared JEFFRY A. PAVETTI, who acknowledged himself to be the Mayor and President of City Council of the City of Jeannette, and that he as such Mayor and President of City Council, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of said City by himself as said Mayor and President of City Council.

(N.P. SEAL)

\_\_\_\_\_  
Notary Public

My Commission Expires:

**CITY OF JEANNETTE  
WESTMORELAND COUNTY, PENNSYLVANIA**

RESOLUTION NO. 88-21

A RESOLUTION OF THE CITY OF JEANNETTE, WESTMORELAND COUNTY, PENNSYLVANIA, ADOPTING AN AMENDMENT TO THE ARTICLES OF INCORPORATION OF CITY OF JEANNETTE MUNICIPAL AUTHORITY.

**WHEREAS**, the City of Jeannette Municipal Authority has submitted to the City Council of the City of Jeannette a resolution amending the Articles of Incorporation of the City of Jeannette Municipal Authority.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Jeannette, and it is hereby resolved by authority of the same as follows:

Section 1. The City of Jeannette hereby adopts the following amendment to the Articles of Incorporation of the City of Jeannette Municipal Authority, which amendment shall consist of the following new provision to be added to the said Articles of Incorporation:

"(6) The term of existence of the Authority is increased to a date fifty (50) years from the date of approval of these Articles of Amendment."

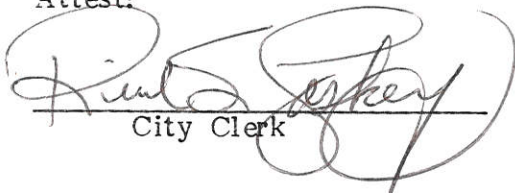
Section 2. All resolutions or parts of resolutions not in accord with this Resolution are hereby rescinded insofar as they conflict herewith.

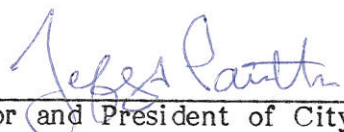
**DULY ADOPTED** by the City Council of the City of Jeannette on this 19th day of October, 1988, in lawful session regularly assembled.

(CITY SEAL)

**CITY OF JEANNETTE**

Attest:

  
\_\_\_\_\_  
City Clerk

By   
\_\_\_\_\_  
Mayor and President of City Council



C E R T I F I C A T E

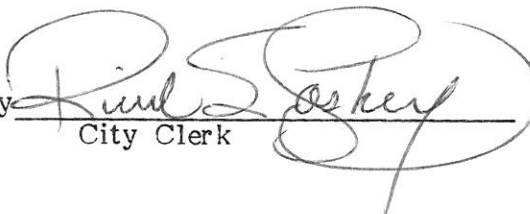
I, the undersigned, City Clerk of the City of Jeannette, Westmoreland County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of a Resolution of said City which was duly enacted by the affirmative vote of a majority of all of the members of the City Council of said City of Jeannette at a meeting thereof held on the 19th day of October, 1988, which meeting was at all times open to the public and of which due notice was given as required by law.

I further certify that the total number of members of the City Council of said City of Jeannette is five (5), that the vote upon said Resolution was duly recorded upon the minutes of said meeting, and that the members of the City Council voted in the manner following:

<u>City Council</u>	<u>Vote</u>
Jeffry A. Pavetti, Mayor and President of City Council	<u>YEA</u>
Carol Francese	<u>YEA</u>
Glenn D. Hoak	<u>YEA</u>
Don Shirer	<u>YEA</u>
James F. Soloman	<u>YEA</u>

**IN WITNESS WHEREOF**, I have hereunto set my hand and the seal of the City Council this 19th day of October, 1988.

**CITY OF JEANNETTE**

By   
City Clerk

(CITY SEAL)

AMENDMENT TO THE ARTICLES OF INCORPORATION

TO THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA:

In compliance with the requirements of the Act of the General Assembly, Commonwealth of Pennsylvania, known as the Municipality Authorities Act of 1945, approved the 2nd day of May, 1945, P.L. 382, and amendments thereto, providing for amendments to the Articles of Incorporation of authorities already incorporated, the City of Jeannette Municipal Authority, located in Westmoreland County, Pennsylvania, hereby certifies under its corporate seal:

**FIRST:** That its name is "City of Jeannette Municipal Authority", and that its registered office is located in City Hall at Second Street and Clay Avenue, Jeannette, Westmoreland County, Pennsylvania.

