

General Obligation Note, Series of 2015

Administration

ORDINANCE NO. _____

FILE OF THE CITY COUNCIL

BILL NO. _____

Introduced by _____ and _____

November 19, 2014

Amended by _____ and _____

December 3, 2014

AN ORDINANCE

OF THE COUNCIL OF THE CITY OF ALLENTOWN, LEHIGH COUNTY, PENNSYLVANIA, AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION NOTE (THE "NOTE") IN THE PRINCIPAL AGGREGATE AMOUNT NOT TO EXCEED \$7,000,000; SETTING FORTH THE PURPOSE OF THE ISSUANCE OF THE NOTE, TO FUND CERTAIN CAPITAL PROJECTS OF THE CITY OF ALLENTOWN PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT; DETERMINING THAT THE NOTE SHALL BE SOLD AT PRIVATE SALE; DETERMINING THE PROJECTS AND ESTABLISHING THEIR USEFUL LIFE; DETERMINING THAT THE DEBT EVIDENCED BY THE NOTE SHALL BE NONELECTORAL DEBT; SETTING FORTH THE INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES AND FINAL MATURITY OF THE NOTE AND THE PREPAYMENT PRIVILEGES; ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE NOTE; DESIGNATING A PAYING AGENT FOR THE NOTE; SETTING FORTH THE METHOD AND PLACE OF PAYMENT OF THE NOTE; APPROVING THE FORM OF THE NOTE; AUTHORIZING THE EXECUTION OF THE NOTE; ENTERING INTO A COVENANT WITH RESPECT TO THE NOTE AND

PLEDGING THE CITY'S FULL FAITH, CREDIT AND TAXING POWER THEREFORE, AND ESTABLISHING A SINKING FUND FOR THE NOTE; DESIGNATING A SINKING FUND DEPOSITORY; SETTING FORTH CERTAIN ADDITIONAL TERMS WITH RESPECT TO THE NOTE; AUTHORIZING APPROPRIATE OFFICERS TO FILE UNDER SECTION 8110 OF THE LOCAL GOVERNMENT UNIT DEBT ACT WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, INCLUDING PROCEEDINGS UNDER SECTION 8024 OR 8026 OF THE ACT MAKING CERTAIN FEDERAL TAX COVENANTS AND DECLARING THE NOTE TO BE QUALIFIED TAX-EXEMPT OBLIGATIONS; DECLARING THE DEBT EVIDENCED BY THE NOTE TO BE WITHIN THE LIMITATIONS OF THE LOCAL GOVERNMENT UNIT DEBT ACT MAKING CERTAIN FEDERAL TAX COVENANTS AND DECLARING THE NOTE TO BE QUALIFIED TAX-EXEMPT OBLIGATIONS; AUTHORIZING DELIVERY OF THE NOTE; AUTHORIZING INVESTMENT OF THE PROCEEDS OF THE NOTE; PROVIDING FOR INVALID PROVISIONS; PROVIDING FOR INCONSISTENT ORDINANCES; PROVIDING WHEN THE ORDINANCES SHALL BECOME EFFECTIVE.

WHEREAS, the City of Allentown, Lehigh County, Pennsylvania (the "City"), is a Local Government Unit, as defined in the Pennsylvania Local Government Unit Debt Act, as codified by the Act of December 19, 1996, P.L. 1158, No. 177 constituting Title 53, Part VII, Subpart B of the Pennsylvania Consolidated Statutes, as amended (the "Act"); and

