

AN ORDINANCE OF THE CITY OF JEANNETTE
(WESTMORELAND COUNTY, PENNSYLVANIA)
ENACTED FEBRUARY 17, 1998 AND NUMBERED 98-1

FORMAL ACTION CONSTITUTING A DEBT ORDINANCE
UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT

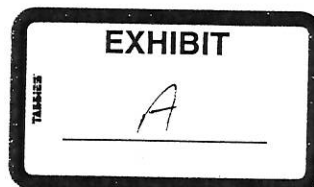
AUTHORIZING THE INCURRING OF NONELECTORAL DEBT BY THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF TWO MILLION NINE HUNDRED EIGHTY FIVE THOUSAND DOLLARS (\$2,985,000); COVENANTING TO PAY, AND PLEDGING UNLIMITED TAXING POWER FOR THE PAYMENT OF, THE BONDS; ESTABLISHING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITARY; FIXING THE FORM, INTEREST RATE, MATURITY, REDEMPTION AND OTHER PROVISIONS FOR THE PAYMENT THEREOF; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS; AUTHORIZING A FILING OF REQUIRED DOCUMENTS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; RATIFYING AND DIRECTING CERTAIN ACTIONS OF OFFICERS; AND MAKING CERTAIN OTHER COVENANTS AND PROVISIONS IN RESPECT OF THE BONDS.

WHEREAS, the Governing Body of the City of Jeannette, Pennsylvania (the "City"), after due consideration of the public welfare and with full legal competence pursuant to its enabling legislation, has determined to undertake the Project hereinafter described; and

WHEREAS, the Governing Body of the City desires to incur indebtedness, within constitutional and statutory limitations, in order to undertake said Project; and

WHEREAS, the incurrence of such indebtedness is governed by the provisions of the Local Government Unit Debt Act, Act No. 1978-52, approved April 28, 1978, as amended (the "Debt Act"), with which this Ordinance and all related proceedings of the City and all duly authorized actions of its officers are intended to comply.

NOW, THEREFORE, BE IT, AND IT HEREBY IS, ENACTED by the affirmative vote of a majority of all members of the Governing Body of the City as follows:



ARTICLE I - DEFINITIONS

Unless the context clearly indicates otherwise, the following terms shall, for all purposes of this Ordinance, have the meanings hereby ascribed to them.

"Authentication Date" shall mean that date or those dates upon which the Sinking Fund Depository shall have executed and delivered a new and original instrument upon the transfer, exchange or other processing for registration of a Bond.

"Authorized Investments" shall mean: (a) as to the proceeds of the Bonds: (i) United States Treasury bills; (ii) short-term obligations of the United States Government or its agencies or instrumentalities; (iii) deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions (including the Sinking Fund Depository) insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefor shall be pledged by the depository; (iv) obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; (v) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the only investments of that company are in the authorized investments for city funds listed in clauses (i) through (iv); and (vi) certificates of deposit purchased from institutions insured by the Federal Deposit Insurance Fund or the Pennsylvania Deposit Insurance Corporation or the Pennsylvania Savings Association Insurance Corporation to the extent that such accounts are so insured. However, for any amounts above the insured maximum, such certificates of deposit shall be collateralized by a pledge or assignment of assets of the institution, and such collateral may include loans (including interests in pools of loans) secured by first mortgage liens on real property. Certificates of deposit purchased from commercial banks shall be limited to an amount equal to twenty percent of a bank's total capital and surplus. Certificates of deposit purchased from savings and loan associations or savings banks shall be limited to an amount equal to twenty percent of an institution's assets minus liabilities; and (b) as to moneys at any time on deposit in the Sinking Fund: (i) obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America; (ii) direct general obligations of the Commonwealth of Pennsylvania, or in any securities in which the Commonwealth may,

at such time, invest its moneys; or (iii) deposits at interest in time accounts, certificates of deposit or other interest bearing accounts of any bank, bank and trust company (including the Sinking Fund Depository), savings bank, savings and loan association or building and loan association. The authorization set forth above for investment in obligations of the United States of America shall include money market funds invested solely in such obligations, including any such funds maintained by the Sinking Fund Depository. To the extent that any such deposits described in (b)(iii) above are insured by the Federal Deposit Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits shall be secured as public deposits or as trust funds; provided in all events that such investments shall be made in a manner consistent with sound business practice and, if required for prompt expenditure, shall be held in demand deposits. In the event, from time to time, and to the extent such investments may periodically require valuation, their value shall be determined on the following bases (and if more than one basis applies, according to the lowest of them): (a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal -- the arithmetic mean of the bid and asked prices for such investments so published on or immediately prior to such time of determination; (b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal -- the average bid price established for such investments by any three nationally recognized government securities dealers at the time making a market in such investments or the average bid price published by a nationally recognized pricing service; and (c) as to time deposits, certificates of deposit and bankers' acceptances -- the face amount thereof, plus accrued interest.

"Bond Counsel" shall mean Houston Harbaugh, P.C., Pittsburgh, Pennsylvania.

"Bond Insurance Policy" shall mean that standard policy of the Insurer insuring timely payment of the principal of and interest on the Bonds.

"Bonds" shall mean the \$2,985,000, aggregate principal amount, General Obligation Bonds, Refunding Series of 1998, which are hereinafter authorized to be issued, sold and delivered for purposes of the Project.

"Callable Prior Bonds" shall mean that portion of the Prior Bonds subject to current redemption on April 1, 2004.

"Dated Date" shall mean March 15, 1998.

"Designated Officer(s)" with respect to the City shall mean and include, individually or jointly, the Mayor, the Chief Clerk and the Treasurer of the City, and their successors.

"Escrow Agreement" shall mean the Escrow Deposit Agreement dated as of March 15, 1998 between the City and PNC Bank, National Association, as Escrow Trustee.

"Governing Body" shall mean the City Council of the City.

"Insurer" shall mean Financial Security Assurance, Inc., or such other nationally recognized municipal bond insurer as shall have delivered the Bond Insurance Policy.

"Interest Payment Date(s)" shall mean each October 1 and April 1 during the term of the Bonds, commencing April 1, 1998.

"Prior Bonds" shall mean the City's outstanding General Obligation Bonds, Series of 1994.

