

Capital Projects Funding and  
Refunding of Bethlehem Authority  
2001 Bonds (Landfill)

General Obligation Bonds, Series A of 2013  
Federally Taxable General Obligation  
Refunding Bonds, Series B of 2013

Administration

ORDINANCE NO. \_\_\_\_\_

FILE OF THE CITY COUNCIL

BILL NO. \_\_\_\_

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Sponsored by \_\_\_\_\_ and \_\_\_\_\_

February [\_\_\_\_], 2013

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AN ORDINANCE

OF THE COUNCIL OF THE CITY OF BETHLEHEM, LEHIGH AND NORTHAMPTON COUNTIES, PENNSYLVANIA, AUTHORIZING THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS, SERIES A OF 2013 (THE "SERIES A BONDS") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$[\_\_\_\_\_] AND FEDERALLY TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES B OF 2013 (THE "SERIES B BONDS") IN THE AGGREGATE PRINCIPAL AMOUNT OF \$[\_\_\_\_\_] (TOGETHER THE "BONDS") PURSUANT TO THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "ACT"); PROVIDING THE PROCEEDS OF THE SERIES A BONDS SHALL BE APPLIED TO FUNDING OF CERTAIN CITY IMPROVEMENTS PROCEEDS OF THE SERIES B BONDS SHALL BE APPLIED TO CARRY OUT THE REFUNDING OF THE REMAINING OUTSTANDING BETHLEHEM AUTHORITY GUARANTEED FEDERALLY TAXABLE LEASE REVENUE BONDS, SERIES OF 2001 (THE "2001 BONDS"), SETTING FORTH THE ESTIMATED USEFUL LIFE OF CITY IMPROVEMENTS, AND THE IMPROVEMENTS FINANCED BY THE PRIOR LEASE REVENUE BONDS; COMBINING THE BONDS FOR SALE AND DETERMINING THAT SUCH SALE SHALL BE A PRIVATE

SALE UNDER THE ACT, AND DETERMINING THAT DEBT EVIDENCED BY THE BONDS SHALL BE NONELECTORAL DEBT OF THE CITY; FIXING THE INTEREST PAYMENT DATES, DENOMINATIONS AND REGISTRATION, TRANSFER AND EXCHANGE PRIVILEGES OF THE BONDS AND PROVIDING FOR BOOK ENTRY BONDS THROUGH DEPOSITORY TRUST COMPANY; SETTING FORTH THE MATURITY DATES, PRINCIPAL MATURITIES AND CURRENT INTEREST RATES OF EACH SERIES OF BONDS AND ESTABLISHING A REQUIRED SCHEDULE OF PAYMENTS WITH RESPECT TO THE SINKING FUNDS, AS HEREINAFTER ESTABLISHED, IN ORDER TO AMORTIZE THE BONDS; ESTABLISHING THE REDEMPTION PROVISIONS OF THE BONDS, BOTH OPTIONAL AND MANDATORY; ESTABLISHING THE NOTICE REQUIREMENTS WITH RESPECT TO THE REDEMPTION OF THE BONDS; ACCEPTING A BID FOR PURCHASE OF THE BONDS AND AUTHORIZING EXECUTION OF THE BOND PURCHASE AGREEMENT; DESIGNATING A PAYING AGENT AND REGISTRAR; DESIGNATING A PLACE AND METHOD OF PAYMENT OF THE BONDS AND INTEREST THEREON AND MAKING CERTAIN COVENANTS WITH RESPECT TO THE TAX FREE STATUS OF THE SERIES A BONDS; ESTABLISHING THE SUBSTANTIAL FORMS OF THE BONDS AND THE PAYING AGENT'S CERTIFICATE RELATING THERETO; AUTHORIZING EXECUTION AND AUTHENTICATION OF THE BONDS; PROVIDING FOR THE REGISTRATION OF THE BONDS, THE MAINTENANCE OF RECORDS OF REGISTERED OWNERS AND TRANSFER OF THE BONDS; DESIGNATING A SINKING FUND DEPOSITORY; COVENANTING TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY TO SUCH PURPOSE; ESTABLISHING SINKING FUNDS FOR THE RESPECTIVE SERIES OF BONDS AND AUTHORIZING AND DIRECTING PAYMENT THEREFROM; SETTING FORTH CERTAIN PROVISIONS WITH RESPECT TO THE INVESTMENT OF MONIES THEREIN; SETTING FORTH CERTAIN RIGHTS OF THE PAYING AGENT AND BONDHOLDERS IN THE EVENT OF DEFAULT AND OTHER RIGHTS OF THE PARTIES WITH RESPECT TO THE BONDS; PROVIDING FOR THE CIRCUMSTANCES UNDER WHICH THE ORDINANCE MAY BE AMENDED OR MODIFIED; [PROVIDING FOR THE TERMS, CONDITIONS AND COVENANTS WITH RESPECT TO THE BOND INSURER, IF ANY, FOR THE BONDS;] AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THE CITY TO DO AND PERFORM CERTAIN SPECIFIED, REQUIRED OR APPROPRIATE ACTS; AUTHORIZING THE EXECUTION OF DOCUMENTS FOR SETTLEMENT AND THE PAYMENT OF ISSUANCE EXPENSES; DECLARING THAT THE DEBT TO BE INCURRED IS WITHIN THE LIMITATION IMPOSED BY THE ACT UPON INCURRING OF SUCH DEBT BY THE CITY; AUTHORIZING AND DIRECTING PROPER OFFICERS OF THE CITY TO DELIVER THE BONDS UPON EXECUTION AND AUTHENTICATION THEREOF, UPON RECEIPT OF PROPER PAYMENT OF THE BALANCE DUE THEREFOR, AND ONLY AFTER SPECIFIED APPROVAL, AS REQUIRED, OF THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA; SETTING FORTH CERTAIN COVENANTS RELATING TO THE FEDERAL TAX STATUS OF THE SERIES A BONDS; PROVIDING FOR COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; COVENANTING TO PAY OVER AT SETTLEMENT SUFFICIENT MONIES TO PROVIDE FOR THE PAYMENT OF THE 2001 BONDS OF EACH SERIES TO BE REFUNDED IN

ACCORDANCE WITH THE REFUNDING PROGRAM AND AUTHORIZING AND DIRECTING CERTAIN OTHER ACTIONS AND APPROVING DOCUMENTATION WITH REGARD TO THE REFUNDING, AND ESTABLISHING SINKING FUNDS FOR THE BONDS BEING REFUNDED; PROVIDING FOR THE ISSUANCE OF IRREVOCABLE INSTRUCTIONS TO THE PAYING AGENT FOR THE 2001 BONDS SUBJECT TO EARLY OPTIONAL REDEMPTION TO CALL SAID BONDS FOR REDEMPTION ON CERTAIN SPECIFIED DATES, ALL 2001 BONDS OF THE SERIES TO BE REFUNDED MATURING THEREAFTER, AND ESTABLISHING THE FORM OF SUCH IRREVOCABLE INSTRUCTIONS AND THE NOTICE OF REDEMPTION AND NOTICE OF REFUNDING; [PROVIDING FOR NOTICE TO ANY BOND INSURER;] PROVIDING FOR SEVERABILITY OF PROVISIONS OF THE ORDINANCE; PROVIDING FOR REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES SO FAR AS THE SAME SHALL BE INCONSISTENT; PROVIDING WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