WHEREAS, the Council of this City ("Council") did previously determine to: (1) open, widen, straighten, alter, extend, construct, reconstruct, grade, re-grade, repave, macadamize and/or otherwise improve, streets and highways of this City, including facilities for necessary drainage, lighting and traffic control and including payment of any damages; (2) alter, construct, reconstruct, grade, pave, establish or otherwise improve, sidewalks, curbs, divider curbs, gutters and drains; (3) purchase appropriate equipment for the extinguishment, prevention and investigation of fires; (4) design, construct, erect and make alterations, improvements, additions and extensions to the public storm sewer systems; (5) construct, extend, enlarge, landscape, rehabilitate and equip public parks, parkways, playgrounds, playfields, public bath houses, swimming pools, and other recreational facilities; (6) to acquire land or interests in land, if necessary, and make and construct capital improvements upon such land or upon land and

buildings previously acquired by the City, and to reconstruct and renovate the same, for proper municipal purposes; and (7) purchase, acquire, make and construct other capital improvements and capital equipment for proper municipal purposes;

WHEREAS, Council has determined at this time that it is in the City's best interest to fund the capital projects ("Projects") as set forth in Schedule 1 attached hereto; and

WHEREAS, the completion of the Projects will require a capital funds borrowing under the Act, which the Council has decided to undertake; and

WHEREAS, the City has received realistic cost estimates from persons qualified by experience as to the amounts necessary to satisfy the costs of the items of planning, design, improvement, renovation and extraordinary repair to be undertaken and funded, any real estate rights and interests to be acquired and funded, all related equipment, furnishings, machinery and apparatus to be acquired and funded, and all related architects', appraisers', attorneys' and consultants' fees to be incurred with respect to the Projects, the total estimated cost of which has been determined to be at least \$6,000,000.

WHEREAS, the Council has determined to implement the foregoing decision by the authorization, issuance and sale of its General Obligation Note, Series of 2015 (the "Note"), the proceeds from the sale thereof, after payment of the costs of issuance, will fund the Projects, sometimes referred to herein as the "Financing Program"; and

WHEREAS, Council, in contemplation of the authorization, issuance and sale of the Note, has determined that the Note shall be offered for sale, which sale shall be private sale by negotiation, in accordance with Section 8107 of the Act, which it believes is in the best interests of the City; and

WHEREAS, Council, in contemplation of the authorization, sale, issuance and delivery of the Note, with the proceeds to be used for the aforesaid purposes, has determined that the Note:

(a) Shall be offered at private sale by negotiation pursuant to a Proposal as defined below;

(b) Shall be a fixed rate Note offered at a price of not less than 95% nor more than 115% of the principal amount together with accrued interest, if any, from the date thereof to the date of delivery thereof.

WHEREAS, a "Proposal for the Purchase of 2015 Note" dated December 3, 2014 (the "Proposal") has been received from Public Financial Management Inc. (the "Financial Advisors"). The Proposal is in substantial form appended hereto as Exhibit "B" and shall be assigned to a bank/lending institution in the manner set forth therein. The Proposal contains certain financial parameters for, and conditions to, the underwriting and issuance of the Note (the "Note Parameters"), which will be supplemented by an addendum to the Proposal containing the final terms and conditions of the Note, consistent with the Note Parameters and the provisions of the Act; and

Whereas, Council authorizes the President or Vice President of Council or the Director of Finance of this City, which shall include their duly qualified successors in office, if applicable, are authorized and directed on such a date and time after this meeting in a manner consistent with the Act to execute the Proposal and any addendum thereto, provided that the Note Parameters are met; and

WHEREAS, Council desires to award the Note to the Financial Advisors and their assignees at private sale by negotiation and to accept their Proposals in the form submitted; to authorize issuance of non-electoral debt in the aggregate principal amount of the Note in

connection with the Financing Study; and to take appropriate action and to authorize such action in connection with the Project, all in accordance with and pursuant to provisions of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City, as follows:

Section 1. The Council of the City of Allentown does authorize and direct the issuance of the General Obligation Note, Series of 2015 ("Note"), pursuant to this Ordinance, in the maximum aggregate principal amount of \$7,000,000, for the purpose of the Financing Program defined in Section 2 hereof. The final net proceeds of the Note shall not exceed the funding required for the Projects listed on Schedule 1. The Note will be obligations of the City payable from its general revenues.