"Project" shall mean payment of the costs of (a) advance refunding the Callable Prior Bonds; (b) purchasing certain capital equipment for use by the City; and (c) issuing the Bonds.

"Purchase Proposal" shall mean the written agreement of even date for the purchase and sale of the Bonds, as executed and presented by the Purchaser, and accepted by the City by the enactment of this Ordinance.

"Purchaser" shall mean PNC Capital Markets, Inc., having its offices at One PNC Plaza, Pittsburgh, PA 15265.

"Record Date(s)" shall mean March 15 and September 15 of each year during the term of the Bonds.

"Redemption Price" shall mean 100% of the principal amount of the Bonds.

"Sinking Fund Depository" shall mean PNC Bank, National Association, having its principal corporate trust offices at One Oliver Plaza, 23rd Floor, Pittsburgh, PA 15265.

Notwithstanding the foregoing, if, and only in the event, the payment of the Bonds has been insured to the owners thereof by a duly issued and outstanding Bond Insurance Policy, such Sinking Fund Depository shall be, and remain at all times, acceptable to the insurer, who shall be empowered to request of the City the appointment of a successor for cause shown.

"Solicitor" shall mean Fisher, Long & Rigone, Greensburg, Pennsylvania.

ARTICLE 2 -- AUTHORIZATION OF DEBT

Section 2.01. Incurrence. The City hereby authorizes and directs the incurrence of nonelectoral debt in the principal amount of \$2,985,000 for the purposes of the Project; such debt

shall be evidenced by the Bonds, to be issued, sold and delivered according to the provisions of this Ordinance and the Debt Act, as general obligations of the City.

Section 2.02. Preparation of Debt Statement. The Designated Officers are hereby authorized and directed to prepare and verify under oath or affirmation, according to the requirements of Sections 102(c)(3), 102(c)(16) and 410 of the Debt Act, the Debt Statement of the City, including therewith a certification of the Borrowing Base; all previous actions of Designated Officers in this regard are hereby ratified and confirmed.

Section 2.03. Proceedings Before the Department. The Designated Officers are hereby further authorized and directed to prepare and file all proceedings of the City relative to this incurrence of debt with the Department of Community and Economic Development and to respond to all inquiries or requests and to perform all other actions necessary to enable the Department to certify its approval to issue, sell and deliver the Bonds.

Section 2.04. Stated Maturity Dates. The City hereby finds and determines that: (1) the Bonds are to be issued with: (a) a final stated maturity date which does not exceed the sooner to occur of forty years or the useful life of the facilities financed with proceeds of the Prior Bonds; and (b) an initial stated installment or maturity of principal which has not been deferred beyond two years from the date of issuance of the Bonds; and (2) the stated maturities, or principal installments subject to mandatory redemption, of the Bonds have been fixed either: (a) so as to amortize the Bonds on at least an approximately level debt service plan during the period specified for the payment of principal under Section 602(c) of the Debt Act; or (b) in the alternative, in the event that an Exhibit B has been properly completed and is attached to this Ordinance and thereby incorporated by reference herein, so that the debt service on outstanding debt of the City (being the Bonds, together with such other debt as has been identified on Exhibit B) will be brought more nearly into an over-all level annual debt service plan.

Section 2.05. Preliminary Cost Estimates. The City has obtained realistic cost estimates through persons qualified by experience in order to determine the amount of Bond proceeds to be allocated to the purchase of the capital equipment included within the Project.

ARTICLE 3 -- SECURITY FOR DEBT; SINKING FUND

Section 3.01. General Obligation Covenant. The Bonds shall be general obligations of the City. The City hereby covenants with the owners from time to time of the Bonds to: (a) include the amount necessary to service the debt on the Bonds, for each fiscal year in which such sums are payable, in its budget for that year; (b) appropriate such amounts from its general revenues to the

payment of such debt service; and (c) duly and punctually pay, or cause to be paid, from its Sinking Fund or from any other of its revenues or funds, the principal of and the interest on the Bonds at the dates and place and in the manner stated in the Bonds, according to the true intent and meaning thereof.

For such budgeting, appropriation and payment of the Bonds, the City hereby irrevocably pledges its full faith, credit and taxing power. The amounts of debt service hereby covenanted to be paid are set forth in Exhibit A, attached to this Ordinance and incorporated by reference herein.

Section 3.02. Creation of Sinking Fund. The City does hereby create, and order to be established (in its name and identified by reference to this Series of Bonds), a Sinking Fund for the payment of the Bonds with the Sinking Fund Depository, and does further covenant to maintain such Sinking Fund until the Bonds are paid in full. The Designated Officer is hereby authorized and directed to contract with the Sinking Fund Depository for its services in such capacity, together with its services as Paying Agent and Registrar for the Bonds.

Section 3.03. Deposits into Sinking Fund. The City covenants with the owners of the Bonds, and the Designated Officer is hereby authorized and directed, to withdraw from the General Fund and to deposit into the Sinking Fund on or before the appropriate Interest Payment Dates amounts sufficient to pay: (a) the interest on the Bonds then outstanding; and (b) the principal of the Bonds then maturing or subject to redemption on each Interest Payment Date.

Section 3.04. Investment of Sinking Fund. All moneys in the Sinking Fund not required for prompt expenditure may, in accordance with written or telephonic (if subsequently confirmed in writing according to the reasonable practices and requests of the Sinking Fund Depository) instructions of the Designated Officer, be invested in Authorized Investments.

Authorized Investments shall mature or shall be subject to redemption, withdrawal or collection in their full amount at the option of the Sinking Fund Depository not later than the date upon which moneys are required to be paid to owners of the Bonds. All moneys in the Sinking Fund shall be applied exclusively to the payment of the Bonds as the same from time to time becomes due and payable. All moneys deposited into the Sinking Fund and all investments and proceeds thereof shall be subject to a perfected security interest for the benefit of the owners of the Bonds. Income received from any deposit or investment within the Sinking Fund shall remain within and be a part of the Sinking Fund and all such amounts may be applied in reduction or completion of any amount covenanted under Section 3.01 hereof to be deposited therein; provided, however, that the obligation of the City to pay the Bonds is, and shall remain, absolute, and may not be satisfied

or reduced merely by the deposit of moneys into the Sinking Fund or from the expectation of earnings thereon.

