



Legislation Details (With Text)

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**Title:** Resolution to authorize and direct the incurring of Non-Electoral Debt through the issuance of two Series of General Obligation Bonds or Notes of the City of Pittsburgh.

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Date	Ver.	Action By	Action	Result
7/27/2011	1	Standing Committee	TABLED	Pass
7/20/2011	1	Standing Committee	AFFIRMATIVELY RECOMMENDED	Pass
7/19/2011	1	City Council	Read and referred	
7/19/2011	1	City Council	Waived under Rule 8	Pass

Resolution to authorize and direct the incurring of Non-Electoral Debt through the issuance of two Series of General Obligation Bonds or Notes of the City of Pittsburgh.

AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF TWO SERIES OF GENERAL OBLIGATION BONDS OR NOTES OF THE CITY OF PITTSBURGH, PENNSYLVANIA (THE "LOCAL GOVERNMENT UNIT") IN THE AGGREGATE PRINCIPAL AMOUNT OF \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) CONSISTING OF \$\_\_\_\_\_ SERIES OF 2011A,

GENERAL OBLIGATION BONDS AND \$\_\_\_\_\_ TAXABLE SERIES OF 2011B, GENERAL OBLIGATION BONDS (OR 2011B NOTE), FOR THE PURPOSE OF PROVIDING FUNDS FOR AND TOWARD THE COSTS OF (I) REFUNDING A PORTION OF THE LOCAL GOVERNMENT UNIT'S OUTSTANDING GENERAL OBLIGATION BONDS, AND (II) ISSUING AND INSURING THE BONDS, OR ANY OR ALL OF THE SAME; STATING THE PURPOSE OF THE REFUNDING; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE PROJECT; STATING THE ESTIMATED REALISTIC USEFUL LIFE OF THE PROJECT FOR WHICH SAID BONDS ARE ISSUED; DESCRIBING CERTAIN PRIOR PROJECTS AND RATIFYING AND CONFIRMING THE ORIGINALLY ESTIMATED REALISTIC USEFUL LIFE THEREOF AND STATING THE REMAINING

USEFUL LIFE THEREOF; DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE LOCAL GOVERNMENT UNIT SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PROVIDING FOR FULLY REGISTERED BONDS, DATE OF THE BONDS, INTEREST PAYMENT DATES, PROVISIONS FOR REDEMPTION AND STATED PRINCIPAL MATURITY AMOUNTS AND FIXING THE RATES OF INTEREST ON SUCH BONDS AND PROVIDING FOR BOOK-ENTRY ONLY BONDS; AUTHORIZING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO CONTRACT WITH A BANK OR BANK AND TRUST COMPANY FOR ITS SERVICES AS SINKING FUND DEPOSITORY, PAYING AGENT AND REGISTRAR; PROVIDING FOR THE REGISTRATION, TRANSFER AND EXCHANGE OF BONDS; PROVIDING FOR THE EXECUTION, DELIVERY AND AUTHENTICATION OF BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; APPROVING THE FORM OF THE BONDS, PAYING AGENT'S AUTHENTICATION CERTIFICATE AND ASSIGNMENT AND PROVIDING FOR CUSIP NUMBERS TO BE PRINTED ON THE BONDS; PROVIDING FOR TEMPORARY BONDS; AWARDING SUCH BONDS AT NEGOTIATED SALE AND STATING THAT SUCH SALE IS IN THE BEST FINANCIAL INTEREST OF THE LOCAL GOVERNMENT UNIT; CREATING A SINKING FUND AND APPROPRIATING ANNUAL AMOUNTS FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; COVENANTING THAT THE PROCEEDS OF THE BONDS SHALL NOT BE USED IN SUCH A MANNER AS TO CAUSE CERTAIN SERIES OF THE BONDS TO BE ARBITRAGE BONDS UNDER FEDERAL TAX LAW PROVISIONS; APPROVING THE CONTENT AND FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE DISTRIBUTION THEREOF AND AUTHORIZING THE PREPARATION, EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT AND THE UNDERTAKING OF CERTAIN CONTINUING DISCLOSURE; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS AND OTHERWISE PROVIDING FOR THE REFUNDING OF THE LOCAL GOVERNMENT UNIT'S OUTSTANDING GENERAL OBLIGATION BONDS, AS DESCRIBED HEREIN; PROVIDING FOR MUNICIPAL BOND INSURANCE (IF DESIRABLE); AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO DO ALL THINGS NECESSARY TO CARRY OUT THE RESOLUTION; APPOINTING CERTAIN PROFESSIONALS; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE LOCAL GOVERNMENT UNIT TO PAY ISSUANCE COSTS; REPEALING ALL INCONSISTENT RESOLUTIONS; PROVIDING FOR SEVERABILITY OF PROVISIONS; AND STATING THE

EFFECTIVE DATE.

The City Council (the "Governing Body") of the City of Pittsburgh, Pennsylvania (the "Local Government Unit"), pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 et seq., as amended (the "Act") hereby RESOLVES as follows:

**Section 1. Incurrence of Debt; Amount and Purpose of Bonds; Realistic Cost Estimates; Estimated Project Completion Date.**

Due to favorable market conditions, the Governing Body of the Local Government Unit hereby authorizes and directs the incurring of non-electoral debt in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) through the issuance of \$ \_\_\_\_\_ Series of 2011A General Obligation Bonds (the "2011A Bonds") and \$ \_\_\_\_\_ Taxable Series of 2011B General Obligation Bonds or 2011B Notes (the "2011B Bonds", together with the 2011A Bonds, the "Bonds") of the Local Government Unit.

**2011A Bonds.** The 2011A Bonds are being issued to provide funds (i) to currently refund a portion of the Local Government Unit's outstanding General Obligation Bonds, Series of 2008 (the "2008 Bonds") as set forth in Schedule I attached hereto (such portion of the 2008 Bonds are hereinafter referred to as the "2008 Refunded Bonds"), (iii) to currently refund a portion of the Local Government Unit's outstanding General Obligation Bonds, Series of 2005A (the "2005A Bonds") as set forth in Schedule I attached hereto (such portion of the 2005A Bonds are hereinafter referred to as the "2005A Refunded Bonds"), (iv) to currently refund a portion of the Local Government Unit's outstanding General Obligation Bonds, Series of 2002A (the "2002A Bonds") as set forth in Schedule I attached hereto (such portion of the 2002A Bonds are hereinafter referred to as the "Series 2011A 2002A Refunded Bonds"), (v) to currently refund a portion of the Local Government Unit's outstanding General Obligation Bonds, Series of 1993A (the "1993A Bonds") as set forth in Schedule I attached hereto (such portion of the 1993A Bonds are hereinafter referred to as the "1993A Refunded Bonds," and together with the 2008 Refunded Bonds, the 2005A Refunded Bonds, and the Series 2011A 2002A Refunded Bonds, the "2011A Refunded Obligations") (the "2011A Refunding Project"), and (ix) to pay the costs of issuing and insuring the 2011A Bonds or any or all of the same (the "2011A Issuance Costs," together with the 2011A Refunding Project, the "2011A Bonds Project").

The refunding of the 2011A Refunded Obligations is being undertaken by the Local Government Unit for the purpose of reducing the annual debt service in certain years by extending the life of the issue in compliance with Section 8241(b)(2) of the Act.

A portion of the outstanding 2002A Bonds will be advance refunded by a portion of the proceeds of the 2011B Bonds as described in this Section 1.

The estimated completion date for the 2011A Refunding Project is September 1, 2011, the final redemption date for the 2011A Refunded Obligations.

**2011B Bonds.** The 2011B Bonds are being issued to provide funds (i) to advance refund a portion of the 2002A Bonds as set forth in Schedule II attached hereto (such portion of the 2002A Bonds are hereinafter referred to as the "Series 2011B 2002A Refunded Bonds") (the "2011B Refunding Project"), and (ii) to pay the costs of issuing the 2011B Bonds or any or all of the same (the "2011B Issuance Costs," and together with the 2011B Refunding Project, the "2011B Bonds Project"; the 2011B Bonds Project together with the 2011A Bonds Project, the "Project").

The refunding of the 2011B 2002A Refunded Bonds is being undertaken by the Local Government Unit for the purpose of reducing total debt service over the life of the series in compliance with Section 8241(b)(1) of the Act.

The estimated completion date for the 2011B Bonds Project is March 1, 2012, the final redemption date for the Series 2011B 2002A Refunded Bonds.

Realistic cost estimates have been obtained by the Local Government Unit for the Project through estimates made by qualified persons, as required by Section 8006 of the Act.

The Local Government Unit hereby reserves the right to undertake components of the Project in such order and at such time or times as it shall determine and to allocate the proceeds of the Bonds and other available moneys to the final costs of the Project in such amounts and order of priority as it shall determine; but the proceeds of the Bonds shall be used solely to pay the

"costs," as defined in the Act, of the Project described herein.

## **Section 2. Realistic Estimated Useful Life.**

**2011A Bonds.** The 2008 Refunded Bonds were issued to refund the Local Government Unit Series 1998D General Obligation Bonds. The 2005A Refunded Bonds were issued to partially refund the Local Government Unit Series 1995A and 1997A Bonds. The Series 2011A 2002A Refunded Bonds were issued to finance the advance refunding of a portion of the Local Government Unit's outstanding General Obligation Bonds of various series. The 1993A Refunded Bonds were issued to finance the refunding of Local Government Unit Series 1989 Bonds.

The realistic estimated useful lives of each of the projects financed with the 2011A Refunded Obligations were determined at the time of issuance of the applicable series of bonds.

**2011B Bonds.** The Series 2011B 2002A Refunded Bonds were issued to finance the advance refunding of a portion of the Local Government Unit's outstanding General Obligation Bonds of various series.

## **Section 3. Debt Statement and Borrowing Base Certificate.**

The President or Vice President of the Governing Body and the City Clerk, the Director of Finance and the City Controller of the Local Government Unit or any one of them, and/or any other duly authorized or appointed officer of the Local Government Unit, are hereby authorized and directed to prepare and certify a debt statement required by Section 8110 of the Act and a Borrowing Base Certificate.

## **Section 4. Covenant to Pay Bonds.**

It is covenanted with the registered owners from time to time of the Bonds that the Local Government Unit shall (i) include the amount of the debt service for the Bonds for each fiscal year in which the sums are payable in its budget for that year; (ii) appropriate those amounts from its general revenues for the payment of the debt service; and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the principal of, and the interest on, the Bonds at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Local Government Unit pledges its full faith, credit and taxing power. As provided by the Act, this covenant shall be specifically enforceable.

## **Section 5. Description of Bonds; Maturity Schedule; Redemption of Bonds; Notice of Redemption.**

For purposes of this Section 5, the following defined terms have the meaning stated below:

"DTC" means The Depository Trust Company, New York, New York, the securities depository for the Bonds, and its successors.

"Representation Letter" means the Blanket Letter of Representations, together with DTC's Operational Arrangements referred to therein, of the Local Government Unit on file with DTC and incorporated herein by reference.

A. Amount and Terms of Bonds. The Bonds of each series shall be in fully registered form without coupons, shall be numbered, shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof, shall be dated as of the date of their delivery (the "Series Issuance Date") and shall bear interest from the dates, which interest is payable at the rates provided herein, until maturity or prior redemption, all as set forth in the form of the Bonds attached hereto as Exhibit A & B and made a part hereof.

The Bonds of each series shall bear interest, until maturity or prior redemption, at the rates per annum, and shall mature in the amounts and on the dates of certain years, all as set forth in the maturity schedules attached hereto as Exhibit C and made a part hereof.