Section 2. The purpose of the issuance and sale of the Note shall be to provide sufficient funds, in addition to those available, to carry out the Financing Program described in the Preamble to this Ordinance, in order to finance the costs of the Projects, which constitute capital projects with a useful life of 5 to 10 years, pursuant to Section 8002 of the Act, and to pay the costs thereof as defined in Section 8007 of the Act.

Section 3. The Note shall be sold at private sale by negotiation, which the Council hereby determines is in the best interests of the City.

Section 4. The Council has determined that the debt, of which the Note shall be evidence, shall be nonelectoral debt of the City.

Section 5. Council shall and does authorize the acceptance of the Proposal of the Financial Advisors and its assignees ("Assignee Bank"), (together the "Purchasers"), for purchase of the 2015 Note, which 2015 Note shall be and are awarded to the Purchasers, in accordance with the terms of their Note Purchase Contract, at private sale by negotiation, at a price of not less than 95% nor more than 115% of the principal amount, together with accrued interest from the date thereof to the date of delivery thereof, the Purchasers covenanting to

submit their Note Purchase Contract in accordance with the provisions of the Act. The President or Vice President or Finance Director of the City are authorized and directed to execute the awarded Note Purchase Contract and any addendum thereto provided that the terms of the Note Purchase Contract are such that the Note parameters are achieved. Appropriate officers and officials of the City are authorized and directed to execute any loan agreement and loan documents required by the Assignee Bank. The Note shall be subject to prepayment in whole or in part as provided in the form of the Note.

Section 6. The Council does hereby designate, the Assignee Bank, a banking institution having its principal trust offices in the Commonwealth of Pennsylvania, or its successor or nominee-affiliate, as the "Paying Agent" for purposes of the Note.

Section 7. The principal of and premium, if any, and interest on the Note shall be payable by account transfer, check or draft of the Paying Agent mailed or delivered to the registered owner at the address shown on the registration books as of the close of business on the fifth (5th) day prior to the payment dates, in lawful monies of the United States of America, without deduction of any tax or taxes now or hereafter levied or assessed thereon under any present or future law of the Commonwealth, which tax or taxes this City assumes and agrees to pay; provided, however, that the foregoing shall not be applicable to gift, estate or inheritance taxes or to other taxes not levied or assessed directly on the Note or the interest paid thereon.

Section 8. The Note, subject to any technical corrections or modifications approved by Council, shall be in the following form:

CITY OF ALLENTOWN

Lehigh County, Pennsylvania

General Obligation Note, Series of 2015

CITY OF ALLENTOWN (the "City"), a local government unit under and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as hereinafter defined, for value received, hereby promises to pay to _____, a banking institution registered to do business within the Commonwealth of Pennsylvania with its principal corporate offices in _____, _____ (the "Bank"), or its successors or assigns, on or before the _____ day of _____, _____, upon surrender hereof, the principal sum of _____ Dollars (\$ _____), and to pay interest on said principal sum at the rate of (____%) per annum, payable initially on _____, and semi-annually on the _____ day of _____ and the _____ day of _____ thereafter, in accordance with the attached debt service schedule, either until maturity hereof or, if this Note shall be prepaid, until the date of such prepayment, principal due in full on or before _____.

The principal of and interest on this Note shall be payable at the principal office of the Bank, or any successor or assignee, in any coin or currency of the United States of America which, at time of payment, is legal tender for payment of public and private debts, to the registered owner on the fifth (5th) day prior to each payment date.

The Note has been authorized for issuance in accordance with provisions of the Local Government Unit Debt Act (the "Act") of the Commonwealth and by virtue of a Ordinance of the City duly enacted December 3, 2014 (the "Ordinance"). The Act, as such shall have been in effect when the Note was authorized, and the Ordinance shall constitute a contract between the City and registered owner, from time to time, of the Note.

The Note constitutes a general obligation of the City payable from its general revenues. The Note is issued for the purpose of providing monies, in addition to those available, to fund the costs of certain capital projects (the Projects as defined in the Ordinance), as such costs are defined in Section 8007 of the Act.