ARTICLE 4 - TERMS AND PROVISIONS OF THE BONDS

Section 4.01. Dates, Maturity Amounts and Interest Rates. The Bonds shall be identified by the Dated Date, shall be dated as of the Authentication Dates, shall bear interest at the rate(s) payable on the appropriate Interest Payment Dates, and shall mature (or be redeemed, mandatorily, on the appropriate Mandatory Redemption Dates, as provided in Section 4.03 hereof) in the principal amounts set forth in Section 3.01 hereof.

Section 4.02. Optional Redemption. Bonds maturing on or after April 1, 2009 may be redeemed prior to maturity at the option of the City in whole or in part on April 1, 2008, or on any date thereafter, by lot within a maturity, upon payment of the applicable Redemption Price.

Section 4.03. Mandatory Redemption. Bonds maturing on April 1 of the years 2004, 2006, 2008, 2010, 2013, 2018 and 2024 shall be redeemed prior to maturity by the Sinking Fund Depository without further authorization on the dates and in the principal amounts set forth below upon payment of the applicable Redemption Price.

<u>Year</u> <u>(April 1)</u>	<u>Amount</u>	<u>Year</u> <u>(April 1)</u>	<u>Amount</u>
2003	\$ 75,000	2014	\$ 120,000
2004 *	80,000	2015	130,000
2005	85,000	2016	135,000
2006 *	85,000	2017	145,000
2007	90,000	2018 *	150,000
2008 *	90,000	2019	160,000
2009	100,000	2020	170,000
2010 *	105,000	2021	175,000
2011	110,000	2022	185,000
2012	110,000	2023	190,000
2013 *	120,000	2024 *	205,000

* Maturity

Section 4.04. Form, Numbers. The Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof, in fully registered form, without coupons and numbered according to the practice and discretion of the Sinking Fund Depository; provided, however, the Bonds shall also carry CUSIP numbers as a convenience to owners.

Section 4.05. Interest Payments; Accrual. The Bonds shall bear interest, payable in arrears, initially on April 1, 1998 and

then on each Interest Payment Date subsequent for the respective preceding period; provided, further, that interest may be paid from an Interest Payment Date next preceding the date of a Bond except when the date of such Bond is a date to which interest has been so paid, then from the date of such Bond, or when either (1) the date of such Bonds is prior to April 1, 1998, or (2) no interest has been paid, then from the Dated Date.

Section 4.06. Record Date; Payments on Default. The person in whose name any Bond is registered at the close of business on any Record Date shall be entitled to receive the amounts payable on such payment date notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such payment date.

When, if, and to the extent, the City should default in the payment of any amount due on any such dates, any moneys collected for such payment, as and when collected from time to time, may be paid to the persons in whose names Bonds are registered at the close of business on a Special Record Date established by the Sinking Fund Depository, notice of which shall have been mailed to all Registered Owners of Bonds not less than ten days prior to such date.

Section 4.07. Funds for Payment. The Bonds shall be payable at the offices of the Sinking Fund Depository in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time and place of payment; provided, however, in the absence of written demand for such payment by the Registered Owner, received by the Sinking Fund Depository not later than the Record Date, all payments of the Bonds shall be made by check or draft drawn on the Sinking Fund Depository and mailed, first class, postage prepaid, to the owner at his address as it appears in the Register, following presentation at the offices of the Sinking Fund Depository.

Section 4.08. Registration and Transfer. The City shall cause to be kept with the Sinking Fund Depository, in its capacity as Registrar, a Register in which, subject to reasonable regulations, the City shall provide for the registration of Bonds and the registration of transfers and exchanges of Bonds. No transfer or exchange of any Bond shall be valid unless made at the offices of the Sinking Fund Depository and registered in the Register.

Upon surrender for registration of transfer of any Bond, the City shall execute, and the Sinking Fund Depository shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same interest rate and maturity, and in the same principal amount, as the Bond so surrendered.

Any Bond shall be exchangeable for other Bonds of the same interest rate and maturity, in any authorized denomination,

in the same principal amount as the Bond or Bonds presented for exchange. Upon surrender for exchange of any Bond, the City shall execute, and the Sinking Fund Depository shall authenticate and deliver in exchange therefor, the new Bond or Bonds which the Registered Owner making the exchange shall be entitled to receive.

All Bonds issued upon any registration of transfer or exchange shall be valid obligations of the City, evidencing the same indebtedness and entitled to the same benefits under this Ordinance as the Bonds surrendered for such registration of transfer or exchange. All Bonds so surrendered shall be cancelled and may be destroyed by the Sinking Fund Depository.

Every Bond presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the City and the Sinking Fund Depository, duly executed by the owner thereof or his duly authorized agent or legal representative.

No service charge shall be imposed on any Registered Owner for any transfer or exchange of any Bond, but the City may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the City, nor the Sinking Fund Depository, shall be required to: (a) issue, or register the transfer or exchange of, any Bond during a period of fifteen (15) business days before any date of selection of Bonds to be redeemed; or (b) register the transfer or exchange of any Bond after it has been selected for redemption.

The Bonds shall be initially registered in accordance with instructions submitted to the Sinking Fund Depository by the Purchaser.

Section 4.09. Execution and Authentication. The Bonds shall be executed on behalf of the City by the Designated Officers, and shall have a facsimile of the corporate seal of the City affixed thereto, duly attested. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Sinking Fund Depository. No Bond shall be valid until such Certificate of Authentication shall have been duly executed and such authentication shall be the conclusive and only proof that any Bond has been issued pursuant to, and is entitled to any benefits conferred under, the provisions of this Ordinance.

Section 4.10. Notices, Selection of Bonds for Redemption. Notice of any redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the applicable redemption date, to the Registered Owners of Bonds to be redeemed at the addresses which appear in the Bond Register

on the fifth business day preceding the date selected for the mailing of such notice and to Standard & Poor's Corporation, Moody's Investors Services and the Insurer, if any. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond shall affect the validity of the proceedings for the redemption of any other Bond. If the City shall have duly given notice of redemption and shall have deposited funds for the payment of the Redemption Price of the Bonds with the Sinking Fund Depository, interest on such Bonds shall cease to accrue after such redemption date.

