

**OFFICIAL
BOROUGH OF WEST VIEW
RESOLUTION NUMBER 1404**

A RESOLUTION OF THE TOWN COUNCIL OF THE BOROUGH OF WEST VIEW TO APPROVE AND EXECUTE PAPERWORK NECESSARY TO APPLY FOR TAX AND REVENUE ANTICIPATION NOTES FOR THE YEAR 2014 IN THE TOTAL AMOUNT OF \$400,000.00.

NOTE RESOLUTION - RESOLUTION NUMBER 1404

RESOLUTION AUTHORIZING THE ISSUANCE OF TAX AND REVENUE ANTICIPATION NOTES, SERIES 2014 WITH THE TERMS SET FORTH IN THE FOREGOING AND ATTACHED CERTIFICATE AND TRANSMITTAL; APPROVING A FORM OF NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTES; AUTHORIZING AND DIRECTING THE FILING OF PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE NOTES; APPOINTING A SINKING FUND DEPOSITORY; CREATING A SINKING FUND; MAKING CERTAIN FEDERAL INCOME TAX COVENANTS IN RESPECT OF THE NOTES; ACCEPTING THE PROPOSAL OF WEST VIEW SAVINGS BANK FOR THE PURCHASE OF THE NOTES; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the above-named Municipality, duly organized and subsisting as a political subdivision of the Commonwealth of Pennsylvania (the "Local Government Unit") anticipates the receipt of both current taxes and current revenues during the fiscal year ending December 31, 2014; and

WHEREAS, the Local government Unit desires to borrow for the purpose of meeting current expenses by issuing a note or notes, to be repaid from, inter alia, those taxes and revenues, all in accordance with the Local Government Unit Debt Act (the "Debt Act"), as codified by the Act of December 19, 1996, P.L. 1158, No. 177; and

WHEREAS, as required by Section 8126 of the Debt Act, the Chief Legislative Officer (being, as appropriate, the President or Chairman) and/or the Chief Administrative Officer (being, as appropriate, the Secretary, Chief Clerk or Manager), or their duly elected and acting successors on the Governing Body (being, as appropriate, the Board of Commissioners, the Council or the Board of Supervisors), with properly delegated authority (the "Designated Officers") of the Local Government Unit have, not more than thirty (30) days before this date on which this Note Resolution is being adopted and furthermore hereby confirm on this date, made an estimate from taxes now levied and assessed and from other budgeted revenues, of the taxes and revenues to be received and the expenditures to be made during the period when such note or notes will be outstanding and have certified that estimate by a duly executed document (the "Certificate as to Collections and Expenditures"); and

WHEREAS, West View Savings Bank (acting either as principal for its own account, or as agent for the investment account of an unnamed principal, as it may choose) (the "Purchaser"), has submitted an acceptable proposal (the "Proposal") for the purchase of the Local Government Unit's Notes;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body as follows:

Section 1 - Authorization - The Local Government Unit hereby authorizes the issuance of tax and revenue anticipation notes in the principal amount and with the specific Terms (the "Notes") stated in the foregoing and attached Certificate and Transmittal to the Department of Community and Economic Development.

Section 2 - Form - The Notes shall be designated "Tax and Revenue Anticipation Notes, Series 2014." The Notes shall be in the form of a single instrument, in a denomination equal to the principal amount of the series, or such other denominations as the purchaser shall specify, and shall be numbered (upon negotiation and registration) serially, beginning with "1". The Notes shall bear interest at the applicable interest rate stated in the Terms on the principal amount thereof, payable at maturity.

The Notes may be subject to redemption prior to maturity, in accordance with the Terms and the Purchase Proposal as set forth by West View Savings Bank, (and may be subject to the receipt by the Purchaser of the Cost of Prepayment, if any, as defined in the Notes) will be in registered form, without coupons, will be negotiable and dated the date of the delivery, and will be payable as to principal and interest on December 31, 2014 (unless subject to earlier redemption or prepayment), upon presentation by the owner to the Local Government Unit, in the coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time and place of payment.