WHEREAS, the City of Bethlehem, Lehigh and Northampton Counties, 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 City has entered into a certain lease dated as of December 15, 2001 intended to finance a capital asset as security for the repayment of certain series of obligations issued and sold by the Bethlehem Authority (the “Authority”), including the Authority’s Guaranteed Federally Taxable Lease Revenue Bonds, Series of 2001, dated as of December 15, 2001, in the aggregate principal amount of \$10,900,000 (the “2001 Bonds”); and

WHEREAS, all of the currently outstanding 2001 Bonds are subject to redemption prior to maturity, at the option of the Authority, upon payment of the principal amount together with accrued interest to the date fixed for redemption; and

WHEREAS, the Council of the City (the “Council”), in order to effect a savings resulting from currently available interest rates and thereby reduce total debt service over the life of the series, has determined to refund all of the currently outstanding 2001 Bonds in accordance with the provisions of Sections 8241(b)(1) and 8249 of the Act, by providing for the payment of the

interest to and principal at maturity or redemption on such 2001 Bonds pursuant to a refunding program (the “Refunding Program”), encompassing the refunding of the 2001 Bonds; and

WHEREAS, the Council did previously determine to: ~~{UPDATE PROJECT}~~ (1) open, widen, straighten, alter, extend, construct, reconstruct, grade, re-grade, pave, re-pave, 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 and to 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 (the “City Improvements” and together with the Refunding Program, the “Financing Project”); and

WHEREAS, completion of the City Improvements 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 Financing Project, the total estimated cost of which is in excess of \$[\_\_\_\_\_]; and

WHEREAS, the Council of the City has determined to implement the foregoing decisions by the authorization, issuance and sale of a new series of obligations, being the City's General Obligation Bonds, Series A of 2013 (the "Series A Bonds") and Federally Taxable General Obligation Refunding Bonds, Series B of 2013 (the "Series B Bonds") (together the "Bonds"); and

WHEREAS, all of the Bonds proceeds, after payment of costs of issuance, together with any other monies available or to be available for the purpose, will provide the necessary funds for the Financing Project; and

WHEREAS, the Council, in contemplation of the authorization, issuance and sale of the Bonds, has determined that the Bonds shall be offered for combined sale, which sale shall be a private sale by negotiation, which it believes is in the best interests of the City; and

WHEREAS, the Council has solicited, received and reviewed a proposal (the "Bond Purchase Agreement") from [\_\_\_\_\_] (the "Underwriters" or "Investment Bankers") for the purchase of the Bonds by them at private sale in accordance with the Act; and

WHEREAS, the Council desires to accept the proposal of the Underwriters and to award the Bonds to the Underwriters at private sale and enter into the Bond Purchase Agreement in the form submitted; to authorize issuance of non-electoral debt in the aggregate principal amount of the Bonds; and to take appropriate action and to authorize such action, 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 Bethlehem does authorize and direct the issuance of (a) General Obligation Bonds, Series A of 2013, pursuant to this Ordinance, in the aggregate principal amount of \$[\_\_\_\_\_], for the purposes of carrying out the funding of the City Improvements, and (b) Federally Taxable General Obligation Refunding Bonds, Series B of 2013, pursuant to this Ordinance, in the aggregate principal amount of \$[\_\_\_\_\_], for the purposes of carrying out the Refunding Program. The Bonds will be general obligations of the City payable from the general revenues of the City. The completion date of the last portions of the Financing Project is expected to be prior to March 1, 2016.

Section 2. (a) A brief description of the City Improvements, for which a portion of the debt evidenced by the Series A Bonds will be incurred, is contained in the preamble hereof. The City hereby determines that the estimated useful lives of the capital improvements composing the City Improvements to be from 5 to 30 years, and the amortization of the Series A Bonds funding such City Improvements has been structured ~~to fully amortize on a level or earlier basis each component of the capital improvements,~~ when taking into consideration existing debt, to bring the City's outstanding indebtedness more nearly into an overall level annual debt service plan and to fully amortize the Series A Bonds each before the expiration of ~~their respective~~ the weighted average useful ~~lives~~ life of the City Improvements.

(b) A brief description of the Refunding Program for which a portion of the debt to be incurred, of which the Series B Bonds shall be evidence, is contained in the preamble hereof. The realistic estimated useful life of the capital project financed by the 2001 Bonds, which was a "Project" as defined in Section 8002 of the Act, was previously determined to be at least 30 years, and the amortization of the 2001 Bonds was structured to fully amortize on a level or earlier basis before the expiration of its useful life. The useful life of such Project is not less

than previously determined, and the ~~portion of debt service due on~~ the Series B Bonds, the proceeds of which are designated to the Refunding Program, as structured, will be brought more nearly into an overall level annual debt service plan and will fully amortize ~~on a level or earlier basis~~ the Series B Bonds before the expiration of the ~~Project's~~ remaining weighted average useful life of the capital project financed by the 2001 Bonds.

Section 3. The Bonds shall be combined for sale, and shall be sold at private sale by negotiation, which the Council has determined to be in the best interests of the City.

Section 4. The Council has determined that the debt, of which the Bonds shall be evidence, shall be non-electoral debt of the City.

Section 5. (a) The Bonds shall be dated as of [\_\_\_\_\_], 2013, and shall bear interest payable semiannually on April 1 and October 1 of each year, beginning October 1, 2013, to the registered owners thereof, at the rate per annum stated thereon, from the interest payment date next preceding the date of registration and authentication of a Bond, unless the Bond is registered and authenticated as of an interest payment date, in which event the Bond shall bear interest from such interest payment date, or unless the Bond is registered and authenticated prior to the Record Date next preceding October 1, 2013, in which event the Bond shall bear interest from [\_\_\_\_\_], 2013, or unless, as shown by the records of the Paying Agent (hereinafter identified), interest on the Bond shall be in default, in which event the Bond shall bear interest from the date on which interest was last paid on the Bond, until said principal sum is paid. Payment of interest on a Bond shall be made to the registered owner thereof whose name and address shall appear, at the close of business on the fifteenth day next preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and

prior to such interest payment date, unless the City shall be in default in payment of interest due on such interest payment date. In the event of such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of the Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name the Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

(b) ~~(a)~~ If any interest payment date for the Bonds shall be a Saturday, Sunday or legal holiday or a day on which banking institutions in Pittsburgh, where the Pennsylvania corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for payment of such principal of or interest on the Bonds shall be the next succeeding day which is not a Saturday, Sunday or legal holiday or day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

(c) ~~(b)~~ Depository Trust Company (“DTC”) will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of each series, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Bond owners or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

(d) ~~(c)~~ DTC is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered

pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC was created to hold securities of its participants (the “DTC Participants”) and to facilitate the clearance and settlement of securities transactions among DTC Participants in such securities through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of securities certificates. DTC Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own DTC. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (the “Indirect Participants”).

(e) ~~(d)~~ Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. Such DTC Participants and the persons for whom they acquire interests in the Bonds as nominees will not receive a bond certificate, but each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant’s interest in the Bonds, which will be confirmed in accordance with DTC’s standard procedures. Beneficial owners of Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, unless use of the book-entry only system is discontinued as described below.

(f) ~~(e)~~ Transfers of beneficial ownership interests in the Bonds which are registered in the name of Cede & Co., as nominee of DTC, will be accomplished by book entries made by DTC and in turn by the DTC Participants and Indirect Participants who act on behalf of the beneficial owners of Bonds. For every transfer and exchange of beneficial ownership in the

Bonds, the beneficial owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

(g) ~~(f)~~ For so long as the Bonds are registered in the name of DTC or its nominee, Cede & Co., the City and the Paying Agent will recognize only DTC or its nominee, Cede & Co., as the owner of the Bonds for all purposes, including notices and voting. Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to beneficial owners of the Bonds, will be governed by arrangements among DTC, DTC Participants, Indirect Participants and beneficial owners, subject to any statutory and regulatory requirements as may be in effect from time to time.