**SECOND:** That the said Authority was formed under the Act of Assembly of May 2, 1945, Act No. 164, as amended, and incorporated on April 24, 1950, and the said original Articles were recorded at the office of the Secretary of the Commonwealth.

**THIRD:** That the City Council of the City of Jeannette adopted a Resolution approving the Amendment to the Articles of Incorporation of the City of Jeannette Municipal Authority, a certified copy of which Resolution is attached hereto and made a part hereof.

**FOURTH:** That the Amendment to the Articles of Incorporation adopted by the City Council of the City of Jeannette, Westmoreland County, Pennsylvania, consists of the following new provision to be added to the said Articles of Incorporation:

"(6) The term of existence of the Authority is increased to a date fifty (50) years from the date of approval of these Articles of Amendment."

**FIFTH:** That the notice of the intention of the Authority to file said Amendment to the Articles of Incorporation has been duly published as required by the Act; that said notice gives the name and location of the registered office of the Authority, a statement that the Amendment to the Articles of Incorporation are to be filed under the provisions of the Municipality Authorities Act of 1945, May 2, 1945, P.L. 382, as amended, a statement of the Amendment to the Articles of Incorporation in full, and said notice states that on a day certain, to wit: the 7th day of November, 1988, which is not less than three (3) days after publication of said notice, said Amendment to the Articles of Incorporation will be filed in the Office of the Secretary of the Commonwealth of Pennsylvania.

**IN WITNESS WHEREOF,** the City of Jeannette Municipal Authority has caused this Amendment to the Articles of Incorporation to be signed by its duly authorized officers and its corporate seal to be hereunto affixed this \_\_\_ day of November, 1988.

**CITY OF JEANNETTE MUNICIPAL  
AUTHORITY**

By \_\_\_\_\_  
Chairman

(AUTHORITY SEAL)

Attest:

\_\_\_\_\_  
Secretary



## L E G A L N O T I C E

Notice is hereby given that the City of Jeannette Municipal Authority, having its registered office in City Hall at Second Street and Clay Avenue, Jeannette, Westmoreland County, Pennsylvania, in compliance with the Act of Assembly of May 2, 1945, P.L. 382, as amended, will file in the office of the Secretary of the Commonwealth of Pennsylvania on the 7th day of November, 1988, an Amendment to the Articles of Incorporation of the City of Jeannette Municipal Authority, in accordance with the provisions of a Resolution properly enacted by the City of Jeannette, Westmoreland County, Pennsylvania.

The Amendment to the Articles of Incorporation consists of the following new provision to be added to the Articles of Incorporation:

"(6) The term of existence of the Authority is increased to a date fifty (50) years from the date of approval of these Articles of Amendment."

---

Morrison F. Lewis, Jr., Esquire  
Authority Solicitor

LEGAL NOTICE

**CITY OF JEANNETTE  
WESTMORELAND COUNTY, PENNSYLVANIA**

NOTICE OF FINAL ENACTMENT  
OF  
ORDINANCE NO. 88-15  
IN RE A 1988 GUARANTY AGREEMENT AND CONSULTING  
ENGINEERS' COST ESTIMATE AND REPORT  
IN SUPPORT AND GUARANTEE OF THE  
1988 REFINANCING PROJECT OF THE  
CITY OF JEANNETTE MUNICIPAL AUTHORITY.

Notice of the final enactment of Ordinance No. 88-15 on Wednesday, October 19, 1988, by the City Council of the City of Jeannette, Westmoreland County, Pennsylvania, is hereby given.

This Ordinance was amended during its final passage by increasing the Bond Issue from \$300,000 to \$310,000. The negotiated bid given to the City of Jeannette Municipal Authority for its \$310,000 Guaranteed Sewer Revenue Bonds, Series of 1988, by Scheetz, Smith & Co., Incorporated, was at a purchase price of \$303,800, was at interest rates which ranged from 7.25% to 8.75%, inclusive, and was at an average annual debt service of \$32,700. The range of guarantee payments is from \$30,187 to \$35,250.

\* \* \* \* \*

Please be advised that a copy of the full and final text of this Ordinance of the City of Jeannette may be examined by any citizen in the City Clerk's Office in City Hall in the City of Jeannette during reasonable business hours on each week day hereafter.

**CITY OF JEANNETTE**

By /s/ RICHARD S. LASKEY  
City Clerk