The City has covenanted, in the Ordinance, to and with registered owners, from time to time, of the Note that shall be outstanding, that the City: (i) shall include the amount of the debt service for the Note, for each fiscal year of the City in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the

payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds, the principal of the Note and the interest thereon on the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, the City has pledged and does pledge, irrevocably, its full faith, credit and taxing power.

The City shall have the right to prepay any amount hereunder at any time and from time to time, in whole or in part.

Any prepayment in whole or in part shall include accrued interest and all other sums then due under the Note. No partial prepayment shall affect the obligation of the City to make any payment of principal or interest due under this Note on the regularly scheduled payment date until this Note has been paid in full. Any partial prepayment of principal shall be applied in the inverse order of maturity and shall not postpone or reduce any regularly scheduled payment of principal and interest.

If the Bank shall merge or change its identity or assign this Note, the Bank shall give written notice of such action to the City, which notice shall direct the City to make payments hereunder henceforth to the appropriate successor or assignee. Such notice shall be effective if given not less than fifteen (15) days prior to any date for the payment of principal and interest thereunder, or for the prepayment of principal, if notice of prepayment shall have been given to the Bank.

Reference is hereby made to the Ordinance and to any loan agreement between the City and the Bank for a statement of the nature, extent and manner of enforcement of the security, the terms and conditions under which the Ordinance may be amended or modified, the rights of the holder of the Note in respect to such security, and the terms and conditions under which the Note is issued. The City has established with the Bank a sinking fund for the Note and has made provision for the deposit therein from its general revenues, of amounts sufficient to pay, and from which the Bank, as paying agent and sinking fund depository, is required to pay, the principal of and interest on the Note as the same shall become due and payable.

It is hereby certified that: (i) All acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the City, is not in excess of any limitation imposed by the Act upon the incurring of debt by the City.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by the signature or facsimile signatures of the Mayor and the President of the Council of the City, and its seal or a facsimile of its seal to be affixed hereto, attested by the City Clerk, all as of _____, 2015.

CITY OF ALLENTOWN

BY: _____
Mayor

BY: _____
President
Council of the City

ATTEST:

City Clerk

(SEAL)

CERTIFICATE OF REGISTRATION NOTICE.
NO WRITING HEREON EXCEPT
BY PAYING AGENT ON BEHALF OF THE MAKER

It is hereby certified that the foregoing Note is registered as to principal and interest as follows:

| <u>Name of Registered Owner</u> | <u>Address of Registered Owner</u> | <u>Date of Registration</u> | <u>Paying Agent's Authorized signature</u> |
|-------------------------------------|--|---------------------------------|--|
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(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within Note, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books of the within named Maker, with full power of substitution in the premises.

Tax Identification No.

Dated: _____

NOTICE: The signature on this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or any change whatsoever.

Section 9. The Note shall be executed in the name of and in behalf of this City by the signatures or facsimile signatures of the Mayor and the President of the Council of the City, and the official seal of this City or a facsimile thereof shall be affixed thereunto, attested by the signature or facsimile signature of the City Clerk.

Section 10. This City covenants to and with the holder or registered owner of the Note, from time to time, pursuant to this Ordinance, that this City shall include the amount of the debt service thereon for each fiscal year of this City in which such sums are payable, in its budget for each such fiscal year, shall appropriate such amounts to the payment of such debt service, and duly and punctually shall pay or shall cause to be paid the principal of the Note and the interest thereon on the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this City shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Act, the foregoing covenant of this City shall be enforceable specifically.

Furthermore:

(a) There are created pursuant to Section 8221 of the Act, a sinking fund for the Note, to be known as the "Sinking Fund, General Obligation Note, Series of 2015", or the "2015 Note Sinking Fund", which sinking fund shall be administered in accordance with applicable provisions of the Act.