If less than all Bonds maturing on any one date are to be redeemed at any time, the Sinking Fund Depository shall select by lot the Bonds to be redeemed at such time.

Any portion of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Prior to selecting Bonds for redemption, the Sinking Fund Depository shall assign numbers to each \$5,000 portion of any Bond of a denomination larger than \$5,000 and shall treat each portion as a separate Bond in the denomination of \$5,000 for purposes of selection for redemption. Upon surrender of any Bond for redemption of a portion thereof, the Sinking Fund Depository shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same maturity and in any authorized denominations requested by the owner in a principal amount equal to the unredeemed portion of the Bond surrendered.

Section 4.11. Temporary Bonds. Bonds in definitive form shall be fully engraved or printed or lithographed on steel-engraved borders. Until bonds in definitive form are ready for delivery, the City may execute, and upon request the Sinking Fund Depository shall authenticate and deliver, in lieu thereof and subject to the same provisions, limitations and conditions, one or more printed, lithographed or typewritten bonds in temporary form, substantially in the form in Section 4.13 hereinafter described, and with appropriate omissions, variations and insertions. Until exchanged for bonds in definitive form, such bonds in temporary form shall be valid obligations entitled to the benefit of this Ordinance. The City shall, without unreasonable delay, prepare, execute and deliver to the Sinking Fund Depository, and thereupon, upon the presentation and surrender of any bond or bonds in temporary form, the Sinking Fund Depository shall authenticate and deliver, in exchange therefor, a bond or bonds in definitive form of the same maturity for the same aggregate maturity amount as the bond or bonds in temporary form surrendered. Such exchange shall be made by the City at its own expense and without making any charge therefor.

Section 4.12. Bonds Lost or Destroyed. Upon receipt by the City and the Sinking Fund Depository of evidence satisfactory to both of them that any outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both

of them, the City may, in its discretion, execute and thereupon the Sinking Fund Depository shall authenticate and deliver a new Bond of the same maturity and of like tenor in exchange and substitution for, and upon surrender and cancellation of, the mutilated Bond, or in lieu of and in substitution for the Bond so destroyed, lost or stolen. The City may, for each new Bond authenticated and delivered under the provisions of this Section, require the payment of expenses, including counsel fees. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be destroyed, lost or stolen, shall constitute an original additional and independent contractual obligation on the part of the City whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Ordinance with all other Bonds issued hereunder, and all limitations and debt limits imposed by the Debt Act shall be increased to the extent necessary to validate such new Bonds.

Section 4.13. Form of the Bond. The Bonds shall be substantially in the following form:

FORM OF BOND

CITY OF JEANNETTE
(WESTMORELAND COUNTY, PENNSYLVANIA)

GENERAL OBLIGATION BOND, REFUNDING SERIES OF 1998

<u>DATED DATE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
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March 15, 1998

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The City of Jeannette (Westmoreland County, Pennsylvania) (the "City"), a political subdivision of the Commonwealth of Pennsylvania, duly organized and validly existing under the Constitution and laws of the Commonwealth, for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay, as a General Obligation of the City, to the Registered Owner hereof, on the Maturity Date stated above, upon presentation and surrender hereof (unless this Bond, if redeemable, shall have been duly called for previous redemption and payment of the Redemption Price made or provided for) the Principal Amount stated above and to pay interest thereon at the Interest Rate per annum stated above, semiannually on April 1 and October 1 in each year during the term of this Bond from the most recent October 1 and April 1, respectively, to which interest has been paid or provided for (or from the Dated Date if the Authentication Date of this Bond precedes April 1, 1998 which is the first date for payment of interest) until full payment of said

delivery of and payment for the Series of Bonds of which this Bond is one, is on file at the offices of the Sinking Fund Depository.

PNC BANK, NATIONAL ASSOCIATION, as
Sinking Fund Depository and Paying Agent

Authorized Officer

AUTHENTICATION DATE:

_____, 19____

[REVERSE OF BOND)

This Bond is one of a duly authorized series of bonds, designated "General Obligation Bonds, Refunding Series of 1998" of the City (the "Bonds"), issued in accordance with the Act of the General Assembly of the Commonwealth of Pennsylvania, Act No. 1978-52, approved April 28, 1978, as amended (the "Debt Act"), pursuant to all the terms and provisions of the formal action of the City (the "Ordinance"), and with the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Interest payable on any Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the March 15 or September 15 (the "Record Date") immediately preceding the applicable Interest Payment Date. Any such interest which is not deposited with the Sinking Fund Depository on or before any such Interest Payment Date for payment to the Registered Owner of record on the Record Date shall forthwith cease to be payable to such Registered Owner on the Record Date, and shall be paid to the person in whose name this Bond is registered on a Special Record Date for the payment of such defaulted interest to be fixed by the Sinking Fund Depository, notice of which shall be given to all Registered Owners not less than 10 days prior to such Special Record Date.

The Bonds maturing on and after April 1, 2009 are subject to redemption at the option of the City prior to their stated Maturity Dates as a whole or in part, by lot within a maturity, on April 1, 2008 or on any date thereafter, in both cases upon payment of the Redemption Price of 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption.

The Bonds maturing on April 1 of the years 2004, 2006, 2008, 2010, 2013, 2018 and 2024 are subject to mandatory redemption prior to their stated Maturity Dates, on April 1 of the years 2003 through 2024, respectively, upon payment of the Redemption Price

of 100% of the principal amount thereof, together with interest accrued to the date fixed for redemption.

If less than all Bonds maturing on any one date are to be redeemed at any time, the Bonds to be called for redemption at such time shall be chosen by the Sinking Fund Depository, by lot.

Notice of redemption of any Bond shall be given to the Registered Owner of such Bond by first class mail, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Ordinance. A portion of a Bond of a denomination larger than \$5,000 may be redeemed, and in such case, upon the surrender of such Bond, there shall be issued to the Registered Owner thereof, without charge therefor, a registered Bond or Bonds for the unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Ordinance. If notice of redemption shall have been duly given, the Bonds or portions thereof specified in that notice shall become due and payable at the applicable Redemption Price on the designated redemption date, and if, on such date, moneys are held by the Sinking Fund Depository for the payment of the Redemption Price of the Bonds to be redeemed, together with interest to the date fixed for redemption, then from and after such date interest on such Bonds shall cease to accrue.