(h) ~~(g)~~ Payments made by the Paying Agent to DTC or its nominee shall satisfy the City's obligations with respect to the Bonds to the extent of the payments so made.

(i) ~~(h)~~ Principal, redemption price and interest payments on the Bonds shall be made by the Paying Agent to DTC or to its nominee, Cede & Co., as registered owner of the Bonds. Disbursement of such payments to the beneficial owners shall be solely the responsibility of DTC, the DTC Participants and, where appropriate, Indirect Participants. Upon receipt of moneys, DTC's current practice is to credit immediately the accounts of the DTC Participants in accordance with their respective holdings shown on the records of DTC. Payments by DTC Participants and Indirect Participants to beneficial owners shall be governed by standing instructions of the beneficial owners and customary practices, as is now the case with municipal securities held for the accounts of customers in bearer form or registered in "street name." Such payments shall be the sole responsibility of such DTC Participant or Indirect Participant and not

of DTC, the City or the Paying Agent, subject to any statutory and regulatory requirements as may be in effect from time to time.

(j) ~~(j)~~ The City and the Paying Agent cannot and do not give any assurances that DTC, the DTC Participants or the Indirect Participants will distribute to the beneficial owners of the Bonds (I) payments of principal or redemption price of or interest on the Bonds, (II) certificates representing an ownership interest or other confirmation of beneficial ownership interests in Bonds, or (III) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission, and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

(k) ~~(k)~~ Neither the City nor the Paying Agent will have any responsibility or obligation to any DTC Participant, Indirect Participant or beneficial owner or any other person with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any DTC Participant or Indirect Participant; (3) the payment by DTC or any DTC participant or Indirect Participant of any amount due to any beneficial owner in respect of the principal or redemption price of or interest on the Bonds; (4) the delivery by DTC or any DTC Participant or Indirect Participant of any notice to any beneficial owner which is required or permitted under the terms of this Resolution to be given to Bondholders; (5) the selection of the beneficial owners to receive payment in the event of any partial redemption of the bonds; or (6) any other action taken by DTC as Bondholder.

(1) ~~(k)~~-DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law. In addition, the City may discontinue the book-entry only system for the Bonds at any time if it provides thirty (30) days' notice of such discontinuation to the Paying Agent and DTC that continuation of the book-entry only system is not in the best interests of the City. Upon the giving of such notice, the book-entry only system for the Bonds will be discontinued unless a successor securities depository is appointed by the City.

Section 6. The Bonds shall be issued in the aggregate principal amounts, shall be numbered consecutively within maturities, and shall mature on the dates, and in the amounts, and shall bear interest at the rates and require the amortization payments to the respective sinking funds hereinafter established, all as set forth in the schedules contained in the attached Schedule "A" of this Ordinance.

Section 7. The Bonds are subject to mandatory redemption prior to maturity from monies to be deposited in the respective sinking funds, upon payment of the principal amount together with interest to the date of such redemption, as set forth in Schedule "B" attached to this Ordinance.

Section 8. The Bonds shall be subject to redemption prior to maturity, at the option of the City, upon payment of the principal amount, together with accrued interest to the date fixed for redemption, as set forth in Schedule "C" attached to this Ordinance.

Section 9. (a) Bonds subject to redemption and issued in denominations larger than \$5,000 may be redeemed in part. For the purposes of redemption, such Bonds shall be treated as representing that number of Bonds which is obtained by dividing the denomination thereof by

\$5,000, each \$5,000 portion of such Bonds being subject to redemption. In the case of partial redemption of such Bonds, payment of the redemption price shall be made only upon surrender of the Bond in exchange for Bonds of like form, series and maturity, of authorized denominations in aggregate amount equal to the unredeemed portion thereof.

(b) Any redemption of Bonds pursuant to Section 7 and 8 above shall be made after notice by mailing by first class mail a notice thereof to the registered owners of all Bonds to be redeemed and to any bond insurer then insuring the Bonds, not less than thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption, or after waivers of such notice executed by the registered owners of all Bonds to be redeemed shall have been filed with the Paying Agent. Failure to mail any notice or any defect therein or in the mailing thereof, with respect to any particular Bond, shall not affect the validity of the proceedings for redemption of any other Bond. Any notice of redemption mailed in accordance with these requirements shall be conclusively presumed to have been duly given, whether or not such registered holder actually receives the notice. Notice having been so given or waived, and provision having been made for redemption from funds on deposit with the Paying Agent, all interest on the Bonds called for redemption accruing after the date fixed for redemption shall cease, and the registered owners of the Bonds called for redemption shall have no security, benefit or lien under this Ordinance or any right except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

(c) Any such notice shall be dated, shall be given in the name of the City, and shall state the following information:

(i) the identification numbers and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as

contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent for the Bonds;

(d) In addition to the foregoing notice, further notice of any redemption of Bonds hereunder shall be given, at least two (2) business days in advance of the mailed notice to Bondholders, by first class mail to all agencies or depositories to which notice is required by the Continuing Disclosure Agreement (as hereinafter defined), and to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, and to the Bond Buyer or one or more national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in the notice to Bondholders. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given to the Bondholders as prescribed above.

(e) If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the applicable corporate trust

office of the Paying Agent is located are authorized by law or executive order to close, then the date for payment of the principal and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

(f) If at the time of mailing a notice of optional redemption the City shall not have deposited with the Paying Agent for the Bonds moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Section 10. The Council of the City shall and does accept the proposal of the Underwriters for purchase of the Bonds, which Bonds shall be and are awarded to the Underwriters, in accordance with the terms and conditions of the Bond Purchase Agreement, at private sale, at dollar prices of: \$[ ] for the Series A Bonds and \$[ ] for the Series B Bonds; together with accrued interest from the dates thereof to the date of delivery thereof in each case, the Underwriters having submitted its proposal in accordance with provisions of the Act. Appropriate officers of the City are authorized and directed to execute the Bond Purchase Agreement. The Preliminary Official Statement relating to the Bonds in the form presented is hereby approved and the prior distribution thereof authorized and ratified. The Preliminary Official Statement is (as of its date) deemed final within the meaning of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934. The Underwriters are hereby authorized to distribute copies of the Official Statement for the Bonds as finally executed, to persons who may be interested in the purchase of the Bonds, and are directed to deliver copies to

all actual purchasers of the Bonds. The Mayor of the City is hereby authorized and directed to execute the final Official Statement for the Bonds in such form as the Mayor may approve.

Section 11. The Council of the City does hereby designate, subject to its acceptance, The Bank of New York Mellon, a banking institution having corporate trust offices in Pittsburgh, Pennsylvania, or its successor or nominee-affiliate, as the “Paying Agent” for purposes of the Bonds.

Section 12. The principal of and premium, if any, and interest on the Bonds shall be payable at the corporate trust offices of The Bank of New York Mellon, located in Pittsburgh, Pennsylvania, in its capacity as Paying Agent, and interest thereon is payable by check mailed to the registered owner at the address shown on the registration books as of the close of business on the Record Date set forth elsewhere herein and in the face of the Bonds, in lawful moneys 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 of Pennsylvania (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 Bonds or the interest paid thereon.