(b) From the funds deposited in the appropriate sinking funds, the Paying Agent, without further action of the City, is hereby authorized and directed to pay the principal of and interest on the respective Note, and the City hereby covenants that such monies, to the extent required, will be applied to such purpose, as follows: the Paying Agent shall pay all interest and principal on each Note, as and when the same shall become due and payable.

Section 11. The City appoints the Assignee Bank as the Sinking Fund Depository with respect to the Sinking Fund created pursuant to Section 10 of this Ordinance.

Section 12. The Mayor and the Finance Director, respectively of this City are authorized and directed to contract with the Assignee Bank for its services as Sinking Fund Depository and as Paying Agent in connection with the Note, and is authorized and directed to execute on behalf of the City at the appropriate time, a Paying Agent Agreement with the Assignee Bank in its capacity as Paying Agent for the Note. The Mayor and the Finance Director are authorized to approve payment at closing on the sale of the Note of all costs and expenses incidental to such issuance and sale and consummation of the Financing Program.

Section 13. The following additional terms and conditions shall apply, as appropriate, to the Note:

(a) Should the City fail to provide the Paying Agent with sufficient funds, payable to the Sinking Fund, at appropriate intervals, so as to enable the Paying Agent to pay the principal and interest on the Note as and when due, or should the City, through the Paying Agent, fail to make such payments as and when due, or should the City fail to perform any other covenant or condition contained in this Ordinance and running to the benefit of the holder or registered owner of the Note, or contained in the Act as applicable to the Note, such failure shall constitute a default by the City, and the registered owner of the Note shall be entitled to all the rights and remedies provided by the Act in the event of default. If any such default occurs, the Paying Agent may, and upon written request of the registered owner of the Note accompanied by indemnity in such form and in such amount as the Paying Agent shall designate or a Court of competent jurisdiction shall set and establish, shall bring suit upon the Note, or by other appropriate legal or equitable action restrain or enjoin any acts by the City which may be unlawful or in violation of the rights of the owner of the Note.

(b) With respect to the Note hereunder, when such Note shall be paid by the City or the Paying Agent pursuant to the terms and provisions of this Ordinance, they shall be cancelled and cremated or otherwise destroyed by the Paying Agent, which shall then furnish the City with a Certificate of Cremation or Destruction, if requested.

(c) The Note or any of them hereunder shall be deemed to be no longer outstanding if provision for payment at maturity or at redemption, such redemption having been irrevocably undertaken, shall have been made in a manner authorized under Section 8250(b) of the Act.

(d) With respect to the Note hereunder, the City may, from time to time and at any time, enact a supplemental ordinance in order to: (1) cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance, or (2) grant to or confer upon the owner of the Note any additional rights, remedies, powers, authority, or security that may be lawfully granted to or conferred upon it. This Ordinance may also be amended or modified from time to time, except with respect to the interest payable upon the Note, or with respect to the date of payments and maturity of the Note, and in the case of any such permitted amendment or modification, a certified copy of the same shall be filed with the Paying Agent following approval in writing by the owner of the Note, unless provision for payment or redemption of the Note has been made prior to the effective date thereof as provided in subsection (c) above.

Section 14. The President or Vice President and the City Clerk of this City, which shall include their duly qualified successors in office, if applicable, are authorized and directed as appropriate; (a) to prepare, to certify and to file the debt statement required by Section 8110 of the Act; (b) to prepare and file, as required with the Department of Community and Economic Development (the "Department") of the Commonwealth, statements required by Section 8024 or 8026 of the Act, which are necessary to qualify certain nonelectoral and lease rental debt of this City and, if necessary, the debt which will be evidenced by the Note to be issued hereunder, as

subsidized or self-liquidating debt; (c) to prepare, execute and to file the application with the Department, together with a complete and accurate transcript for the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by Section 8111 of the Act; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

Section 15. It is declared that the debt to be incurred by the issuance of the Note hereby, together with any other indebtedness of the City, is not in excess of any limitation imposed by the Act upon the incurring of debt by the City.