The exact form of the Notes will contain an unconditional promise to pay the principal of and interest on the Note to the

owner when due, will pledge, and grant a security interest in, the taxes and revenues of the Local Government Unit to be received during the period when the Notes are outstanding to the payment of the Notes (including any period of default), will recite the valid issuance of the Notes under the Debt Act pursuant to proper corporate authority, will prohibit personal recourse against officials of the Local Government Unit, shall certify proper achievement of all conditions precedent to the issuance of the Notes and will designate the Notes as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 3 - Execution and Delivery - The Notes will be executed by the Chief Legislative Officer of the Governing Body and will have the corporate seal (or a facsimile thereof) of the Local Government Unit affixed thereto or printed thereon, duly attested by the Chief Administrative Officer. To the extent that any one signature on a Note is manual, the other signatures may be facsimile. The Designated Officers are further authorized and directed to deliver the Notes to the Purchaser, upon the terms and conditions hereinafter and in the Proposal provided, receive the proceeds therefor, execute and deliver such certificates and other closing documents and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the Notes.

Section 4 - Registration of Note - The Local Government Unit shall create a register in which it will provide for the registration of ownership and the registration of transfers and exchanges of the Notes.

Section 5 - Filing - The Designated Officer is hereby authorized and directed to certify and transmit copies of this Note Resolution, the Proposal and the Certificate as to Collections and Expenditures (which includes a calculation of the cumulative cash flow deficit calculated in accordance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and United States Treasury Department Regulation §1.148-6(d)(3)(iii)(B)), the contents of which are hereby approved, with the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Section 6 - Security - As security for payment of the Notes, the Local Government Unit pledges and grants to the owners, from time to time, of the Notes, on an equal and ratable basis, a first lien and charge on, and security interest in, all of the taxes and revenues received during the period that the Notes will be outstanding, together with taxes and revenues to be received during fiscal years subsequent to the year during which the Notes are issued in the event that the Local Government Unit defaults on the payment of principal or interest on the Note.

A Designated Officer is hereby authorized and directed to sign and cause to be filed financing statements pursuant to the Uniform Commercial Code to perfect the security interest hereby created.

In the event of any default on the Notes or hereunder, the Local Government Unit agrees to pay the reasonable expenses of the Purchaser and the owners (including court costs and attorney's fees) incurred in collecting the amounts due.

Section 7 - Sinking Fund; Payment of Notes - West View Savings Bank, is hereby appointed Sinking Fund Depository with respect to the Notes.

There is hereby established with the Sinking Fund Depository a sinking fund in the name of the Local Government Unit to be known as Tax and Revenue Anticipation Notes, Series 2014 Sinking Fund (the "Sinking Fund") into which the Local Government Unit covenants to deposit, and into which a Designated Officer is hereby authorized and directed to deposit, on or before the dates of delivery and of maturity, respectively, adequate amounts as necessary to pay the obligations of the Notes.

The Designated Officer is also hereby authorized and directed to deposit, on or before the early redemption date, if such option is chosen and is to be exercised by the Local Government Unit, adequate amounts as necessary to pay the obligations of the Notes. In the event that the Local Government Unit determines that it will exercise the prepayment option, it shall notify the owner indicated on the Register of such determination, in writing at least five (5) business days prior to prepayment date.

If the Local Government Unit fails or refuses to make any required deposit in the Sinking Fund, the Sinking Fund Depository: (1) shall notify the Secretary of the Department of Community and Economic Development of such failure or refusal, in order to facilitate both its inspection of the Sinking Fund pursuant to Section 8226 of Debt Act and any other necessary or proper remedial action; and (2) may, and upon request of the owners of twenty-five percent in original principal amount of outstanding Notes and upon being indemnified against cost and expense shall, exercise any remedy provided in the Debt Act or at law or in equity, for the equal and ratable benefit of the owners of the outstanding Notes, and shall disburse all funds so collected equally and ratably to the owners thereof, pursuant to the requirements of Subchapter D of Chapter 82 of the Debt Act.

Section 8 - Sinking Fund; Investments - Any moneys in the Sinking Fund not required for prompt expenditure may, at the direction of a Designated Officer of the Local Government Unit, 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 or bank and trust company, savings and loan association or building and loan association. To the extent that such deposits are insured by Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or similar Federal agency, they need not be secured. Otherwise, such deposits must be secured as public deposits, except that moneys held in the Sinking Fund may be secured as trust funds. Any such investments or deposits must 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 owners of the Notes.