Section 13. The forms of the Bonds, and of the Paying Agent’s Certificates of Authentication to be endorsed thereon, with appropriate insertions, omissions and variations, shall be substantially as set forth in Schedule “D” attached to this Ordinance.

Section 14. The Bonds shall be executed in the name of and on behalf of this City by the signature or facsimile signatures of the Mayor and the City Controller, respectively, and a facsimile of the official seal of this City shall be affixed thereunto, attested by the signature or facsimile signature of the City Clerk. Bonds executed and bearing facsimile signatures as above

provided may be issued and shall, upon request of the City, be authenticated by the Paying Agent, notwithstanding that one or more of the officers signing such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds. The Bank of New York Mellon, in its capacity as Paying Agent, hereby is authorized, requested and directed to authenticate the Bonds by execution of the Certificate of Authentication endorsed on the Bonds by a duly authorized officer. No Bonds shall be valid until the Certificate of Authentication shall have been duly executed by the Paying Agent, and such authentication shall be proof that the registered owner is entitled to the benefit of the Ordinance.

Section 15. The Bonds shall be issued only in registered form, without coupons, as provided, may be exchanged for a like aggregate principal amount of the same series and maturity of other authorized denominations, and the following conditions in addition to those set forth in the Bond forms themselves shall apply with respect thereto:

(a) The City shall keep, at a corporate trust office of the Paying Agent, books for the registration and transfer of the Bonds, and hereby appoints the Paying Agent its registrar and transfer agent to keep such books and make such registrations and transfers under such reasonable regulations of the City or the registrar and transfer agent may prescribe, and as set forth in the forms of Bonds herein. Registrations and transfers shall be at the expense of the City, but the Bondholder shall pay any taxes or other governmental charges on all registrations and transfers and shall pay any costs of insuring Bonds during shipment.

(b) Bonds may be transferred upon the registration books upon delivery to the Paying Agent of such Bond, accompanied by a written instrument or instruments of transfer, in form and with guaranty of signature satisfactory to the Paying Agent, duly executed by the owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written

instructions as to the details of the transfer of such Bonds, and other information requested by the City pursuant to the Ordinance or by the Paying Agent in its regulations. No transfer of any Bond will be effective until entered on the registration books and until payment from the registered owner of all taxes and governmental charges incidental to such transfer is received.

(c) In all cases of the transfer of a Bond, the Paying Agent will enter the transfer of ownership in the registration books and, if requested, will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the other provisions of this Ordinance.

(d) The City and the Paying Agent will not be required to issue or transfer or exchange any Bonds during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business day on which the applicable notice of redemption is given, or to transfer any Bonds which have been selected or called for redemption in whole or in part until after the redemption date,

(e) If any Bond shall become mutilated, the City shall execute and the Paying Agent shall thereupon authenticate and deliver a new Bond of like tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of such mutilated Bond for cancellation, and the City and the Paying Agent may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the City and the Paying Agent; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the City shall execute, and thereupon the Paying Agent shall authenticate and

deliver, a new Bond of like tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the City may, with the consent of the Paying Agent, pay to the owner the principal amount of and accrued interest on such Bond upon the maturity thereof and the compliance with the aforesaid conditions by such owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this subsection shall constitute an additional contractual obligation of the City, whether or not the Bond to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

(f) pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the City may issue and, upon its request, the Paying Agent shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds in denominations of \$5,000 and multiples thereof, of substantially the tenor recited above, in fully registered form. Upon request of the City, the Paying Agent shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so

exchanged, temporary Bonds shall have the same right, remedies and security hereunder as definitive Bonds.

Section 16. The City covenants to and with holders or registered owners of the Bonds which shall be outstanding, from time to time, pursuant to the Ordinance, that the City shall include the amount of the debt service, as set forth in the appropriate schedule annexed to Section 6 hereof, for each fiscal year of this City in which such sums are payable, in its budget for 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 not later than the due date thereof to the sinking fund hereinafter established the principal of each of the Bonds 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 is created pursuant to Section 8221 of the Act, sinking funds for the Bonds, to be known as the “Sinking Fund—General Obligation Bonds, Series A of 2013” or the “2013A General Obligation Bonds Sinking Fund”, and the “Sinking Fund—Federally Taxable General Obligation Refunding Bonds, Series B of 2013” or the “2013B General Obligation Bonds Sinking Fund”, which sinking funds 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 Bonds of each respective issue, 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 on the Bonds as and when the same shall become due and payable and the principal on all Bonds, as and when such Bonds shall mature by their express terms, or by reason of selection by lot under any mandatory redemption provisions applicable thereto.

(c) The Paying Agent from time to time, may invest and/or deposit money which shall be in its possession hereunder and which shall not be required for application to payment of principal and/or interest with respect to the Bonds, in such manner as may be permitted by applicable laws of the Commonwealth of Pennsylvania, for such period of time as will not affect adversely the availability of such money as and when required for application to payment of principal and/or interest with respect to the Bonds for the account and benefit of the City; provided, however, that no such investment and/or deposit shall be made which, in any manner: (1) may impair the principal amount thereof; or (2) may cause the Bonds issued by the City under this Ordinance to be “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended, including applicable regulations promulgated, from time to time, in connection therewith and pursuant thereto.

(d) If at any time the Paying Agent shall hold in the 2013A Bonds Sinking Fund or the 2013B Bonds Sinking Fund for the Bonds monies which are in excess of those required to provide for the payment of interest previously due, and principal on Bonds, of each respective issue, already matured though not yet presented, and such excess monies shall not be required within thirty (30) days to meet the payment of interest on, and principal of Bonds, next maturing or to be called for mandatory redemption; and the City shall not otherwise be in default hereunder; then in that event the Paying Agent shall, upon direction from the City, utilize such excess funds for the purchase of any of the Bonds, as shall be available for purchase, at the

lowest available price, but in no case at more than par, with accrued interest to the date of the purchase.

(e) All monies deposited in the sinking funds, for the payment of the Bonds and interest thereon, which have not been claimed by the owners thereof after two years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the City. Nothing contained herein shall relieve the City of its liability to the holders of unrepresented Bonds.

Section 17. The City appoints The Bank of New York Mellon, as the Sinking Fund Depository with respect to the 2013A Bonds Sinking Fund and 2013B Bonds Sinking Fund, created pursuant to Section 16 of this Ordinance.

Section 18. The following additional terms and conditions shall apply, as appropriate, to the Bonds:

(a) Should the City fail to provide the Paying Agent with sufficient funds, payable to the appropriate sinking fund, at appropriate intervals, so as to enable the Paying Agent to pay the principal and interest on the Bonds 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 holders or registered owners of the Bonds, or contained in the Act as applicable to the Bonds, such failure shall constitute a default by the City, and the registered owners of the Bonds 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 owners of 25 per cent of the aggregate principal amount of the Bonds then outstanding 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 Bonds, 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 owners of the Bonds.

(b) With respect to the Bonds hereunder, all such Bonds which shall be paid, purchased or redeemed by the City or the Paying Agent pursuant to the terms and provisions of this Ordinance shall be canceled 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 Bonds 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 Bonds 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 owners of the Bonds any additional rights, remedies, powers, authority, or security that may be lawfully granted to or conferred upon them. This Ordinance may also be amended or modified from time to time, except with respect to the principal or interest payable upon the Bonds, or with respect to the dates of maturity or redemption provisions of the Bonds, 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 registered owners of not less than 51 percent in principal amount of the Bonds then outstanding, other than Bonds provision for payment or redemption of which has been made prior to the effective date thereof as provided in subsection (c) above[, and the written consent of any municipal bond insurance company then insuring the Bonds].

(e) [So long as the Bonds shall be insured as to payment to any extent by the bond insurer (the “Bond Insurer”) set forth in Schedule “E” hereof, any terms, conditions and covenants set forth in Schedule “E” shall apply.]

Section 19. The Mayor, the City Controller, the City Clerk, the President or Vice President, the Business Administrator and the City Treasurer, as appropriate, 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 non-electoral and lease rental debt of this City and, if necessary, the debt which will be evidenced by the bonds 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 of the proceedings relating to the incurring of debt, of which debt the Bonds, 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 20. The officers and officials of this City including the Mayor, the City Controller, the City Treasurer, the President of the Council and the City Clerk, 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 effect the execution, issuance, sale and delivery of the Bonds, all in accordance with this Ordinance.

Section 21. [The execution of a Bond Insurance Commitment (the “Insurance Commitment”), attached hereto in Schedule “E,” between the Bond Insurer designated in Schedule “E” and the City, authorized, directed and executed by the Mayor or the Business Administrator of this City is hereby ratified.] The Mayor of this City is authorized and directed to contract with The Bank of New York Mellon, for its services as Sinking Fund Depository and as Paying Agent in connection with the Bonds, and is authorized and directed to execute on behalf of the City at the appropriate time, a Paying Agent Agreement with The Bank of New York Mellon, as Paying Agent for the Bonds and a Continuing Disclosure Certificate. The Mayor and the Business Administrator are authorized to approve payment by the Paying Agent at settlement on the sale of the Bonds of all costs and expenses incidental to such issuance and sale [including the bond insurance premium due any Bond Insurer] and consummation of the Financing Project.

Section 22. It is declared that the debt to be incurred by the issuance of the Bonds hereby, together with any other indebtedness of the City, is not in excess of any limitation imposed by the Act upon the incurring of non-electoral debt by the City.

Section 23. Proper officers of the City are authorized and directed to deliver the Bonds upon execution and authentication thereof as provided for herein, to the Underwriters, but only upon receipt of proper payment of the balance due therefore, and only after the Department has certified its approval pursuant to Section 8204 of the Act.

Section 24. (a) The City hereby covenants with the registered owners, from time to time, of the Series A Bonds that no part of the proceeds of the Series A Bonds 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 [Series A](#) Bonds, would have caused the [Series A](#) Bonds 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 [Series A](#) Bonds, and that it will comply with the requirements of the section of the Code and the Regulations throughout the term of the Series A Bonds.

(b) If the total tax-exempt borrowings of the City in the calendar year 2013 should exceed the applicable exemption limitation (\$5,000,000 or, for school construction issues, \$15,000,000), and if the gross proceeds of the Series A Bonds are invested at a yield greater than the applicable yield on the bonds 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) of the Code 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 Series A Bonds in an amount which exceeds the amount which would have been derived from the investment of the proceeds of the Series A Bonds at a yield equal to the yield on the Series A Bonds plus any income attributable to such excess. Provided however, that, in the event that Section 148(f)(4)(C) shall be applicable, the Mayor and the Business Administrator 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) of the Code, which election, if made in their discretion, shall be contained in the City’s Non-Arbitrage Certificate with respect to the Series A Bonds 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.

(c) City hereby designates the Series A Bonds as “qualified tax exempt obligations” ~~pursuant to~~ within the meaning of Section 265(b)(3) of the Code, ~~and represents and covenants that the total amount of its obligations so designated and to be designated during the calendar year does not and will not exceed \$10,000,000.~~ for purposes of determining the deductibility of interest expense of banks and other financial institutions holding the Series A Bonds.

Section 25. The City does hereby covenant and agree, for the benefit of the holders of the Bonds from time to time, that to the extent required 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 bond counsel as long as the Bonds are outstanding.

Section 26. (a) The City covenants that, concurrently with the delivery of the Bonds to the Underwriters, it will provide the necessary funds to provide payment for the costs of redemption on the intended redemption dates in accordance with the Refunding Program.

(b) The City further covenants that the Bonds will not be delivered to the Underwriters unless and until the City or the Authority, as applicable, prior to or concurrently with such delivery, shall have taken or shall take all action as shall be necessary and/or appropriate to implement and effectuate provisions for the aforesaid defeasance of the 2001 Bonds by refunding pursuant to the Refunding Program. The intent and purpose of the foregoing is to ensure that the City or the Authority, as applicable, will take such action and will cause such action to be taken and will do such things and will cause such things to be done, prior to or concurrently with delivery of the Series B Bonds, as shall be necessary and/or appropriate to implement and effectuate provision of the aforesaid defeasance of such 2001 Bonds, so that

simultaneously with delivery of the Series B Bonds to the Underwriters, for purposes of the Act, such 2001 Bonds no longer shall be considered to be outstanding, and the City and the Authority, as applicable, shall be deemed to have made appropriate provisions of the retirement of the outstanding lease rental debt which was evidenced thereby.

Section 27. The City hereby covenants that the appropriate portion of the proceeds of the Series B Bonds after the payment of costs and expenses with respect to the issuance of the respective series of Bonds, shall be deposited with the Paying Agent for the 2001 Bonds, to provide the appropriate and required funds, to refund the 2001 Bonds pursuant to the Refunding Program. The City further covenants that the principal amount of such funds so deposited, and the interest to be earned thereby, together with any other available funds deposited thereunder, shall be adequate, with respect to the 2001 Bonds to be refunded, to pay all interest due, and principal upon redemption, according to the Refunding Program.

Section 28. The City does hereby authorize and direct the issuance of irrevocable instructions (the “Irrevocable Instructions”) by the Authority to the Paying Agent for the 2001 Bonds, calling for the redemption of the 2001 Bonds being called pursuant to the Refunding Program, notification to the bondholders in question, and the redemption of such bonds on [\_\_\_\_\_] [1], 20[\_\_\_] [(in the case of the 2001 Bonds, the earliest possible optional redemption date)], such Instructions and the Notice of Redemption and Notice of Refunding to be given thereby to be substantially in the forms set forth in Schedule “F” hereof.

Section 29. The [City and the Paying Agent shall notify any Bond Insurer as soon as possible but in all events within the time period specified by the Bond Insurer after such entity has received notice or has knowledge of the failure to make any required deposit to the sinking funds for the Bonds to pay principal or interest when due. Any notice that is required to be given

to Bondholders or the Paying Agent pursuant to the Ordinance or any Supplemental Ordinance shall also be provided to Bond Insurer. All notices required to be given to the Bond Insurer under this Ordinance shall be in writing and shall be sent by registered or certified mail addressed as required by Schedule “E”.]

Section 30. The proceeds of the sale of the Bonds, after payment of the costs of issuance, shall be segregated pursuant to Section 121.12 of Codified Ordinances of the City, and invested, pending application to the payment of costs of the Financing Project, in certain interest bearing ~~government~~ obligations (the “Investments”) which are legal investments for the City under applicable laws and statutes of the Commonwealth of Pennsylvania. The Business Administrator is hereby authorized and directed to make appropriate arrangements for the Investments.

Section 31. The law firm of Ballard Spahr LLP, Philadelphia, Pennsylvania (“Bond Counsel”) is hereby appointed as Bond Counsel to the City in connection with the Financing Project. Concord Public Financial Advisors, Inc., Reading, Pennsylvania, is hereby appointed as the City’s financial advisor in connection with the Financing Project, and, together with Bond Counsel, is authorized and request to perform such acts on behalf of the City as may be required in connection with the Financing Project and the issuance of the Bonds.