The City, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Bonds, and has directed the Sinking Fund Depository to use such numbers in notices of redemption and other notices, if any, as a convenience to the Registered Owners of the Bonds. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice and reliance may be placed only on the identification number printed hereon.

This Bond may be transferred or exchanged only on the Register maintained by the City at the offices of the Sinking Fund Depository upon surrender hereof by the Registered Owner at such office duly endorsed by, or accompanied by a written instrument of transfer duly executed by, the Registered Owner or his duly authorized agent or legal representative, in each case, in form and with a guaranty of signature satisfactory to the City and the Sinking Fund Depository. No service charge shall be imposed on any Registered Owner of any Bond for any transfer or exchange of any Bond, but the City may require payment of any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

The City shall not be required to register the transfer or exchange of any Bond: (a) during the period of fifteen (15) business days before any date of selection of Bonds to be redeemed, or (b) after such Bond has been selected for Redemption.

Subject to the provisions of this Bond and of the Ordinance, the Sinking Fund Depository may treat the Registered Owner of this Bond as the absolute owner hereof, for all purposes, whether or not this Bond shall be overdue, and neither the City nor the Sinking Fund Depository shall be affected by any notice to the contrary.

This Bond is hereby declared to be a general obligation of the City. The City hereby covenants with the Registered Owner of this Bond to include the amount necessary to pay the debt service hereon, in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts from its general revenues to the payment of such debt service and to duly and punctually pay or cause to be paid from its Sinking Fund or any other of its revenues or funds the principal of this Bond and the interest hereon on the dates, at the place and in the manner stated herein, according to the true intent and meaning hereof.

It is hereby certified 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 Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the City, is within every debt and other limit applicable to the City prescribed by the Constitution and the laws of the Commonwealth of Pennsylvania; that the City has established with the Sinking Fund Depository a Sinking Fund for this Bond and shall deposit therein amounts sufficient to pay the principal of and interest on this Bond as the same shall become due and payable; and that for the prompt and full payment of all obligations under this Bond, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the City, as such, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance and acceptance of this Bond.

ASSIGNMENT

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 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

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

Dated _____

Signature Guaranteed:

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

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

ARTICLE 5 -- CONCERNING THE SINKING FUND DEPOSITARY

Section 5.01. Maintenance of Sinking Fund. The Sinking Fund Depositary shall maintain the Sinking Fund as a separate account and shall, without further authorization other than as herein contained, pay, from moneys therein, the principal of, interest on and premium, if any, on the Bonds, as and when the same shall become due, to the Registered Owners thereof.

Section 5.02. Unclaimed Funds. The Sinking Fund Depositary shall return to the City all moneys deposited and held in a Sinking Fund for the payment of Bonds which have not been claimed by the Registered Owners after two years from the date when payment is due, except where such funds are held for the payment of outstanding checks, drafts or other instruments of the Sinking Fund Depositary. Nothing in this Section or by reason of any action taken hereunder shall relieve the City of its liability for payment to the Registered Owners of unrepresented Bonds.

Section 5.03. Liability of Sinking Fund Depositary. The Sinking Fund Depositary may exercise any of the powers or perform any duty hereunder by or through attorneys, agents, receivers or employees, and it shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorney, agent, receiver or employee, if reasonable care has been exercised in his appointment and retention, nor shall the Sinking Fund Depositary be otherwise answerable or accountable under any circumstances whatever in connection with such powers or duties, except for its own gross negligence or willful misconduct. The Sinking Fund Depositary shall be protected and shall incur no liability in relying, acting or proceeding in good faith upon any notice, request, order, certificate, report, opinion, statement, affidavit, voucher, or other paper or document believed by it to be genuine and to have been signed, passed or presented by the proper person, nor be bound to make any investigation into the matters stated therein.

Section 5.04. Ownership of Bonds. The Sinking Fund Depositary, in its individual capacity or as a fiduciary, may become the owner of Bonds, with the same rights it would have if it were not the Sinking Fund Depositary. The Sinking Fund Depositary may also engage in, or be interested in, any financial or other transaction with the City not in derogation of the rights of the Registered Owners of the Bonds.

Section 5.05. Interpretation. The Sinking Fund Depositary may construe any of the provisions of this Ordinance insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Sinking Fund Depositary in good faith shall be binding upon the Registered Owners of the Bonds.

Section 5.06. Fees and Expenses. The Sinking Fund Depositary shall be paid such initial and periodic fees for its

services and reimbursed for such expenses, as are specified in those proposals and other such communications made to and received by the City in connection with the Bonds, if any, or, in all events, according to its usual, customary and reasonable schedule of fees and other charges.

Section 5.07. Removal; Resignation. The Sinking Fund Depository shall serve in such capacity at the will of the City and may be removed, at any time, with or without cause, by the appointment of a qualified successor and upon sixty (60) days written notice to the Registered Owners of the Bonds and to the Sinking Fund Depository. Moreover, but if, and only in the event that, the payment of the Bonds has been insured to the Registered Owners thereof by a duly issued and outstanding Bond Insurance Policy, then the Sinking Fund Depository and any successor shall be, and remain at all times, acceptable to the Insurer, who shall be empowered to request the appointment of a successor for cause shown. The Sinking Fund Depository may at any time resign and be discharged of the trust hereby created by giving not less than sixty (60) days written notice to the City and the Registered Owners, specifying the date when such resignation shall take effect, in the manner required for bond redemption notices in Section 4.10 hereof, and such resignation shall take effect upon the day specified in such notice, unless previously a successor sinking fund depository shall have been appointed by the City as hereinbefore provided, in which event such resignation shall take effect immediately on the appointment of such successor.

