

**BOROUGH OF PATTERSON HEIGHTS
BEAVER COUNTY, PENNSYLVANIA**

ORDINANCE NO. 194

AN ORDINANCE INCREASING THE INDEBTEDNESS OF THE BOROUGH OF PATTERSON HEIGHTS, COUNTY OF BEAVER, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$120,000.00; FIXING THE FORM, NUMBER, DATE INTEREST AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE OF THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; AND AUTHORIZING EXECUTION, SALE, AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of Patterson Heights Borough, Beaver County, Pennsylvania, be increased for the following purposes: to pay for the construction, reconstruction and improvement of streets project in said Borough,

WHEREAS, the proposed increase of debt, together with its non-electoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the Township's debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Council of Patterson Heights Borough, Beaver County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. That the aggregate principal amount of the note of Patterson Heights Borough, Beaver County,

Pennsylvania, proposed to be issued is \$120,000.00, same to be issued for the foregoing purposes and same to be incurred as non-electoral debt.

SECTION 2. Said indebtedness shall be evidenced by one general obligation note, in registered form, in the principal sum of \$120,000.00, dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 12th day of July, 1972, 53 Pa. C.S. 6780-1, et. seq., its supplements and amendments, at the rate of interest of an annual rate which is sixty-two (62%) percent of the "Published Pittsburgh Prime Rate" as it is publicly announced in the Pittsburgh Post-Gazette, payable monthly, provided, however, that there shall be a minimum interest rate at all times of at least four and one-half (4-1/2%) percent per annum and that there shall be a maximum interest rate at all times of no more than seven and one-half (7-1/2%) percent per annum, together with interest on overdue principal, and to the extent permitted by law, an overdue interest, at the rate of six (6%) percent per annum (computed on the basis of 365 days to the year) until paid, which Note shall be payable in monthly principal installments of \$2,000.00 resulting in annual principal payments as follows:

Fiscal year 1987	-	\$24,000.00
Fiscal year 1988	-	\$24,000.00
Fiscal year 1989	-	\$24,000.00

Fiscal year 1990 - \$24,000.00
Fiscal year 1991 - \$24,000.00

Interest shall be adjusted monthly using the "Published Pittsburgh Prime Rate" as it existed on the first of each month.

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

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

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

The maximum amounts which the Borough hereby covenants to pay in each of the following fiscal years on the basis of a

maximum interest rate are as follows:

YEAR	PRINCIPAL	INTEREST
1987	\$24,000.00	\$9,000.00
1988	\$24,000.00	\$7,200.00
1989	\$24,000.00	\$5,400.00
1990	\$24,000.00	\$3,600.00
1991	\$24,000.00	\$1,800.00

SECTION 4. The form of said Note shall be substantially as follows:

UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA
COUNTY OF BEAVER
BOROUGH OF PATTERSON HEIGHTS

GENERAL OBLIGATION NOTE

KNOW ALL MEN BY THESE PRESENTS, that the Borough of Patterson Heights, County of Beaver, Commonwealth of Pennsylvania, a municipal corporation existing by and under the laws of said Commonwealth, for value received, hereby acknowledges itself indebted and promises to pay to the purchaser the sum of One Hundred Twenty Thousand and No/100 (\$120,000.00) Dollars in monthly installments of Two Thousand and No/100 (\$2,000.00) Dollars resulting in annual principal payments as follows:

Fiscal year 1987, the sum of \$24,000.00, and
Fiscal year 1988, the sum of \$24,000.00, and
Fiscal year 1989, the sum of \$24,000.00, and
Fiscal year 1990, the sum of \$24,000.00, and
Fiscal year 1991, the sum of \$24,000.00,

with interest on the unpaid principal balance at an annual rate

which is sixty-two (62%) percent of the "Published Pittsburgh Prime Rate" as it is publicly announced in the Pittsburgh Post-Gazette, payable monthly, provided, however, that there shall be a minimum interest rate at all times of at least four and one-half (4-1/2%) percent per annum and that there shall be a maximum interest rate at all times of no more than seven and one-half (7-1/2%) percent per annum payable annually on the anniversary date of said note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of six (6%) percent per annum (computed on the basis of 365 days to the year), with the option in the Borough to anticipate any installment of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty. Interest shall be adjusted monthly using the "Published Pittsburgh Prime Rate" as it existed on the first of each month.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the office of the Reeves Bank, Beaver Falls, Pennsylvania.

It is hereby recited that this note is authorized to be issued in accordance with the act of the General Assembly of the Commonwealth of Pennsylvania approved the 12th day of July, 1972, 53 Pa. C.S. 6780-1, et. seq., its supplements and amendments.

It is hereby certified that all acts, conditions and

things required to be or be done, happen and be performed precedent to and in the issuance of this note or in the creation of the debt of which it is evidence, have been done, happened and been performed in regular and due form and manner as required by law; and that this note, together with all other indebtedness of the said Borough of Patterson Heights is not in excess of any constitutional or statutory limitation and for the proper budgeting, appropriation and the prompt and full payment of all the obligations of this note the entire faith, credit and taxing power of said Borough of Patterson Heights are hereby irrevocably pledged.

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

IN WITNESS WHEREOF, the Borough of Patterson Heights has caused this note to be properly executed by the President of the Borough Council and its corporate seal to be hereto affixed, attested to by the Secretary of the Borough Council of Patterson Heights Borough, as of the _____ day of _____, 1986.

ATTEST:

BOROUGH OF PATTERSON HEIGHTS

Borough Secretary

President of the Borough
Council

SECTION 5. The said note shall be executed in the name and under the corporate seal of the Borough of Patterson Heights by the President of the Borough Council and attested to by the Secretary of the Borough Council. The Borough Secretary is hereby authorized and directed to deliver said note to the purchaser, and receive payment therefor on behalf of the Borough. The President and Secretary of the Borough Council are authorized and directed to prepare, verify and file the debt statement required by Section 410 of The Act of 1972, its supplements and amendments, and to take other necessary action, including, if necessary, or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 6. The Borough covenants to establish and there is hereby established a sinking fund for the payment of the note hereby authorized, said fund to be known as "Sinking Fund 1986 General Obligation Note," with the bank or bank and trust company selected as hereinafter set forth as sinking fund depository. The Borough Secretary shall pay into the sinking fund, which shall be maintained until such note is paid in full, the amounts required pursuant to the covenant contained in

Section 3 hereof, and in the appropriation to be made by the Borough for the purpose of making payments of principal and interest due on the note.

SECTION 7. The President and Secretary of the Borough Council of the Borough of Patterson Heights are hereby authorized to contract with Reeves Bank for its services as sinking fund depository for the note and paying agent for the same.

SECTION 8. The general obligation note in the amount of \$120,000.00 herein authorized to be issued and sold, is hereby awarded and sold to the Reeves Bank in accordance with its proposal to purchase the said note at par; provided the said note is dated the date of delivery thereof to the Reeves Bank and is in the form set forth in Section 4 of this Ordinance.

SECTION 9. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Beaver County Times is ratified and confirmed. The advertisement in said paper of the enactment of the Ordinance is hereby directed within seven days following the day of final enactment.

SECTION 10. All ordinances or parts of an ordinance not in accord with this Ordinance are hereby repealed insofar as

they conflict herewith.

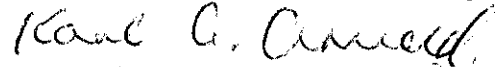
ORDAINED AND ENACTED this 1st day of December, 1986.

ATTEST:



Borough Secretary

BOROUGH OF PATTERSON HEIGHTS



President of the Borough
Council

EXAMINED AND APPROVED this 1st day of December, 1986.


Mayor