Section 16. (a) The City hereby covenants with the registered owners, from time to time, of the Note that no part of the proceeds of the Note or of any moneys on deposit with the Paying Agent and Sinking Fund Depository hereunder 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 "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 (the "Code") and the Regulations thereunder (the "Regulations") proposed or in effect at the time of such use and applicable to the Note, and that it will comply with the requirements of the section of the Code and the Regulations throughout the term of the Note.

(b) If the total tax-exempt borrowings of the City in the calendar year 2015 should exceed the applicable exemption limitation (not less than \$5,000,000 or more than \$10,000,000), 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, or within the applicable periods therefrom and in the applicable percentages if Section 148(f)(4)(C)(ii) shall be applicable, the City 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. Provided however, that the President of the City Council and the Mayor are hereby authorized on behalf of the City to exercise an election to pay, in lieu of Rebate, a penalty pursuant to Section 148(f)(4)(C)(vii)(I), which election, if made in their discretion, shall be contained in the City's Non-Arbitrage Certificate with respect to the Note issued at closing thereon, and shall thereupon become binding upon the City, in which case the City shall pay the appropriate penalties, as applicable, as and when due, in lieu of Rebate.

Section 17. The City does hereby covenant and agree, for the benefit of the holders of the Note from time to time, that it will comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission ("SEC") with respect to municipal securities disclosure, and will execute and comply with an appropriate Continuing Disclosure Certificate as approved by note counsel as long as the Note are outstanding.

Section 18. Proper officers of this City are authorized and directed to deliver the Note, upon execution thereof as provided for herein, to the Assignee Bank, but only upon receipt of proper payment of the balance due or the amount then to be drawn thereon, and only after the Department has certified its approval pursuant to Section 8111 of the Act, and to pay or direct the payment of the costs of issuance and comply with any loan agreement requirements, including fees due and payable to the Assignee Bank.

Section 19. The proceeds of the sale of the Note, after payment of the costs of issuance, shall be invested, pending application to the payment of costs of the Projects, in investments (the "Investments"), which are legal investments for City under the laws and statutes of the Commonwealth of Pennsylvania, and further, to the extent not invested in direct obligations of the United States, such Investments shall be adequately collateralized by such obligations. The

Finance Director is hereby authorized and directed to make appropriate arrangements for the Investments.

Section 20. In the event that any provision, section, sentence, clause or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City that such remainder shall be and shall remain in full force and effect.

Section 21. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

Section 22. This Ordinance shall be effective in accordance with Section 8003(c) of the Act.

DULY ENACTED this 3rd day of December, 2014, by the Council of City of Allentown,
Lehigh County, Pennsylvania, in lawful session duly assembled.

(Vice) President of Council

ATTEST:

City Clerk

[SEAL]

Executed and approved by me this 3rd day of December, 2014.

Mayor of City of Allentown
Lehigh County, Pennsylvania

I hereby certify that the foregoing Ordinance was passed by the City Council and signed by his Honor the Mayor on December 3, 2014.

City Clerk

CERTIFICATION

I hereby certify that the foregoing document is a true and correct copy of Ordinance passed by Allentown City Council on December 3, 2014.

Certified this 3rd day of December, 2014.

City Clerk

CITY OF ALLENTOWN
LEHIGH COUNTY, PENNSYLVANIA

IN RE:

| | | |
|---------------------|---|--------------------------|
| 2015 NOTE FINANCING |) | BORROWING ORDINANCE |
| |) | |
| |) | CERTIFICATE OF ENACTMENT |

CERTIFICATE

I, the undersigned, City Clerk of the City of Allentown, Lehigh County, Pennsylvania (the "City"), certify that:

The foregoing is a true and correct copy of a Ordinance which duly was enacted by affirmative vote of a majority of all members of the Council of the City at a meeting duly held on the 3rd day of December, 2014; said Ordinance duly has been recorded in the Minute Book of the Council of the City; notices with respect to enactment (both before and after enactment) of said Ordinance have been published as required by law; and said Ordinance has not been amended, altered, modified, or repealed as of the date of this certificate.