Section 9 - General Obligation - The Notes issued pursuant to this Note Resolution shall be general obligations of the Local Government Unit. The Local Government Unit hereby covenants with the owners from time to time of the Notes that if funds are not available for the full payment of the Notes within the fiscal year in which issued, then the Local Government Unit will either (1) include the amounts necessary to pay all the Notes in its budget for the next fiscal year, pursuant to Section 8125 of the Debt Act, to the extent then permitted by applicable law; (2) fund such amounts within the next fiscal year in accordance with Sections 8129 and 8130 of the Debt Act, or (3) provide for payment of the Notes by any combination of (1) and (2), in all events, upon notice to and with the consent and agreement of the Sinking Fund Depository and the Purchaser, and provided furthermore that in such an event of default, if the Local Government Unit shall have executed and delivered certain credit, collateral and/or security application(s) or agreement(s) pursuant to Section 13 hereof, the general obligation pledge of payment made by this Section 9 shall include and encompass all amounts in addition to stated principal and interest due in respect of the Notes by the terms of such credit agreements and shall conform to the manner and procedures for payment, if any, set forth therein, or provided at the direction of the Purchaser, either as owner or subrogee of the Notes.

Section 10 - Tax Covenants - (a) The Local Government Unit hereby covenants with the owners from time to time of the Notes that it will make no use of the proceeds of the Notes which, if such use had been reasonably expected on the date of issue of the Notes, would have caused the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations thereunder and that it will comply with the requirements of the Code and the Regulations throughout the term of the Notes.

(b) If the principal amount of the Notes, plus the principal amount of all other tax-exempt obligations issued and to be issued by the Local Government Unit, or by a subordinate governmental unit within its jurisdiction, during the calendar year in which the Notes are to be issued, exceeds \$5,000,000, and if the gross proceeds of the Notes are invested at a yield greater than the yield on the Notes and are not expended, or deemed to have been expended pursuant to in Section 148(f)(4)(B)(iii) of the Code, within six (6) months from the date of issuance, the Local Government Unit covenants that it will rebate to the U.S. Treasury, within sixty (60) days after the maturity date of the Notes, that amount of investment income on the Note proceeds which exceeds the amount which would have been earned had the Note proceeds been invested at a yield equal to the yield on the Notes.

(c) The Local Government Unit hereby designates the Notes as Qualified Tax-Exempt Obligations pursuant to 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 in which the Notes are to be issued does not and will not exceed \$10,000,000.

Section 11 - Award - The Notes are hereby awarded and sold at private sale by negotiation to West View Savings Bank, at par, in accordance with the Proposal and its Terms as set forth in the foregoing and attached Certificate and Transmittal, which, as presented at this meeting, is hereby accepted and directed to be executed by the Designated Officers. The Local Government Unit shall pay the Origination Fee, if any, set forth in the Terms.

Section 12 - Costs - All notice, filing and legal fees (except Note Counsel to the Purchaser, if any) properly incurred in connection with issuance of the Notes will be paid by the Local Government Unit. The Designated Officers are hereby authorized and directed to pay all such reasonable expenses at the time of Settlement on the Notes.

Section 13 - Letters of Credit; Guaranty of Payment; Subrogation - The Local Government Unit acknowledges the right of the Purchaser to negotiate some or all of the Notes to subsequent third-party owners, from time to time, and at any time, during the term of the Notes. Moreover, the Local Government Unit recognizes that the Purchaser may choose, in its absolute discretion and at its own cost, to provide letters of credit, put agreements, collateral accounts and such other and similar guarantees of payment by the Purchaser to the third-party owner as may be necessary to facilitate the negotiation of the Notes to the subsequent owners. In consideration of the beneficial interest rate afforded the Local Government Unit by the increased and facilitated marketability of the Notes, and in such event, the Local Government Unit agrees, and the Designated Officers are hereby directed, to execute and deliver any and all credit, collateral and security application(s) and agreement(s) as may be necessary in the reasonable discretion of the Purchaser of its

rights, either as owner or subrogee under a guaranty arrangement, to receive payment in full of the principal of and interest on the Notes (and any other amounts due in respect thereof under the term of such credit agreement) when due. In the event any payment of principal or interest or both is made to any owner of any Note by a draw on a letter of credit issued by, or other guaranty of payment made by, the Purchaser such payment will not extinguish the obligations of the Local Government Unit under such Note; the Purchaser shall become the Local Government Unit under such Note; the Purchaser shall become the owner/subrogee of the Note with full rights to enforce payment of the amounts due in respect of the same.

Section 14 - Note Resolution a Contract - This Note Resolution is a contract with the owners, from time to time, of the Notes.

Section 15 - Inconsistent Actions - All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

ADOPTED by the Governing Body of the Local Government Unit this 6th Day of January 2014

BOROUGH OF WEST VIEW

BY: _____
Chief of Police Bruce A. Fromlak, Sec./Mgr.

BY: _____
Barry G. Schell
President of Town Council

EXAMINED and **APPROVED** this 6th Day of January 2014

BY: _____
J. R. Henry, Mayor