

ORDINANCE # 206  
OF  
PATTERSON HEIGHTS BOROUGH  
BEAVER COUNTY, PENNSYLVANIA  
\$196,281.00

WHEREAS, Patterson Heights Borough (the "Borough") deems it advisable to borrow the amount shown above, pursuant to the Local Government Unit Debt Act (herein the "Act") for the purpose of acquiring, constructing or renovating the capital items listed on Exhibit A (hereinafter the "Project"); and

WHEREAS, the Borough has obtained an estimate of the cost of the Project by any or all of the following methods: taking bids, obtaining an option, obtaining estimates from registered architects, professional engineers or other persons qualified by experience; and

WHEREAS, notice of this ordinance has been duly advertised in accordance with Section 103 of the Act; and

WHEREAS, Equibank (the "Bank") has presented a written proposal (the "Proposal") to this meeting to purchase a note to be issued by the Borough;

NOW, THEREFORE, be and it hereby is resolved that:

1. the indebtedness of the Borough be increased in the amount shown above and on Exhibit A as the principal amount, to be evidenced by an installment note (the "Note") in the form of the Note presented to this meeting and attached hereto as Exhibit N.

2. The debt to be incurred is a non-electoral, general obligation debt and is to be incurred to pay the costs of the Project which are determined to be the amount shown on Exhibit A. The useful life of the Project is shown on Exhibit A.

3. The Note shall be sold at a private sale by negotiation, which sale is hereby determined to be in the best financial interest of the Borough.

4. The Borough accepts the proposal of the Bank to purchase the Note, at par. The Note will be dated the date of its delivery and will mature and bear interest at the rates and be payable on the dates shown on Exhibit A, and will be redeemable at the option of the Borough at any time without premium or penalty.

5. The proposal of the Bank presented to this meeting shall be incorporated into the minutes hereof and the proper officers of the

Borough are hereby authorized and directed to execute and deliver an acceptance of the Proposal on behalf of and under the seal of the Borough.

6. The proper officers of the Borough are hereby authorized and directed to prepare, certify and file the debt statement required by Section 410 of the Local Government Unit Debt Act.

7. The Note shall be a general obligation of the Borough and the Borough hereby covenants with the holder, from time to time, of the Note that it will include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates at the places and in the manner stated therein according to the true intent and meaning thereof, and for such budgeting, appropriation and payment, the Borough hereby pledges its full faith, credit and taxing power.

8. Equibank is hereby designated as the Paying Agent, Registrar and Sinking Fund Depository for the Note and there is hereby created a Sinking Fund for the payment of the principal and the interest thereon. The Treasurer of the Borough shall deposit into the Sinking Fund sufficient amounts for payment of principal of and interest on the Note no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, without further action by the Borough withdraw available moneys from the Sinking Fund and apply those moneys to payment of the principal of and interest on the Note.

9. Upon approval of the Department of Community Affairs of the Commonwealth of Pennsylvania to issue the Note, the appropriate officers shall execute and affix the seal of the Borough to the Note and shall deliver the Note to the Bank.

10. The proper officers of the Borough are hereby authorized and directed to do all acts necessary and proper for the issuance and securing the Note.

11. The Borough hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly in a manner which, if such use had been reasonably expected on the date of issuance of the Note would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Note and that it will comply with the requirements of that section and the Regulations throughout the term of the Note.

12. If the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be

issued by the Borough during the current calendar year exceeds \$5,000,000, and if the gross proceeds of the Note are invested at a yield greater than the yield on the Note and are not expended within six months from the date of issuance, the Borough covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, all investment income derived from investing the proceeds of the Note in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Note at a yield not in excess of the yield on the Note.

13. The Borough will file IRS Form 8038-G and any other forms or information required by the Code to be filed in order to permit the interest on the Note to be excluded from gross income tax for federal income tax purpose.

14. This Ordinance shall be deemed to be a contract with the holders, from time to time, of the Note and the covenant contained in Section 7 hereof shall be specifically enforceable.

15. The Borough hereby designated the Note as a Qualified Tax-Exempt Obligation pursuant to Section 265 (b)(3) of the Code and represents that the total amount of its obligations so designated and to be designated during the current calendar year does not and is not expected to exceed \$10,000,000.

DULY adopted on October 15, 1992.

BOROUGH OF PATTERSON HEIGHTS

BY: 

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Donald W. Denhart  
Secretary

SEAL: