

ORDINANCE 232

ORDINANCE OF THE TOWNSHIP OF OHIO, ALLEGHENY COUNTY, PENNSYLVANIA, AUTHORIZING THE INCURRING OF NONELECTORAL DEBT FOR THE PURPOSE OF PROVIDING FUNDS FOR THE CONSTRUCTION OF RECREATIONAL FACILITIES AND THE TOWNSHIP'S CAPITAL PROGRAM AND TO PAY ALL COSTS AND EXPENSES RELATING TO THE ISSUANCE OF THE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,150,000 EVIDENCED BY THE TOWNSHIP'S GENERAL OBLIGATION BONDS, SERIES OF 1999 AS WELL AS FOR THE PURPOSE OF PAYMENT OF ISSUANCE EXPENSES; APPROVING THE PRIVATE SALE; ACCEPTING THE PROPOSAL; PROVIDING FOR MATURITIES, INTEREST RATES; APPOINTING A PAYING AGENT, REGISTRAR AND SINKING FUND DEPOSITORY; APPROVING THE INTEREST PAYMENT DATES AND RECORD DATES; APPROVING BOND REGISTER, REGISTRATIONS AND TRANSFER; APPROVING EXECUTION AND AUTHENTICATION; APPROVING GENERAL OBLIGATION COVENANT; PROVIDING FOR REDEMPTION; PROVIDING FOR PAYMENT OF REDEMPTION OF PRIOR NOTES; APPROVING SINKING FUND; PROVIDING DISPOSITION OF PROCEEDS; PROVIDING COST AND REALISTIC USEFUL LIFE; APPROVING INTERNAL REVENUE CODE COVENANTS; APPROVING ADVERTISING; APPOINTING PROFESSIONALS; APPROVING THE FILING WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AUTHORIZING THE PREPARATION AND FILING OF A SELF-LIQUIDATING APPLICATION; APPROVING GENERAL AUTHORIZATION; RATIFYING THE PRELIMINARY OFFICIAL STATEMENT; FINDING SAID PRELIMINARY OFFICIAL STATEMENT TO BE AN OFFICIAL STATEMENT DEEMED FINAL AS OF ITS DATE BY THE TOWNSHIP FOR PURPOSES OF SEC RULE 15C2-12(B)(1); AUTHORIZING APPROVAL OF THE FINAL OFFICIAL STATEMENT; AUTHORIZING THE CREATION OF THE CLEARING ACCOUNT; AUTHORIZING THE PAYMENT OF EXPENSES; APPROVING THE INVESTMENT; AUTHORIZATION OF OFFICERS; APPROVING THE ISSUANCE AS A BOOK ENTRY ISSUE; APPROVING THE DISCLOSURE COVENANTS; AUTHORIZING THE EXECUTION OF THE ESCROW AGREEMENT; AUTHORIZING THE PURCHASE OF ESCROW INVESTMENTS; AUTHORIZING THE PURCHASE OF INSURANCE; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the Township of Ohio, Allegheny County, Pennsylvania (the "Issuer" or the "Township") desires to refund its General Obligation Notes, Series B of 1997 (the "1999 Refunding Project") and to undertake a capital project (the "1999 Capital Project") and to pay all costs and expenses relating to the issuance of the Bonds; and

WHEREAS, the Issuer intends to issue its Bonds in accordance with the terms of this Ordinance, pursuant to Title 53, Part VII, Subpart B, of the Pennsylvania Consolidated Statutes (53 Pa.C.S. §8001 and §8271), known as the Local Government Unit Debt Act (the "Debt Act") to pay the cost of the 1999 Capital Project; and

WHEREAS, the Issuer intends to issue its Bonds under the aforescribed legislation to replace Notes with Bonds and to reduce the annual debt service in any particular year (1999) pursuant to Section 1101 (1) and (2) of the Debt Act; and

WHEREAS, Commerce Capital Markets, Inc. (the "Purchaser") has presented to the Issuer a proposal (the "Proposal") for the purchase of the Bonds described in Section 2 hereof;

NOW, THEREFORE, IT IS HEREBY ORDAINED by the Board of Supervisors of the Township of Ohio that:

Section 1. The Projects.

The Issuer hereby undertakes as a projects the 1999 Capital Project which consists of projects within the Township and the refunding of the Series B of 1997 General Obligation Notes of the Township of which \$1,785,000 is presently outstanding and to pay all costs and expenses relating to the issuance of the Bonds.

Section 2. Incurrence of Indebtedness.

For the purpose of providing funds for the Refunding Project hereinbefore described and the payment of costs, as such term is used in the Debt Act, for the Capital Project, the incurring of nonelectoral debt by the Issuer in the amount of \$4,150,000 is hereby authorized. Such debt shall be evidenced by the issuance of general obligation bonds of the Issuer in the aggregate principal amount of \$4,150,000 designated "Township of Ohio, Allegheny County, Pennsylvania, General Obligation Bond Series of 1999" (the "Bonds").

Section 3. Approval of Private Sale.

After considering the advantages and disadvantages of a public sale of the Bonds, the Board of Supervisors of the Township of Ohio (the "Township") hereby determines that a private sale by negotiation is in the best interests of the Township.

Section 4. Acceptance of Proposal.

The Proposal presented to this meeting by the Purchaser is hereby accepted. The Bonds are hereby awarded to the Purchaser at a negotiated sale as set forth in the Proposal attached hereto and made part hereof. The price for the Bonds is \$4,060,683.66 (representing the original amount of \$4,150,000 less an original issue discount of \$50,440.95 and less an underwriter discount of \$52,912.50 plus accrued interest from April 15, 1999 to the Closing date. The proper officers and officials are hereby authorized and directed to execute and deliver an acceptance of the Proposal to the Purchaser. One counterpart of the accepted Proposal shall be filed with the records of the Issuer.

Section 5. Maturity and Interest Rates.

The Bonds shall bear interest and mature as set forth on Schedule A.

Section 6. Appointment of Paying Agent, Registrar and Sinking Fund Depository.

National City Bank of Pennsylvania, is hereby appointed Paying Agent (the "Paying Agent") and Registrar (the "Registrar") for the Bonds and Sinking Fund Depository (the "Sinking Fund Depository") for the Series of 1999 Bonds Sinking Fund created hereby. The proper officers are hereby authorized and directed to contract with National City Bank of Pennsylvania for its services as Sinking Fund Depository, Paying Agent and Registrar at such initial and annual charges as may be appropriate and reasonable for such services. The Issuer may, by Ordinance, from time to time, appoint a successor Paying Agent, Sinking Fund Depository or Registrar for each series of the Bonds to fill a vacancy or for any other reason.

Section 7. Form of Bond, Interest Payment Dates and Record Dates.

The Bonds shall be issued in fully registered form without coupons and shall be numbered in such manner as may be satisfactory to the Issuer and the Paying Agent. Pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. Each Bond shall be dated as of the date of its authentication. The Bonds shall be issued in denominations of \$5,000 or any whole multiple thereof, and shall bear

interest from April 15, 1999 payable semiannually, initially on November 15, 1999 and thereafter on each May 15 and November 15 (each, an "Interest Payment Date"), from the most recent Interest Payment Date to which interest has been paid and, if no interest has been paid, from April 15, 1999.

The term "Regular Record Date" with respect to any Interest Payment Date shall mean the last business day of the month immediately preceding such Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Regular Record Date with respect to any Interest Payment Date shall be entitled to receive the interest thereon payable on such Interest Payment Date, notwithstanding the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date, except if and to the extent that the Issuer defaults in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the persons in whose names the affected Bonds are registered at the close of business on a Special Record Date, established by the Paying Agent, not less than ten (10) days nor more than fifteen (15) days prior to the proposed date of payment of such defaulted interest, notice of which Special Record Date shall have been mailed to all Registered Owners of Bonds not less than ten (10) days nor more than fifteen (15) days prior to such date.

#### Section 8. Bond Register, Registrations and Transfer.

The Issuer shall cause to be kept at the principal corporate trust office of the Paying Agent a register (the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer 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 such office and registered in the Bond Register.

Upon surrender of any Bond at the principal corporate trust office of the Paying Agent for registration of transfer, the Issuer shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of any authorized denomination, of the same series, interest rate and maturity, and in aggregate principal amount equal to that of the Bond so surrendered.

Any Bond shall be exchangeable for other Bonds of the same maturity and interest rate, in any authorized denomination, in an aggregate principal amount equal to the principal amount of the Bond or Bonds presented for exchange. Upon surrender of any Bond for exchange at the principal corporate trust office of the Paying Agent, the Issuer shall execute and the Paying Agent shall authenticate and deliver in exchange therefor the Bond or Bonds which the 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 Issuer, evidencing the same debt and entitled to the same benefits under this Ordinance as the Bonds surrendered for such registration of transfer or exchange.

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 Issuer and the Registrar, duly executed by the Registered Owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer or exchange of any Bond, but the Issuer 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 Issuer nor the Paying Agent shall be required (a) to issue or register the transfer or exchange of any Bonds then being considered for such selection during any period beginning at the opening of business of the Paying Agent on the fifteenth (15th) day next preceding a date of selection of Bonds to be redeemed and ending at the close of business of the Paying Agent on the day on which the applicable notice of redemption is mailed or (b) to register the transfer or exchange of any Bonds which have been selected or called for redemption in whole or in part (other than in the case of Bonds issued in exchange for the unredeemed portions of Bonds duly redeemed in part); nor shall either the Township or the Paying Agent be required to issue or register the transfer or exchange of any Bond subsequent to any record date for the payment of interest thereon and prior to the interest payment date to which it pertains.

#### Section 9. Execution and Authentication.

The Bonds shall be executed on behalf of the Issuer by the Chairman of the Board of Supervisors of the Township of Ohio, and shall have a facsimile of the corporate seal of the Issuer affixed thereto, duly attested by the Manager of the Township and said officers are hereby authorized and directed to execute the Bonds. The Bonds shall be authenticated by the manual execution of the Certificate of Authentication by a duly authorized officer of the Paying Agent. No Bond shall be valid until such Certificate of Authentication shall have been duly executed by the Paying Agent and such authentication shall be conclusive and the only proof that any Bond has been issued pursuant to this Ordinance and is entitled to any benefits conferred thereon under the provisions of this Ordinance. To the extent that any one signature on a Bond (including the signature of the officer of the Paying Agent) is manual, all other signatures may be by facsimile. The

Chairman of the Board of Supervisors and Manager, or either of such officers, is hereby authorized and directed to deliver the Bonds to the Purchaser and receive payment therefor on behalf of the Issuer after sale of the same in the manner required by law and this Ordinance.

Section 10. General Obligation Covenant.

The Bonds are hereby declared to be general obligations of the Issuer. The Issuer hereby covenants with the Registered Owners from time to time of the Bonds outstanding pursuant to this Ordinance that it will include the amount of the debt service as specified in this Section, subject to appropriate adjustment in the event of the optional redemption of any Bonds prior to maturity, on the Bonds for each fiscal year in which such sums are payable, in its budget for that year, will appropriate such amounts for such payments and will duly and punctually pay or cause to be paid the principal of the Bonds and the interest thereon 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 Issuer does hereby pledge its full faith, credit and taxing power. The amount of the debt service which the Issuer hereby covenants to pay on the Bonds in each year is shown on Schedule B which is attached hereto and incorporated herein by reference as if set out here at length.

As provided in the Debt Act, the foregoing covenants are specifically enforceable.

Section 11. Redemption.

(a) Optional. The Bonds are subject to redemption prior to maturity at the option of the Issuer as shown on Schedule B.

(b) Mandatory. The Bonds of the series and maturities specified in Schedule B are subject to mandatory redemption on the dates (each, a "Mandatory Redemption Date") and in the amounts shown on Schedule B. The Issuer covenants to cause such Bonds to be redeemed on the Mandatory Redemption Dates and in the amounts shown on Schedule B, subject to its right (which is reserved in Section 11(b) hereof) to satisfy that obligation by delivering to the Paying Agent and Sinking Fund Depository no later than forty-five (45) days before any Mandatory Redemption Date, for cancellation, Bonds of the series and maturity which are subject to mandatory redemption on that Mandatory Redemption Date.

(c) Notice. Notice of any redemption shall be given by mailing a notice of redemption by first class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption to the Registered Owners of Bonds to be redeemed at the addresses which appear in the

Bond Register, provided, however, that 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 Issuer shall have duly given notice of redemption and shall have deposited for such purpose with the Paying Agent sufficient funds for the payment of the redemption price of the Bonds so called for redemption, including accrued interest thereon to the date fixed for redemption, interest on such Bonds shall cease to accrue on and after such date fixed for redemption. Any such notice of redemption may state that it is, and thereby be made, conditional upon the timely deposit of the redemption monies; and in such event that notice shall be of no effect unless such deposit shall be timely made.

(d) CUSIP Numbers. Notices of redemption shall contain the applicable CUSIP numbers pertaining to the Bonds called for redemption (if then generally in use), and shall also contain the serial identification numbers printed on the Bonds.

(e) Selection by Lot. If less than all Bonds of a particular series maturing on any one date are to be redeemed at any time, the Paying Agent shall select by lot the particular Bonds of such series and maturity to be redeemed at such time.

(f) Portions of Bonds. 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 Paying Agent 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 Paying Agent shall authenticate and deliver to the Registered Owner thereof a new Bond or Bonds of the same series and maturity and in any authorized denominations requested by the Registered Owner in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

#### Section 12. Payment of Redemption of the Prior Notes.

Pursuant to the rights reserved to the Township in the terms of the Series B of 1997 Notes and in its Ordinance authorizing the issuance of the 1997 Notes, the Township hereby irrevocably calls for redemption on November 15, 1999 all outstanding 1997 Series B Notes at a redemption price equal to 100% of the principal of plus accrued interest to the date fixed for redemption.

#### Section 13. Sinking Fund.

(a) Deposit. There is hereby established a sinking fund to be known as the Township of Ohio, Allegheny County, Pennsylvania, Series of 1999 Bond

Sinking Fund (the "1999 Bond Sinking Fund"), into which the Issuer covenants to deposit, and into which the Treasurer is hereby authorized and directed to deposit (i) on or before November 15, 1999 and on or before each May 15 and November 15 thereafter to and including November 15, 2028 amounts sufficient to pay the interest due on such dates on the Bonds then outstanding, and (ii) on or before November 15, 1999, and on or before each November 15 thereafter to and including November 15, 2028, amounts sufficient to pay the principal of the Bonds due on each such date at maturity or pursuant to the mandatory redemption requirements hereof.

(b) Credit for Bonds Delivered. The Issuer may satisfy any part of its obligation to deposit funds pursuant to clause (a)(ii) by delivering to the Paying Agent and Sinking Fund Depository, for cancellation, Bonds maturing or subject to mandatory redemption on the date by which such deposit is required. The Issuer shall receive credit against such deposit for the face amount of the Bonds so delivered, provided that such Bonds are delivered to and received by the Paying Agent and Sinking Fund Depository (i) on or before the maturity date of the Bonds for which credit is requested, in the case of a deposit required for the payment of Bonds at maturity, or (ii) in the case of a deposit required to be made on a Mandatory Redemption Date, no later than forty-five (45) days prior to the Mandatory Redemption Date for which credit is requested.

(c) Application of Funds. All sums in the Series of 1999 Bond Sinking Fund shall be applied exclusively to the payment of principal and interest covenanted to be paid by Section 10 hereof as the same from time to time become due and payable and the balance of said moneys over and above the sum so required shall remain in the Series of 1999 Bonds Sinking Fund, to be applied to the reduction of future required deposits; subject, however, to investment or deposit at interest as authorized by law and as permitted by Section 24 hereof. The Series of 1999 Bonds Sinking Fund shall be kept at the principal corporate trust office of the Sinking Fund Depository. The Sinking Fund Depository, without further authorization other than as herein contained, shall pay, from the moneys in the Series of 1999 Bond Sinking Fund, the interest on the Bonds as and when due to the Registered Owners as of the appropriate Record Date and principal of the Bonds, as and when the same shall become due, to the Registered Owners thereof.

(d) Optional Deposits. Notwithstanding the foregoing, in the case of optional redemption of any or all of the Bonds as permitted by Section 11(a) hereof, the Treasurer is hereby authorized and directed to deposit, from time to time, before the appropriate optional redemption date, funds which shall be sufficient when they, either alone or together with the interest to be earned thereon, if any, will equal the principal of the Bonds so called for redemption and the premium, if any, and the interest thereon to the date fixed for redemption.

Section 14. Disposition of Proceeds.

All monies derived from the sale of the Bonds shall be deposited in the Clearing Account created pursuant to Section 22 hereof and shall be and hereby are appropriated substantially to the payment of the costs of the Refunding Project, the 1999 Capital Project including but not limited to the payment of the costs and expenses of preparing, issuing and marketing the 1999 Bonds, and for the payment of interest on the Bonds from April 15, 1999, to the date of delivery to the Purchaser and shall not be used for any other purposes except as to any unsubstantial amounts of money which may remain after fulfilling the purposes set forth herein, which minor remaining money shall promptly, upon their determination, be deposited in the Series of 1999 Bonds Sinking Fund, and used for the payment of the interest on the Bonds. Promptly after the deposits of the proceeds of the Bonds, the Issuer shall cause the transfers to the Escrow Fund created pursuant to the Escrow Agreement authorized by this Ordinance.

Section 15. Cost and Realistic Useful Life.

Reasonable estimates have been obtained for the cost of the 1999 Capital Project \$2,500,000. The useful life of said projects is at least 30 years from April 15, 1999. Further, reasonable estimates have been obtained as to the useful life of the 1999 Refunding Project which is 2 years. Therefore, the maturities of the Bonds are in accordance with Sections 8142 and 8243 of the Debt Act.

Section 16. Internal Revenue Code Covenants.

(a) General. The Issuer hereby covenants with the Registered Owners, from time to time, of the Bonds that no part of the proceeds of the Bonds 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 Bonds, would have caused the Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986 (the "Code") and the Regulations thereunder proposed or in effect at the time of such use and applicable to the Bonds, and that it will comply with the requirements of that section and the Regulations throughout the term of the Bonds.

(b) Rebate. The Issuer covenants that, to the extent required by law, 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 Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Bonds at a yield not in excess of the yield on the Bonds.

(c) Qualified Tax-Exempt Obligation Designation. The Issuer hereby designates each of the Bonds as a "qualified tax-exempt obligation" within the meaning of and for the purposes of Section 265(b)(3) of the Code and represents that it reasonably expects that it, together with all subordinate governmental entities and on-behalf-of issuers, will not issue more than \$10,000,000 in tax-exempt obligations (other than "private activity bonds" that are not "qualified 501(c)(3) bonds" as such terms are used in Section 265 of the Code) during calendar year 1999. Subordinate governmental entities include all entities deriving their issuing authority from the Issuer or subject to substantial control of the Issuer. On-behalf-of issuers include all issuers (as such) of obligations on behalf of the Issuer or subordinate governmental entities. Tax-exempt obligations include, without limitation, bonds, notes, lease-purchase agreements, operating agreements, sale-leaseback agreements and all other obligations incurred pursuant to the borrowing power of the Issuer, its subordinate governmental entities or on behalf of Issuers, (i) the interest on which, or accruals of original issue discount with respect to which, are excludable from gross income for federal income tax purposes.

The Chairman of the Board of Supervisors of the Township of Ohio and the Manger of the Township are hereby authorized to issue a certificate of the Issuer to this effect at the closing for the Bonds.

(d) Filing. The Issuer 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 Bonds to be excluded from gross income tax for federal income tax purposes.

Section 17. Advertising.

The action of the officers of the Issuer in advertising a summary of this Ordinance, as required by law, is ratified and confirmed. The officers of the Issuer or any of them, are authorized and directed to advertise a notice of enactment of this Ordinance in a newspaper of general circulation in the Township of Ohio within fifteen (15) days after final enactment. The Chairman of the Board of Supervisors is hereby directed to make a copy of this Ordinance available for inspection by any citizen during normal office hours.

Section 18. Appointment of Professionals.

The Issuer hereby appoints Ira Weiss, Esquire as Bond Counsel, for the purpose of rendering any and all necessary opinions with respect to each series of the Bonds.

Section 19. Filing with Department of Community and Economic Development.

The Chairman of the Board of Supervisors and the Manager of the Township are hereby authorized and directed to prepare, verify and file with the Department of Community and Economic Development, in accordance with the Debt Act, a transcript of the proceedings relating to the issuance of the Bonds including the Debt Statement and Borrowing Base Certificate required by Section 8110 of the Debt Act as well as a Self-Liquidating Application, and to take other necessary action, and to prepare and file all necessary documents with the Department of Economic & Community Development including, if necessary or desirable, any statements required to exclude any portion of the debt evidenced by the Bonds, or by any other outstanding bonds or notes of the Issuer from the appropriate debt limit as self-liquidating or subsidized debt.

Section 20. General Authorization.

The officers and officials of the Issuer are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in order to effectuate the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 21. Official Statements.

The Preliminary Official Statement dated April 8, 1999, prepared with respect to the Bonds is hereby approved as an official statement deemed final as of its date by the Issuer for purposes of SEC Rule 15c2-12(b)(1). The Chairman of Board of Supervisors and the Manager of the Township of Ohio are hereby authorized to execute and approve a Final Official Statement relating to the Bonds provided that the Final Official Statement shall have been approved by the Issuer's Solicitor. The distribution of the Preliminary Official Statement is hereby ratified and the Purchaser is hereby authorized to use the Preliminary Official Statement and the Final Official Statement in connection with the sale of the Bonds.

Section 22. Clearing Account.

The Issuer hereby creates with the Paying Agent a special fund to be known as the Township of Ohio, Allegheny County, Pennsylvania, Series of 1999 Clearing Account (the "Clearing Account") which shall be used as trust funds for the benefit of the Issuer until disbursed in accordance with the provisions hereof. The Issuer shall deliver the net proceeds (including accrued interest) derived from the sale of each of the Bonds to the Paying Agent for deposit into the appropriate Clearing Account. Upon written directions from the Issuer signed by the Chairman of the Board of Supervisors and Manager of the Township of Ohio and the Paying Agent

shall pay, out of the respective Clearing Accounts, the costs and expenses of the issuance of the Series of 1999 Bonds, shall disburse therefrom and pay over to the Issuer the amount of the Bond proceeds to be spent on the aforementioned capital projects and shall transfer therefrom the amount of accrued interest to the Series of 1999 Bonds Sinking Fund. The written direction from the Issuer shall state the names of the respective payees, the purpose for which the expenditure has been incurred or the purpose of the transfer or other disbursement, whichever is applicable, and shall contain a certification that each item of expense for which payment has been requested has been properly incurred and is then unpaid, and that each transfer or other disbursement which is requested is in accordance with the provisions of this Ordinance.

Section 23. Payment of Expenses.

All expenses incurred in connection with issuance of the Bonds shall be paid out of the proceeds derived from the issuance of the Bonds and deposited in the appropriate Clearing Account, and the proper officers and officials are authorized to sign and deliver requests for payment of such expenses.

Section 24. Investment.

Any moneys in the Series of 1999 Bonds Sinking Fund not required for prompt expenditure may, at the direction of the Issuer, be invested in bonds or obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States of America or may be deposited at interest in time accounts or certificates of deposit or other interest-bearing accounts of any bank and trust company, savings and loan association or building and loan association. To the extent that such deposits 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. Any such investments or deposits shall mature or be subject to redemption at the option of the holder, or be subject to withdrawal at the option of the depositor, not later than the date upon which such moneys are required to be paid to the Registered Owners.

Section 25. Authorization of Officers.

Any authorization granted to, power conferred on, or direction given to the Chairman of the Board of Supervisors and Manager of the Township shall be deemed to run to their legal designees, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

Section 26. Book Entry.

The 1999 Bonds, when issued, will be registered in the name of CEDE & Company as registered owner and nominee of the Depository Trust Company (DTC) which will act as securities depository for the 1999 Bonds. Purchasers of the benefit show ownership interest in the 1999 Bonds will be made in book entry only form. Purchasers will not receive certificates representing their ownership interest in the 1999 Bonds so long as CEDE & Company is the owner of the 1999 Bonds as nominee of DTC. Reference is in the Ordinance to the Registered Owners shall mean CEDE & Company as aforesaid and shall not mean the beneficial owners of the 1999 Bonds.

Section 27. Disclosure Covenants.

In accordance with Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934, as amended, the Issuer hereby covenants, with and for the benefit of the holders and beneficial owners (which shall include any person or entity that has a pecuniary interest in any of the Bonds) from time to time of the Bonds, to provide to each nationally recognized municipal securities information repository (within the meaning of the Rule) ("NRMSIR") and to the appropriate state information depository (within the meaning of the Rule) in Pennsylvania, if any ("the SID"), on an annual basis, its Annual Audit and Financial Report (Form DCED – CLGS – 30 or its successor, (the "Report")), commencing with the Report for the Issuer's fiscal year ending in 1999. Reports shall be provided within 275 days after the end of the fiscal years to which they pertain. If any Report so provided does not include independently audited, financial statements of the Issuer for the fiscal year to which such Report pertains, the Issuer shall also provide such independently audited financial statements when and if available. The Issuer hereby also covenants, with and for the benefit of the holders and beneficial owners from time to time of the Bonds, to provide to each NRMSIR, or to the Municipal Securities Rulemaking Board ("the MSRB"), and to the SID (A) prompt notice of a failure to provide to the extent and in the manner provided herein any Report or audited financial statements in a timely manner and (B) prompt notice of any of the following events with respect to the Bonds, if such event is material under applicable federal securities laws: (i) principal and interest payment delinquencies, (ii) non-payment related defaults, (iii) unscheduled draws on debt service reserves reflecting financial difficulties, (iv) unscheduled draws on credit enhancements reflecting financial difficulties, (v) substitution of credit or liquidity providers, or their failure to perform, (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds, (vii) modifications to rights of the holders of the Bonds, (viii) unscheduled Bond calls, (ix) defeasances, (x) release, substitution or sale of property securing payment of the Bonds and (xi) rating changes.

The Issuer's covenants in the immediately preceding paragraph shall terminate upon legal defeasance, or other arrangement whereby the Issuer is released from any further obligations with respect to the Bonds, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give prompt notice of such termination to each NRMSIR, the MSRB and the SID.

The proper officer or officers of the Issuer are hereby authorized in the name and on behalf of the Issuer to amend or terminate, in whole or in part, any of the foregoing covenants in this Section 27 without the consent of the holders or beneficial owners of the Bonds, provided that (A) the amendment requires the Issuer to provide more information, or to disseminate information more widely or more often, than was required by this Section 27 immediately prior to the amendment, without diminishing in any way the obligations of the Issuer to provide information hereunder as required by this Section 27 immediately prior to the amendment, or (B) the following conditions are satisfied: (i) the amendment or termination is in connection with a change in circumstances that arises from a change in or clarification of legal requirements, change of law, or change in the identity, nature or status of an obligated person (within the meaning of the Rule) with respect to the Bonds, or the type of business conducted; (ii) such covenants, as amended, would, in the opinion of the independent nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or termination either (a) is approved by the holders of the Bonds in the same manner as provided in the Debt Act for modifications of this Ordinance with the consent of such holders or (b) does not, in the opinion of independent nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds. The Issuer shall give prompt notice of any such amendment or termination to each NRMSIR, the MSRB and the SID. In addition, the Issuer shall describe such amendment in the next Report or submission of audited financial statements, as the case may be, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided by the Issuer. If the amendment relates to the accounting principles to be followed in preparing the Report or audited financial statements, (A) the Issuer shall give prompt notice of such change to each NRMSIR, the MSRB, and the SID and (B) the Report or audited financial statements, as the case may be, for the fiscal year of the Issuer in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the Report or audited financial statements as prepared on the basis of the new accounting principles and the Report or audited financial statements prepared on the basis of the former accounting principles.

The sole remedy for a breach by the Issuer of any of the covenants in this Section 27 shall be an action to compel performance of such covenant. Under no circumstances may monetary damages be assessed or recovered or payment of the Bonds be accelerated on the basis of such a breach, nor shall any such breach constitute a default under the Bonds or a "failure to comply with any provision of the Bonds" for purposes of the Debt Act.

Section 28. Escrow Agreement.

The Escrow Trust Agreement dated as of April 15, 1999, between the Issuer and National City Bank of Pennsylvania, as trustee hereunder (the "Escrow Agent") presented to this meeting is hereby approved and the Chairman of the Board of Supervisors is hereby authorized to execute that Agreement with such changes therein as he may approve. Such approval shall be conclusively evidenced by his execution thereof and the Secretary is authorized to affix the seal of the Issuer thereto and to attest the same and any officer of the Issuer is authorized to deliver that agreement to the Escrow Agent.

Section 29. Purchase of Escrow Investments.

The Issuer hereby authorizes and directs the Chairman of the Board of Supervisors or Manager, the Escrow Agent or Purchasers or their respective representatives to subscribe on behalf of as agent for the Issuer the United States Treasury Certificates of Indebtedness, notes and bonds state and local government series or other direct obligations of the United States of America or any appropriate combination of the above all in accordance with Escrow Agreement. The Manager is hereby authorized to execute and deliver written directions to one of the above-named persons and/or the Purchaser for the investments. The above persons are hereby authorized and certified to deliver a copy of this Ordinance certified by the Manager upon subscription for the above-mentioned securities thereafter.

Section 30. Purchase of Insurance.

The Issuer hereby agrees to purchase and hereby accepts the commitment of Financial Guaranty Insurance Company (the "Bond Insurer") to issue a Municipal Bond Insurance Policy pursuant to which the Bond Insurer will insure the Bonds and directs that the appropriate premium be promptly paid at the settlement of the sale of the Bonds, out of the proceeds thereof. A legend indicating the existence of such a policy shall be printed on the Bonds in the form required by the Bond Insurer. In the event the same shall result in the accrued interest paid by the Purchaser being excluded from the calculation of said premium, the Issuer agrees to cause the amount paid as accrued interest to be invested, to the extent required by the Bond Insurer, in direct obligations of the United States of America

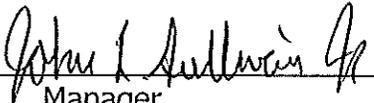
and maintained in the Series of 1999 Bond Sinking Fund until applied to the first interest payment on the Bonds. All terms and conditions required by the Bond Insurer to be incorporated into this Ordinance are hereby incorporated by reference as if set out at length.

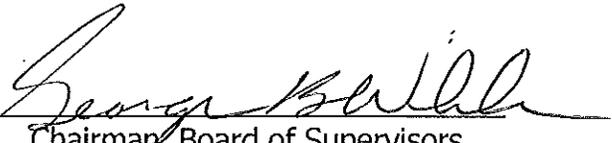
Section 31. All ordinances and resolutions or parts thereof not in accordance with this Ordinance are hereby repealed insofar as they conflict with this ordinance.

ENACTED by the Board of Supervisors of the Township of Ohio, in lawful session assembled, on April 15, 1999.

ATTEST:

**TOWNSHIP OF OHIO**

  
\_\_\_\_\_  
Manager

By:   
\_\_\_\_\_  
Chairman, Board of Supervisors

[SEAL.]

## **SCHEDULE A**

**TOWNSHIP OF OHIO  
ALLEGHENY COUNTY, PENNSYLVANIA  
GENERAL OBLIGATION BONDS  
SERIES OF 1999  
\$4,150,000**

### **MATURITY SCHEDULE**

\$260,000 3.850% Term Bonds due November 15, 2004 to yield 3.900%  
\$295,000 4.100% Term Bonds due November 15, 2007 to yield 4.200%  
\$215,000 4.200% Term Bonds due November 15, 2009 to yield 4.300%  
\$230,000 4.400% Term Bonds due November 15, 2011 to yield 4.500%  
\$385,000 4.550% Term Bonds due November 15, 2014 to yield 4.650%  
\$780,000 4.850% Term Bonds due November 15, 2019 to yield 4.950%  
\$1,000,000 4.900% Term Bonds due November 15, 2024 to yield 4.980%  
\$985,000 4.950% Term Bonds due November 15, 2028 to yield 5.070%

**SCHEDULE B**

**TOWNSHIP OF OHIO  
ALLEGHENY COUNTY, PENNSYLVANIA  
GENERAL OBLIGATION BONDS  
SERIES OF 1999  
\$4,150,000**

**REDEMPTION OF THE BONDS**

**Optional Redemption**

In the manner and upon the terms and conditions provided in the Ordinance, the 1999 Bonds with a stated maturity on or after November 15, 2010, are subject to redemption prior to maturity at the option of the Township, in whole or in part from time to time, on November 15, 2009, or on any date thereafter, in any order of maturity as selected by the Township, in each case, upon payment of a redemption price of 100% of the principal amount of the 1999 Bonds to be redeemed, together with accrued interest to the date fixed for redemption. If less than an entire maturity of 1999 Bonds are to be redeemed on a particular date, the 1999 Bonds to be redeemed shall be selected by lot by the Paying Agent. The 1999 Bonds with stated maturity dates on or prior to November 15, 2009 are not subject to optional redemption prior to maturity.

**Mandatory Redemption**

In the manner and upon the terms and conditions provided in the Ordinance, the 1999 Bonds maturing on November 15, 2004, November 15, 2007, November 15, 2009, November 15, 2011, November 15, 2014, November 15, 2019, November 15, 2024 and November 15, 2028, are subject to mandatory redemption in part within a maturity by lot at a redemption price of 100% of the principal amount of the 1999 Bonds to be redeemed, together with accrued interest to the date fixed for redemption on November 15 in the years and principal amounts as follows:

The Bonds scheduled to mature on November 15, 2004:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2002        | \$85,000      |
| 2003        | 85,000        |
| 2004*       | 90,000        |

The Bonds scheduled to mature on November 15, 2007:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2005        | \$ 95,000     |
| 2006        | 100,000       |
| 2007*       | 100,000       |

The Bonds scheduled to mature on November 15, 2009:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2008        | \$105,000     |
| 2009*       | 110,000       |

The Bonds scheduled to mature on November 15, 2011:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2010        | \$115,000     |
| 2011*       | 115,000       |

The Bonds scheduled to mature on November 15, 2014:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2012        | \$125,000     |
| 2013        | 125,000       |
| 2014*       | 135,000       |

The Bonds scheduled to mature on November 15, 2019:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2015        | \$145,000     |
| 2016        | 145,000       |
| 2017        | 155,000       |
| 2018        | 165,000       |
| 2019*       | 170,000       |

The Bonds scheduled to mature on November 15, 2024:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2020        | \$180,000     |
| 2021        | 190,000       |
| 2022        | 200,000       |
| 2023        | 210,000       |
| 2024*       | 220,000       |

The Bonds scheduled to mature on November 15, 2028:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2025        | \$230,000     |
| 2026        | 240,000       |
| 2027        | 250,000       |
| 2028*       | 265,000       |

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\*By Maturity

**CERTIFICATE**

I, the undersigned, Manager of the Township of Ohio, Allegheny County, Pennsylvania (the "Issuer") hereby certifies that: (a) attached to this Certificate is a true, correct and complete copy of an Ordinance (the "Ordinance") which was duly enacted at a meeting of the Board of Supervisors of the Township of Ohio (c) the Issuer on April 15, 1999, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Ordinance was duly recorded in the Issuer's Ordinance Book, and a summary of the Ordinance was published as required by law in a newspaper of general circulation in the Township of Ohio; (c) the Issuer met the advance notice requirement of Act No. 1986-84 by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the Board of Supervisors of the Township of Ohio; (d) the total number of members of the Board of Supervisors of the Township of Ohio is three (3); and (e) the vote upon the Ordinance was called and duly recorded upon the minutes; and that the members voted in the following manner.

|                    | <u>Yes</u> | <u>No</u> | <u>Abstain</u> | <u>Absent</u> |
|--------------------|------------|-----------|----------------|---------------|
| George W. Wible    | <u>X</u>   | _____     | _____          | _____         |
| Herbert j. Hartle  | <u>X</u>   | _____     | _____          | _____         |
| James R. Reid, Jr. | <u>X</u>   | _____     | _____          | _____         |

WITNESS the hand and seal of the Issuer on April 15, 1999.

By John F. Sullivan, Jr.  
Manager

[SEAL]