I further certify that:

The total number of members of the Council of the City is seven (7); the vote of the members of the Council upon said Ordinance was called and duly was recorded upon the Minutes of said meeting; and members of the Council voted upon said Ordinance in the following manner:

| | |
|---------------------|-------|
| Julio A. Guridy | _____ |
| Ray O'Connell | _____ |
| Joe Davis | _____ |
| Jeanette Eichenwald | _____ |
| Daryl L. Hendricks | _____ |
| Cynthia Mota | _____ |
| Peter G. Schweyer | _____ |

IN WITNESS WHEREOF, I set my hand and affix the official seal of the City, this 3rd day of December, 2014.

City Clerk

(SEAL)

\$7,000,000
CITY OF ALLENTOWN
GENERAL OBLIGATION NOTE, SERIES OF 2015

DEBT SERVICE SCHEDULE

| <u>Date</u> | <u>Maximum Principal</u> | <u>Maximum Rate [1]</u> | <u>Interest</u> | <u>Semi-Annual Debt Service</u> | <u>Proposed Fiscal Year Debt Service</u> |
|---------------|------------------------------|-----------------------------|-------------------|-------------------------------------|--|
| 8/1/2015 | 800,000 | 6.000 | 206,500.00 | 1,006,500.00 | 1,006,500.00 |
| 2/1/2016 | 1,400,000 | 6.000 | 186,000.00 | 1,586,000.00 | |
| 8/1/2016 | | | 144,000.00 | 144,000.00 | 1,730,000.00 |
| 2/1/2017 | 1,500,000 | 6.000 | 144,000.00 | 1,644,000.00 | |
| 8/1/2017 | | | 99,000.00 | 99,000.00 | 1,743,000.00 |
| 2/1/2018 | 1,600,000 | 6.000 | 99,000.00 | 1,699,000.00 | |
| 8/1/2018 | | | 51,000.00 | 51,000.00 | 1,750,000.00 |
| 2/1/2019 | 1,700,000 | 6.000 | 51,000.00 | 1,751,000.00 | |
| 8/1/2019 | | | | | 1,751,000.00 |
| TOTALS | 7,000,000 | | 980,500.00 | 7,980,500.00 | 7,980,500.00 |

[1] Assumes a Maximum Interest Rate of 6.00%

Short Term Loan

| | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------|-------------|--------------------|
| IT Related Items (Mostly 5-7 yr life) | | | |
| 1) Voiceover Phone System | \$400,000 | \$0 | \$0 |
| 2) Equipment Replacement (PCs, Scanners, Network Switches) | \$200,000 | \$200,000 | \$200,000 |
| 3) Archives System | \$150,000 | \$0 | \$0 |
| 4) Contingency Funds for Equipment | \$100,000 | \$100,000 | \$100,000 |
| <u>Subtotal</u> | \$850,000 | \$300,000 | \$300,000 |
| Police Related Issues | | | |
| 1) In-car Cameras-- Need 41, 10 more from Grant (5 year life) | \$202,000 | \$0 | \$0 |
| 2) Body Cameras - \$950/unit for 150 Officers (5 year life) | \$150,000 | \$0 | \$0 |
| 3) Record Management System (5 year life) | \$100,000 | \$50,000 | \$50,000 |
| 4) Mobile Data Computers (5 year life) | \$87,000 | \$87,000 | \$87,000 |
| 5) On Street Cameras (5 year life) | \$100,000 | \$100,000 | \$100,000 |
| <u>Subtotal</u> | \$639,000 | \$237,000 | \$237,000 |
| Public Works Issues (10yr life) | | | |
| 1) Trucks, Police Cars, Etc. | \$1,000,000 | \$1,150,000 | \$1,150,000 |
| <u>Total</u> | \$2,489,000 | \$1,687,000 | \$1,687,000 |
| Grand Total | | | \$5,863,000 |