Section 5.08. Duties upon Default. If the City shall fail or refuse to make any required deposit in the Sinking Fund, the Sinking Fund Depository shall (a) independent of events and actions of Registered Owners, any trustee or any court or administrative or judicial officer undertaken or occurring pursuant to the provisions of Article 6 hereof: (1) notify the Department of Community and Economic Development of such failure or refusal, in order to facilitate an inspection of the Sinking Fund by the Department pursuant to Section 1006 of the Debt Act; and (2) shall notify the Insurer, if any; and (b) in conjunction with such events and actions under Article 6 hereof, may, and upon request of the Registered Owners of twenty-five percent in principal amount of outstanding Bonds and upon being indemnified against cost and expense shall, exercise any remedy, provided in Article 6 of this Ordinance, in the Debt Act or at law or in equity, for the equal and ratable benefit of the Registered Owners of the outstanding Bonds, and shall disburse all funds so collected equally and ratably to the Registered Owners thereof, pursuant to the requirements of Article XII of the Debt Act.

Notwithstanding the foregoing, however, if, and only in the event, the payment of the Bonds has been insured to the Registered Owners thereof by a duly issued and outstanding Bond Insurance Policy, then the Sinking Fund Depository shall diligently seek recovery of funds for the payment of the Bonds from the Insurer according to the terms of the Bond Insurance Policy and, in the

event the terms of such Bond Insurance Policy are being fully met and satisfied by the Insurer, then the Sinking Fund Depository may undertake the remedies provided in subparagraph (b) of this Section 5.09 only after notice to, and with the consent of, the Insurer.

ARTICLE 6 -- DEFAULTS AND REMEDIES

Section 6.01. Failure to Budget Debt Service. Subject to the provisions of Section 6.06 hereof, if applicable, if the City fails or refuses to make adequate provision in its budget for any fiscal year for the sums payable in respect of the Bonds, then at the suit of the Registered Owner of any Bond, the Court of Common Pleas of Westmoreland County shall after a hearing held upon such notice to the City as the Court may direct, and upon a finding of such failure or neglect, by writ of mandamus, require the Designated Officer to pay into the Sinking Fund the first tax moneys or other available revenues or moneys thereafter received in such fiscal year by such Designated Officer until the sum on deposit in the Sinking Fund shall equal the moneys that should have been budgeted or appropriated for the Bonds.

Section 6.02. Failure to Pay Principal or Interest. Subject to the provisions of Section 6.06 hereof, if applicable, if the City fails or neglects to pay or cause to be paid the interest or principal on any of the Bonds, as the same becomes due and payable, and such failure shall continue for thirty (30) days, the Registered Owner thereof shall, subject to any appropriate priorities created under the Debt Act, have the right to recover the amount due in an action in assumpsit in the Court of Common Pleas of Westmoreland County. The judgment recovered shall have an appropriate priority upon the moneys next coming into the treasury of the City.

Section 6.03. Trustee for Registered Owners.

(a) Subject to the provisions of Section 6.06 hereof, if applicable, but notwithstanding any other provision in this Ordinance, if the City defaults in the payment of the principal of or the interest on the Bonds after the same shall become due, and such default shall continue for thirty (30) days, or if the City fails to comply with any provision of the Bonds or this Ordinance, the Registered Owners of twenty-five percent in aggregate principal amount of the Bonds then outstanding, by an instrument or instruments filed in the office for the recorder of deeds in Westmoreland County, signed and acknowledged in the same manner as a deed to be recorded, may appoint a trustee, who may be the Sinking Fund Depository, to represent the Registered Owners of all such bonds or notes, and such representation shall be exclusive for the purposes herein provided.

(b) Such trustee shall have all of the powers provided in Section 1203(b) of the Debt Act.

(c) If the Sinking Fund Depository is willing to serve and exercise the powers conferred upon a trustee appointed by this Section 6.03, no trustee appointed in the manner provided in this Section shall have the powers herein set forth unless the appointment under this Section was executed by or pursuant to the authority of the Registered Owners of a principal amount of such Bonds sufficient to remove such originally appointed trustee.

(d) Proof of ownership of Bonds and of execution of instruments relative thereto shall be made according to the provisions of Section 414 of the Debt Act.

Section 6.04. Costs of Suits or Proceedings. In any suit, action or proceeding by or on behalf of the Registered Owners of defaulted Bonds, the fees and expenses of a trustee or receiver, including operating costs of a project and reasonable counsel fees, shall constitute taxable costs, and all such costs and disbursements allowed by the court shall be deemed additional principal due on the Bonds, and shall be paid in full from any recovery prior to any distribution to the Registered Owners of the Bonds.

Section 6.05. Distribution of Moneys Realized for Registered Owners. Moneys or funds collected for the Registered Owners of defaulted Bonds shall, after the payment of costs and fees as provided in Section 6.04, be applied by the trustee or receiver as provided in Section 1206 of the Debt Act.

Section 6.06. Bond Insurance Policy; Procedure for Payment Thereunder. Payment of the Bonds shall be insured to the Registered Owners by the Bond Insurance Policy hereby authorized to be purchased upon the issuance and delivery of the Bonds.

No provisions of this Ordinance, the Debt Act or otherwise arising at law or in equity for the enforcement of claims by Registered Owners for the payment of either principal or interest in respect of the Bonds shall be effectuated without the consent of the Insurer, so long as the terms of the Bond Insurance Policy are being fully met and satisfied.

In the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, all covenants, agreements and other obligations of the City to the Registered Owners of the Bonds, under this Ordinance and under the Debt Act, shall continue to exist and shall run to the benefit of the Insurer, who shall be subrogated to the rights of such Registered Owners. Accordingly, the Sinking Fund Depository shall abide and follow all instructions of the Insurer for the prompt payment of the principal of and/or interest due on the Bonds to the Registered Owners, including provision of the Register to the Insurer, processing of checks or other remittances on behalf of the Insurer, collection of Bonds and notation of the Insurer's interests as subrogee within its records and on its books.

ARTICLE 7 -- AMENDMENTS AND MODIFICATIONS

Section 7.01. Amendments Without Consent. The City may, from time to time and at any time, enact, execute, file with the Department of Community and Economic Development and deliver to the Sinking Fund Depository, who shall accept the same, debt ordinances amending, modifying or supplemental hereto as shall not be inconsistent with the terms and provisions hereof and which shall not adversely affect the rights of the Registered Owners of the Bonds (which modifying or supplemental debt ordinances shall thereafter form a part hereof) for the following purposes:

(a) to cure any ambiguity, formal defect or omission in this Ordinance;

(b) to grant or confer upon the Sinking Fund Depository for the benefit of the Registered Owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred thereupon;

(c) to add to this Ordinance additional covenants and agreements thereafter to be observed by, or to surrender any right or power herein reserved to or conferred upon, the City; or

(d) to amend the definition of the Project and change the purposes of the Bonds, in compliance with all provisions of the Debt Act.

Section 7.02. Amendments with Consent. With the consent of the Registered Owners of not less than sixty-six and two-thirds percent (66 2/3%) in outstanding principal amount of the Bonds (and with the consent of the Insurer, if any) the City may, from time to time and at any time, enact, execute, file with the Department of Community and Economic Development and deliver to the Sinking Fund Depository, who shall accept the same, debt ordinances amending, modifying or supplemental hereto for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of this Ordinance or of modifying in any manner the rights of the Registered Owners of the Bonds; provided, however, that no such modifying or supplemental debt ordinance shall: (i) extend the fixed maturity date of any Bond, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Registered Owner of each Bond so affected; or (ii) reduce the aforesaid percentage of Bonds, the Registered Owners of which are required to consent to any such modification or supplement, without the consent of the Registered Owners of all Bonds then outstanding. It shall not be necessary for the consent of the Registered Owners to approve the particular form of any proposed modification or supplement, if such consent shall approve the substance thereof.

Section 7.03. Acceptance of Amendment. The Sinking Fund Depository shall accept any amending, modifying or supplemental debt ordinance which the City is authorized to execute hereunder upon delivery of the following:

(a) The amending, modifying or supplemental debt ordinance, duly executed with proof of filing with the Department of Community and Economic Development; and

(b) An opinion of Bond Counsel to the effect that such amending, modifying or supplemental debt ordinance was properly enacted, executed and delivered pursuant to: (i) the provisions of Section 7.01 hereof; or (ii) the provisions of Section 7.02 hereof and that the consent of the Registered Owners of the Bonds required hereunder has been secured, and that, in all events, the enactment, execution and delivery of such debt ordinance complies with all applicable requirements of law, including the Debt Act.

Section 7.04. Effect of Amendment. Upon the execution of any amending, modifying or supplemental debt ordinance pursuant to the provisions of this Article, this Ordinance shall be and be deemed to be amended, modified and supplemented in accordance therewith, and the respective rights, limitation of rights, obligations, duties and immunities of parties hereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such amendments, modifications and supplements, and all the terms and conditions of any such debt ordinance shall be and be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

Section 7.05. Notice of Amendment. Notice, including a summary description, of any amending, modifying or supplemental debt ordinance once effectuated shall be confirmed promptly to all Registered Owners, and to the Insurer, if any, in the same manner as notices of redemption as in Section 4.10 hereinbefore provided.

ARTICLE 8 -- DISCHARGE OF DEBT ORDINANCE

Section 8.01. If the City shall pay or cause to be paid unto the Registered Owners the principal of, the interest on and the premium, if any, on the Bonds, at the times and in the manner stipulated therein, then this Ordinance and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Sinking Fund Depository shall release, cancel and discharge the lien and obligations of this Ordinance and deliver to the City any funds or documents at the time subject to the lien of this Ordinance which may then be in its possession; provided, however, that until such time as full and complete payment is so made, this Ordinance shall be and remain in full force and effect.

Bonds, for the payment or redemption of which cash and/or securities which upon maturity will yield funds in the full amount required therefor shall have been deposited with the

Sinking Fund Depository, whether upon or prior to the Maturity Date or the Redemption Date of such Bonds, shall be deemed to be paid within the meaning of this Article, provided, however, that if such Bonds are to be redeemed prior to the Maturity Date(s) thereof, notice of such redemption shall have been duly given or adequate provision shall have been made thereof.

In the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, until full, proper and complete payment and reimbursement is made to the Insurer by the City pursuant to the Bond Insurance Policy.

ARTICLE 9 - REFUNDING OF CALLABLE PRIOR BONDS

Section 9.01. Authorization of Refunding. The City hereby authorizes the advance refunding of all of the Callable Prior Bonds for the purpose of reducing total debt service over the life of the issue, and authorizes application of proceeds of the Bonds for such purpose.

Section 9.02. Escrow Agreement. The City hereby authorizes the Paying Agent for the Callable Prior Bonds to serve as escrow agent for the advance refunding of such bonds. The proper officers of the City are hereby authorized to execute and deliver the Escrow Agreement, to direct the transfer of proceeds from the sale of the Bonds for deposit in accordance with the Escrow Agreement and to take all other actions that may be necessary to pay the redemption price of all outstanding Callable Prior Bonds on April 1, 2004.

ARTICLE 10 - FEDERAL INCOME TAX COVENANTS

Section 10.01. Compliance in General. The City hereby states its intention to comply with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code"); the City represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon the instruction of Bond Counsel, all those acts necessary and proper to the maintenance of the exclusion from gross income of the interest on the Bonds to the Registered Owners thereof conferred by said Sections, as interpreted by applicable regulations, rulings or other pronouncements of the Secretary of the United States Department of the Treasury.

Section 10.02. Not a Private Activity Bond; Taxing Powers. The City covenants that the Bonds are not an issue: (1)(a) more than 10 percent of the proceeds of which are to be used for any private business use, and (b) the payment of the principal of, or

the interest on, more than 10 percent of the proceeds, directly or indirectly, is (x) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (y) to be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; nor (2) the proceeds of which, in an amount exceeding the lesser of five percent of such proceeds, or \$5,000,000, are to be used to make or finance loans to persons other than governmental units.

Section 10.03. Non-Arbitrage. The City covenants that no portion of the proceeds of the Bonds is reasonably expected (at the time of issuance of the Bonds) to be used, nor will intentionally be so used, directly or indirectly, (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments. This prohibition shall not apply to proceeds invested in higher yielding investments (a) for a reasonable temporary period until such proceeds are needed for the purpose of the Bonds, or (b) as a part of a reasonably required reserve or replacement fund. For these purposes, "higher yielding investment" shall mean any investment property (generally, a security or debt obligation) which produces a yield over the term of the Bonds which is materially higher than the yield on the Bonds, but shall not include any tax-exempt bond.