Section 32. ~~Section 31.~~ 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 33. ~~Section 32.~~ All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

(a) This Ordinance shall be effective in accordance with Section 8003 of the

Act.

DULY ENACTED this [ ] day of February, 2013, by the Council of the City of Bethlehem, Lehigh and Northampton Counties, Pennsylvania, in lawful session duly assembled.

CITY OF BETHLEHEM

BY: \_\_\_\_\_  
(Vice) President of Council

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

Examined and approved by me this [\_\_\_\_] day of February, 2013.

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Mayor of the City of Bethlehem  
Lehigh and Northampton Counties, Pennsylvania

I hereby certify that the foregoing Ordinance was passed by the City Council and signed by his Honor the Mayor on February [\_\_\_\_], 2013.

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City Clerk

CITY OF BETHLEHEM  
LEHIGH AND NORTHAMPTON COUNTIES, PENNSYLVANIA

IN RE:

2013 FINANCING PROJECT : BORROWING ORDINANCE  
: CERTIFICATE OF ENACTMENT

CERTIFICATE

I, the undersigned, City Clerk of the City of Bethlehem, Lehigh and Northampton Counties, Pennsylvania (the "City"), certify that:

The foregoing is a true and correct copy of an 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 [\_\_\_] day of [February], 2013; 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:

IN WITNESS WHEREOF, I set my hand and affix the official seal of the City, this [\_\_\_] day of [February], 2013.

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City Clerk

**SCHEDULE A-1**

**\$\_[\_\_\_\_\_]**  
**CITY OF BETHLEHEM**  
**GENERAL OBLIGATION BONDS**  
**SERIES A OF 2013**  
**BOND DEBT SERVICE**

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Price</u>	<u>Yield</u>	<u>Proceeds</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Annual Debt Service</u>
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**SCHEDULE A-2**

**\$\_[\_\_\_\_\_]**

**CITY OF BETHLEHEM  
FEDERALLY TAXABLE GENERAL OBLIGATION REFUNDING BONDS  
SERIES B OF 2013  
BOND DEBT SERVICE**

<u>Date</u>	<u>Par</u>	<u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Proceeds</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
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**SCHEDULE "B"**

**MANDATORY REDEMPTION**

The Bonds are subject to mandatory redemption prior to maturity at the principal amount thereof, plus interest accrued to the redemption date, in part, in order of maturity and within a maturity by lot or by any other method deemed fair and appropriate by the Paying Agent, on [\_\_\_\_\_ ] in the years and in the amounts as set forth below:

**Date**

**Amount**

**\$**

\*

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\* Maturity

## SCHEDULE "C"

### OPTIONAL REDEMPTION

The Series A Bonds maturing on and after [\_\_\_\_\_], shall be subject to redemption prior to maturity, at the option of the City, at a redemption price equal to 100% of the principal amount of the Series A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, in whole or, from time to time, in part (and if in part, in such order of maturity or portion of a maturity as the City shall select and within a maturity by lot) at any time on and after [\_\_\_\_\_]. In the event that less than all Series A Bonds of a particular maturity are to be redeemed, the Series A Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

The Series B Bonds maturing on and after [\_\_\_\_\_], shall be subject to redemption prior to maturity, at the option of the City, at a redemption price equal to 100% of the principal amount of the Series ~~A~~B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, in whole or, from time to time, in part (and if in part, in such order of maturity or portion of a maturity as the City shall select and within a maturity by lot) at any time on and after [\_\_\_\_\_]. In the event that less than all Series B Bonds of a particular maturity are to be redeemed, the Series B Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

**SCHEDULE "D"**

**FORM OF SERIES A BOND**

NO. [\_\_\_\_\_]

\$[\_\_\_\_\_]

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
CITY OF BETHLEHEM  
LEHIGH AND NORTHAMPTON COUNTIES

GENERAL OBLIGATION BONDS, SERIES A OF 2013

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%		March [__], 2013	087347 [__]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [\_\_\_\_\_]

The City of Bethlehem, Lehigh and Northampton Counties, Pennsylvania (the "City"), for value received, promises to pay to the Registered Owner hereof, or registered assigns, on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, upon surrender hereof, the Principal Amount specified above and to pay interest thereon from the Dated Date above, or from the most recent interest payment date to which interest has been paid or duly provided for, until payment of said Principal Amount has been made or provided for, at the interest rate per annum specified above, on April 1 and October 1 in each year commencing [\_\_\_\_\_] 1, 2013. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Ordinance referred to below, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) ~~of the calendar month~~ next preceding such interest payment date. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent referred to below, notice whereof shall be given to Bondholders not less than ten (10) days prior to such Special Record Date. Interest shall be paid by check drawn upon, or wire transfer from, The Bank of New York Mellon, Pittsburgh, Pennsylvania, as paying agent (the "Paying Agent") or any duly appointed alternate or successor paying agent, and mailed or electronically transferred to the person entitled thereto at such owner's address or account as it appears on the Bond registry book of the City (the "Bond Register") maintained by the Paying

Agent. Principal shall be paid, upon surrender hereof, at the principal corporate trust office of the Paying Agent, or at the duly designated office of any duly appointed alternate or successor paying agent, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, and, except as provided below with respect to any tax or governmental charge payable in connection with a transfer hereof, without deduction of, and the City assumes and agrees to pay, any tax or taxes which the City or the Treasurer thereof may be required to pay thereon or retain therefrom under any present or future law of the Commonwealth of Pennsylvania except gift, succession or inheritance taxes.

This Bond is one of a series, which series has been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, of general obligation bonds of like date, amount and tenor, but differing as to maturity, rate of interest and provision for redemption, in the aggregate principal amount of \$[ ] in accordance with the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as reenacted by Act No. 177 of 1996, approved December 19, 1996, as amended, by virtue of an Ordinance, the terms of which are incorporated herein, of the Council of the City (the "Ordinance") duly enacted on [ ] 2013, and by the sworn statement of the duly authorized officers of the City filed with the Department of Community and Economic Development.

The proceeds of the Bonds are to be used for: (1) certain capital improvements of the City; and (2) the payment of certain costs of issuance [and bond insurance premiums] for the Bonds.

The City hereby covenants from time to time with the holders of the Bonds outstanding pursuant to the Ordinance that: (1) the City shall include the amount of the debt service (as specified, subject to appropriate adjustment in the event of the optional redemption of Bonds prior to maturity, in the Debt Service Schedules, attached as Schedule A-1 to the Ordinance, the amounts stated therein being hereby incorporated in this covenant by reference), and any taxes payable pursuant to Section 12 of the Ordinance, on said Bonds for each fiscal year in which such sums are payable in its budget for that year; (2) the City shall appropriate such amounts to the payment of such debt service and taxes covenanted to be paid and (3) the City shall duly and punctually pay or cause to be paid the principal and interest on every Bond on the dates, in the places and in the manner stated herein according to the true intent and meaning thereof, and for such budgeting, appropriation and payment the City does hereby pledge its full faith, credit and taxing power. As provided in the Act, the foregoing covenant shall be specifically enforceable.

The Bonds have been designated "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code for purposes of determining the deductibility of interest expense of banks and other financing institutions holding the Bonds.

#### **OPTIONAL REDEMPTION**

The Bonds ~~are maturing on and after [ ]~~, shall be subject to redemption prior to ~~their respective stated dates of~~ maturity, at the option of the City, ~~as a whole or in part at~~

~~any time~~ at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, in whole or, from time to time, in part (and if in part, in such order of maturity or portion of a maturity as ~~may be directed by~~ the City shall select and within ~~any maturity by lot or by any method deemed by the Paying Agent to be fair and appropriate, on or after [\_\_\_\_], 20[\_\_\_\_]~~ at a redemption price of ~~100% of the principal amount of Bonds being redeemed, plus interest accrued to the date of redemption~~ a maturity by lot) at any time on and after [\_\_\_\_]. In the event that less than all Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

### **MANDATORY REDEMPTION**

The Bonds are subject to mandatory redemption prior to maturity at the principal amount thereof, plus interest accrued to the redemption date, in part, in order of maturity and within a maturity by lot or by any other method deemed fair and appropriate by the Paying Agent, on [\_\_\_\_] of the years 20[\_\_\_\_] through 20[\_\_\_\_], inclusive, from moneys required by the Ordinance to be deposited for the purpose of such redemptions in the Sinking Fund, City of Bethlehem, General Obligation ~~Refunding~~ Bonds, Series A of 2013, established pursuant to the terms of the Ordinance.

Any redemption under the preceding paragraphs shall be made as provided in the Ordinance upon not less than thirty (30) days' notice by first-class mail, postage prepaid. In connection with any such notice of redemption, the CUSIP numbers assigned to the Bonds being called for redemption may be used, but reliance may be placed only on the identification number printed hereon. In the event that less than the full principal amount hereof shall have been called for redemption, the registered owner hereof shall surrender this Bond in exchange for one or more Bonds in aggregate principal amount equal to the unredeemed portion of principal as provided in the Ordinance.

It is hereby certified that all acts, conditions and things required to be done, have happen or be performed precedent to and in the issuance of this Bond or in the creation of the debt of which this is evidence, have been done, have happened and been performed in regular and due form and manner as required by law, and that the debt represented by this Bond is not in excess of any constitutional or statutory limitation, and for the prompt payment of all the obligations of this Bond the full faith, credit and taxing power of the City are hereby irrevocably pledged.

As provided in the Ordinance and subject to certain limitations therein set forth, this Bond is transferable by the registered holder hereof as shown on the Bond Register of the City, upon surrender of this Bond for transfer to the principal office of the Paying Agent duly endorsed by, or accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the City and the Paying Agent, duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, and thereupon one or more new registered Bonds, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such transfer, but the City may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection herewith.

The City, the Paying Agent, the Registrar and any agent thereof may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and neither the City, the Paying Agent, the Registrar nor any such agent shall be affected by notice to the contrary.

The Bonds are issuable only in the form of registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Upon payment of any required tax, fee or other governmental charge, and subject to the conditions provided in the Ordinance, Bonds are exchangeable at the principal office of the Paying Agent for a like aggregate principal amount of registered Bonds of the same maturity and interest rate of any other authorized denomination, as requested by the holder surrendering the same.

This Bond shall not be entitled to any security or benefit hereof nor be valid or become obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Paying Agent.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the City of Bethlehem has caused this Bond to be signed in its name by the manual or facsimile signature of the ~~President or Vice President of the Council~~ Mayor and Controller of the City, its corporate seal or a facsimile thereof to be hereunto affixed, duly attested by the manual or facsimile signature of the ~~Secretary or Assistant Secretary~~ City Clerk of the City.

By: \_\_\_\_\_  
~~(Vice) President~~  
Mayor

By: \_\_\_\_\_  
City Controller

[CITY SEAL]

Attest:

By: \_\_\_\_\_  
~~(Assistant) Secretary~~  
City Clerk

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the [Series A](#) Bonds designated herein and described in the within-mentioned Ordinance and is on file with the undersigned. The copy of the Opinion attached to this Bond is a true and correct copy of an original Opinion issued by Ballard Spahr LLP, dated and delivered on the date of the original delivery of, and payment for, such [Series A](#) Bonds that is on file at our corporate trust office where the same may be inspected.

THE BANK OF NEW YORK MELLON,  
as Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

## STATEMENT OF INSURANCE

[\_\_\_\_\_], has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon, Pittsburgh, Pennsylvania, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [\_\_\_\_\_] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of [\_\_\_\_\_] as more fully set forth in the Policy.

FORM OF SERIES B BOND

NO. [\_\_\_\_\_]

\$[\_\_\_\_\_]

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
CITY OF BETHLEHEM  
LEHIGH AND NORTHAMPTON COUNTIES

FEDERALLY TAXABLE GENERAL OBLIGATION REFUNDING BONDS,  
SERIES B OF 2013

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
%		March [__], 2013	087347 [__]

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: [\_\_\_\_\_]

The City of Bethlehem, Lehigh and Northampton Counties, Pennsylvania (the “City”), for value received, promises to pay to the Registered Owner hereof, or registered assigns, on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, upon surrender hereof, the Principal Amount specified above and to pay interest thereon from the Dated Date above, or from the most recent interest payment date to which interest has been paid or duly provided for, until payment of said Principal Amount has been made or provided for, at the interest rate per annum specified above, on April 1 and October 1 in each year commencing [\_\_\_\_\_] 1, 2013. The interest so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Ordinance referred to below, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) ~~of the calendar month~~ next preceding such interest payment date. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent referred to below, notice whereof shall be given to Bondholders not less than ten (10) days prior to such Special Record Date. Interest shall be paid by check drawn upon, or wire transfer from, The Bank of New York Mellon, Pittsburgh, Pennsylvania, as paying agent (the “Paying Agent”) or any duly appointed alternate or successor paying agent, and mailed or electronically transferred to the person entitled thereto at such owner’s address or account as it appears on the Bond registry book of the City (the “Bond Register”) maintained by the Paying

Agent. Principal shall be paid, upon surrender hereof, at the principal corporate trust office of the Paying Agent, or at the duly designated office of any duly appointed alternate or successor paying agent, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, and, except as provided below with respect to any tax or governmental charge payable in connection with a transfer hereof, without deduction of, and the City assumes and agrees to pay, any tax or taxes which the City or the Treasurer thereof may be required to pay thereon or retain therefrom under any present or future law of the Commonwealth of Pennsylvania except gift, succession or inheritance taxes.

This Bond is one of a series, which series has been approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, of general obligation bonds of like date, amount and tenor, but differing as to maturity, rate of interest and provision for redemption, in the aggregate principal amount of \$[ ] in accordance with the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as reenacted by Act No. 177 of 1996, approved December 19, 1996, as amended, by virtue of an Ordinance, the terms of which are incorporated herein, of the Council of the City (the "Ordinance") duly enacted on [ ] 2013, and by the sworn statement of the duly authorized officers of the City filed with the Department of Community and Economic Development.

The proceeds of the Bonds are to be used for: (1) refunding all currently outstanding Bethlehem Authority Guaranteed Federally Taxable Lease Revenue Bonds, Series of 2001; and (2) the payment of certain costs of issuance [and bond insurance premiums] for the Bonds.

The City hereby covenants from time to time with the holders of the Bonds outstanding pursuant to the Ordinance that: (1) the City shall include the amount of the debt service (as specified, subject to appropriate adjustment in the event of the optional redemption of Bonds prior to maturity, in the Debt Service Schedules, attached as Schedule A-2 to the Ordinance, the amounts stated therein being hereby incorporated in this covenant by reference), and any taxes payable pursuant to Section 12 of the Ordinance, on said Bonds for each fiscal year in which such sums are payable in its budget for that year; (2) the City shall appropriate such amounts to the payment of such debt service and taxes covenanted to be paid and (3) the City shall duly and punctually pay or cause to be paid the principal and interest on every Bond on the dates, in the places and in the manner stated herein according to the true intent and meaning thereof, and for such budgeting, appropriation and payment the City does hereby pledge its full faith, credit and taxing power. As provided in the Act, the foregoing covenant shall be specifically enforceable.

### **OPTIONAL REDEMPTION**

The Bonds ~~are maturing on and after~~ [ ], shall be subject to redemption prior to ~~their respective stated dates of~~ maturity, at the option of the City, ~~as a whole or in part at any time~~ at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, in whole or, from time to time, in part (and if in part, in such order of maturity or portion of a maturity as may be directed by the

City shall select and within ~~any maturity by lot or by any method deemed by the Paying Agent to be fair and appropriate, on or after [\_\_\_\_\_] , 20[\_\_\_] at a redemption price of 100% of the principal amount of Bonds being redeemed, plus interest accrued to the date of redemption~~ maturity by lot) at any time on and after [\_\_\_\_\_]. In the event that less than all Bonds of a particular maturity are to be redeemed, the Bonds of such maturity to be redeemed shall be drawn by lot by the Paying Agent.

### **MANDATORY REDEMPTION**

The Bonds are subject to mandatory redemption prior to maturity at the principal amount thereof, plus interest accrued to the redemption date, in part, in order of maturity and within a maturity by lot or by any other method deemed fair and appropriate by the Paying Agent, on [\_\_\_\_\_] of the years 20[\_\_\_] through 20[\_\_\_], inclusive, from moneys required by the Ordinance to be deposited for the purpose of such redemptions in the Sinking Fund, City of Bethlehem, General Obligation Refunding Bonds, Series **AB** of 2013, established pursuant to the terms of the Ordinance.

Any redemption under the preceding paragraphs shall be made as provided in the Ordinance upon not less than thirty (30) days' notice by first-class mail, postage prepaid. In connection with any such notice of redemption, the CUSIP numbers assigned to the Bonds being called for redemption may be used, but reliance may be placed only on the identification number printed hereon. In the event that less than the full principal amount hereof shall have been called for redemption, the registered owner hereof shall surrender this Bond in exchange for one or more Bonds in aggregate principal amount equal to the unredeemed portion of principal as provided in the Ordinance.

It is hereby certified that all acts, conditions and things required to be done, have happen or be performed precedent to and in the issuance of this Bond or in the creation of the debt of which this is evidence, have been done, have happened and been performed in regular and due form and manner as required by law, and that the debt represented by this Bond is not in excess of any constitutional or statutory limitation, and for the prompt payment of all the obligations of this Bond the full faith, credit and taxing power of the City are hereby irrevocably pledged.

As provided in the Ordinance and subject to certain limitations therein set forth, this Bond is transferable by the registered holder hereof as shown on the Bond Register of the City, upon surrender of this Bond for transfer to the principal office of the Paying Agent duly endorsed by, or accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the City and the Paying Agent, duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, and thereupon one or more new registered Bonds, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such transfer, but the City may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection herewith.

The City, the Paying Agent, the Registrar and any agent thereof may treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes,

whether or not this Bond shall be overdue, and neither the City, the Paying Agent, the Registrar nor any such agent shall be affected by notice to the contrary.

The Bonds are issuable only in the form of registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Upon payment of any required tax, fee or other governmental charge, and subject to the conditions provided in the Ordinance, Bonds are exchangeable at the principal office of the Paying Agent for a like aggregate principal amount of registered Bonds of the same maturity and interest rate of any other authorized denomination, as requested by the holder surrendering the same.

This Bond shall not be entitled to any security or benefit hereof nor be valid or become obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Paying Agent.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the City of Bethlehem has caused this Bond to be signed in its name by the manual or facsimile signature of the ~~President or Vice President of the Council~~ Mayor and City Controller of the City, its corporate seal or a facsimile thereof to be hereunto affixed, duly attested by the manual or facsimile signature of the ~~Secretary or Assistant Secretary~~ City Clerk of the City.

By: \_\_\_\_\_  
~~(Vice) President~~  
Mayor

By: \_\_\_\_\_  
City Controller

[CITY SEAL]

Attest:

By: \_\_\_\_\_  
~~(Assistant) Secretary~~  
City Clerk

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the [Series B](#) Bonds designated herein and described in the within-mentioned Ordinance and is on file with the undersigned. The copy of the Opinion attached to this Bond is a true and correct copy of an original Opinion issued by Ballard Spahr LLP, dated and delivered on the date of the original delivery of, and payment for, such [Series B](#) Bonds that is on file at our corporate trust office where the same may be inspected.

THE BANK OF NEW YORK MELLON,  
as Paying Agent

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication:

## STATEMENT OF INSURANCE

[\_\_\_\_\_], has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon, Pittsburgh, Pennsylvania, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [\_\_\_\_\_] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of [\_\_\_\_\_] as more fully set forth in the Policy.

**SCHEDULE "E"**  
**BOND INSURANCE**

**SCHEDULE "F"**

**INSTRUCTIONS AND THE NOTICE OF REDEMPTION AND NOTICE OF REFUNDING**

**CONDITIONAL NOTICE OF REDEMPTION  
TO THE OWNERS  
OF  
BETHLEHEM AUTHORITY,  
(LEHIGH AND NORTHAMPTON COUNTIES, PENNSYLVANIA)  
GUARANTEED FEDERALLY TAXABLE LEASE REVENUE BONDS, SERIES OF 2001**

NOTICE IS HEREBY GIVEN that Bethlehem Authority will redeem, on \_\_\_\_\_, 2013, all of the outstanding Bonds of the series referred to above and maturing on and after December 1, 2013. The Bonds to be redeemed bear the following serial numbers and CUSIP numbers:

On \_\_\_\_\_, 2013, there will become and be due and payable upon said Bonds, at office of The Bank of New York Mellon (formerly known as The Bank of New York), West Paterson, New Jersey (the "Trustee"), the redemption price of said Bonds, namely 100% of the principal amount thereof, together with interest accrued to \_\_\_\_\_, 2013, the date fixed for redemption. From and after \_\_\_\_\_, 2013, interest on said Bonds will cease to accrue, and on or after \_\_\_\_\_, 2013, upon presentation and surrender of said Bonds at said office, said Bonds will be paid and redeemed at the aforesaid redemption price.

THIS NOTICE OF REDEMPTION IS CONDITIONAL IN THAT THE REDEMPTION IS SUBJECT TO THE DEPOSIT OF REDEMPTION MONEYS BY \_\_\_\_\_, 2013, THE DATE FIXED FOR REDEMPTION, AND THIS NOTICE SHALL BE OF NO EFFECT UNLESS SUCH MONEYS ARE SO DEPOSITED ON SUCH DATE.

**IMPORTANT:** Federal Tax Law requires individual holders of municipal bonds to submit their Taxpayer Identification Number (Social Security Number) with each bond presented for payment (whether by sale, maturity, or early redemption). Please submit a FORM W-9 at the time bonds are presented for payment. W-9's are available at your local bank or broker. FAILURE to comply with the Tax Law will subject the payment of principal to the Backup Withholding provisions of the Tax Law which requires the withholding of 31% of the principal payment as tax.

THE BANK OF NEW YORK MELLON, as Trustee

DATED: \_\_\_\_\_, 2013



Document comparison by Workshare Compare on Thursday, February 14, 2013  
5:59:04 PM

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Deleted cell	
Moved cell	
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Padding cell	

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