Section 10.04. Qualified Tax-Exempt Obligations. The City hereby designates the Bonds to be "qualified tax-exempt obligations" for the purposes of, and according to all the terms and conditions of, Section 265(b)(3) of the Tax Code. Having considered tax-exempt obligations previously issued, together with the Bonds, during the calendar year in which the Bonds are issued, the City represents and covenants that the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the City (together with all subordinate entities) during said calendar year does not exceed \$10,000,000.

For these purposes, "tax-exempt obligations" means any obligation the interest on which is wholly exempt from taxes under the Tax Code.

ARTICLE 11 - SALE OF BONDS; SETTLEMENT

Section 11.01. Award to Purchaser. After due consideration, the Governing Body hereby determines that a private sale by negotiation of the Bonds is in the best financial interest of the City.

The Bonds are hereby awarded and sold at private sale by negotiation to the Purchaser at the purchase price stated in the Purchase Proposal, which is hereby accepted, and incorporated by reference into this Ordinance. The Designated Officers are

authorized and directed to sign such Purchase Proposal, return it to the Purchaser and file a copy of the same with the records of the City.

Section 11.02. Delivery of Bonds. The Designated Officers are hereby authorized and directed to deliver the Bonds to the Sinking Fund Depository for authentication and thereafter to the Purchaser against confirmed receipt of the purchase price thereof.

Section 11.03. Clearing Fund. The Designated Officers are hereby authorized and directed to establish with the Sinking Fund Depository, in the name of the City, a one-day demand deposit account to facilitate the settlement of the Bonds, designated the "Clearing Fund". The purchase price shall be deposited into the Clearing Fund immediately upon receipt and the Designated Officers are hereby authorized and directed to transfer and invest funds, to pay all necessary, usual and proper costs of issuance of the Bonds, to execute and deliver such documents and to do all such other acts, upon advice of Bond Counsel or Solicitor, as are reasonable and necessary to ensure a satisfactory settlement of the sale of the Bonds and a proper application of the proceeds of the Bonds to the Project.

Section 11.04. Expeditious Settlement. The City hereby authorizes and directs Bond Counsel or Solicitor to undertake and perform all actions on behalf of the City necessary and proper to the expeditious settlement of the sale of the Bonds.

The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all such ordinary duties of the City (and the same are hereby specifically approved) which may be required under, or reasonably contemplated by, the Purchase Proposal, including, without limitation, application and qualification for certain bond ratings and/or policy(ies) of bond insurance, establishment of bank accounts with authorized depositories for the deposit and management of Bond proceeds and other Project funds, purchase of necessary investments, retention of professionals, bond printing, and execution and delivery of such certificates, orders and agreements as may be necessary, in the opinion of Bond Counsel or Solicitor, to settlement of the sale of the Bonds.

Section 11.05. Official Statement. The City acknowledges that preparation of the Official Statement by the Purchaser was done on its behalf and for its benefit, as an agent, and that, in particular, while matters of style and format may have originated with the Purchaser, all substantive data and information was provided by the City. The City, upon review as to completeness and accuracy, hereby deems the Preliminary Official Statement final as of its date, and certifies the Preliminary Official Statement did not and does not, as of its date and as of this date, contain any untrue statements of a material fact or omit to state any material fact which should be included therein in order to make the statements contained therein, in the light of the

circumstances under which they were made, not misleading, as required by statute, regulation or substantive law. The distribution of the Preliminary Official Statement by the Purchaser is hereby ratified and approved. The City hereby covenants to provide a final Official Statement to the Purchaser within seven business days of this date. The Designated Officer is hereby authorized and directed to execute the same with such completions therein from the preliminary document as may be necessary and, provided further, that execution of a certificate concurrently upon, or subsequent to, preparation of the final Official Statement, including any settlement certificate, by a Designated Officer, regarding the truth and accuracy of the final Official Statement is tantamount to execution of the original document and full and sufficient authority for the printing of one or more conformed signatures therein. The City hereby covenants that the same representations regarding finality and completeness made regarding the Preliminary Official Statement will be true of the final Official Statement as of its date and as of Settlement. The Purchaser is authorized to use the final Official Statement in connection with the sale of the Bonds.

ARTICLE 12 - MISCELLANEOUS

Section 12.01. Ratification. The action of the proper officers or agents in advertising a Summary Notice of this Ordinance, as required by law, is ratified and confirmed. The advertisement of the Enactment Notice of this Ordinance is hereby directed.

Section 12.02. Ordinance A Contract. This Ordinance shall be a contract with the Registered Owners, from time to time, of the Bonds.

Section 12.03. Inconsistencies. All prior ordinances, resolutions, or other official acts or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Section 12.04. Statutory References. All references to specific provisions of statutory law herein contained may be read and interpreted by reference to amended, successor or replacement laws, but only to the extent consistent with the intent and clear meaning of this Ordinance. All inconsistencies shall be resolved with recognition of, and in favor of, the rights of the owners of the Bonds, whose rights shall not be impaired.

Section 12.05. Benefitted Parties. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the City, the Sinking Fund Depository, the Registered Owners of the Bonds (and the Insurer, if any), any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof; and all of the covenants, stipulations,

promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of such persons.

Section 12.06. Severability. If any one or more of the covenants or agreements provided in this Ordinance on the part of the City or the Sinking Fund Depository to be performed are for any reason held to be illegal or invalid or otherwise contrary to law, then such covenant or covenants or agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, but shall in no way otherwise affect the validity of this Ordinance.

Section 12.07. No Personal Liability. No covenant or agreement contained in the Bonds or in this Ordinance shall be deemed to be the covenant or agreement of any member, officer, agent, attorney or employee of the City in an individual capacity, and neither the members of the Governing Body nor any Designated Officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

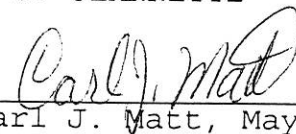
ORDAINED AND ENACTED at a duly assembled public meeting by the Council of the City of Jeannette this 17th day of February, 1998.

ATTEST:

CITY OF JEANNETTE



Ronald E. Dinsmore, City Clerk

By: 

Carl J. Matt, Mayor