The stated maturities of the Bonds of each series shown in Exhibit C have been fixed in compliance with Section

8142(b)(2) of the Act.

The 2011A Bonds are subject to redemption prior to maturity as set forth in Exhibit C attached hereto.

The Paying Agent (as hereinafter defined) is hereby authorized and directed, (i) upon notification by the Local Government Unit of its option to redeem Bonds in part to select by lot the particular Bonds or portions thereof to be redeemed, (ii) without further authorization of the Local Government Unit with respect to a redemption pursuant to subparagraph (b) of the redemption provisions in Exhibit C, to select by lot the particular Bonds or portions thereof to be redeemed, and (iii) upon notification by the Local Government Unit of its option to redeem Bonds in whole or in part and when required pursuant to subparagraph (b) of the redemption provisions in Exhibit C, to cause a notice of redemption to be given once by first-class United States mail, postage prepaid, or by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, at least thirty (30) days prior to the redemption date, to each registered owner of Bonds to be redeemed. Such notice shall be mailed to the address of such registered owner appearing on the registration books of the Paying Agent, unless such notice is waived by the registered owner of the Bonds to be redeemed. Any such notice shall be given in the name of the Local Government Unit, shall identify the Bonds to be redeemed, including CUSIP numbers, if applicable, which may, if appropriate, be expressed in designated blocks of numbers (and, in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the place where such Bonds are to be surrendered for payment, shall state the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable and from such redemption date interest will cease to accrue. Failure to give any notice of redemption or any defect in the notice or in the giving thereof to the registered owner of any Bond to be redeemed shall not affect the validity of the redemption as to other Bonds for which proper notice shall have been given. The costs incurred for such redemptions shall be paid by the Local Government Unit.

For so long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent shall provide the notices specified above only to DTC in accordance with its applicable time requirements. It is expected that DTC in turn will notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

In addition to the notices described in the preceding paragraphs, further notice shall be given by the Paying Agent as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption, plus (A) the date of issue of the Bonds as originally issued; (B) the rate of interest borne by each Bond being redeemed; (C) the maturity date of each Bond being redeemed; and (D) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least twenty-five (25) days before the redemption date to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") System, to other information repositories approved from time to time by the United States Securities and Exchange Commission, and to the state information depository, if any, of the Commonwealth of Pennsylvania ("SID").

(iii) Such further notice shall be mailed by first class United States mail, postage prepaid, to the Bond Buyer of New York, New York, or to another financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds.

(iv) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The notices required to be given by this Section shall state that no representation is made as to the correctness or accuracy of CUSIP numbers listed in such notice or stated on the Bonds.

In lieu of redeeming the principal amount of Bonds set forth in subparagraph (b) of the redemption provisions in Exhibit C on a mandatory redemption date, or any portion thereof, the Local Government Unit or the Paying Agent with the approval of the Local Government Unit may apply the moneys required to be deposited in the Sinking Fund (as hereinafter defined) to the

purchase of a like amount of Bonds at prices not in excess of the principal amount thereof, provided that the following provisions are met:

(a) no purchase of any Bonds of the related series of any later maturity shall be made if any Bonds of any earlier maturity will remain outstanding; and

(b) firm commitments for the purchase must be made prior to the time notice of redemption would otherwise be required to be given; and

(c) if Bonds of the related series aggregating the amount required to be redeemed cannot be purchased, a principal amount of such Bonds equal to the difference between the principal amount required to be redeemed and the amount purchased shall be redeemed as aforesaid.

In the event of purchases of Bonds of the related series at less than the principal amount thereof, the balance remaining in the Sinking Fund (as hereinafter defined) representing the difference between the purchase price and the principal amount of Bonds purchased shall be paid to the Local Government Unit.

If at the time of the mailing of any notice of optional redemption the Local Government Unit shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

B. Book-Entry Only System. The foregoing provisions of this Section 5 to the contrary notwithstanding:

(i) The Bonds, upon original issuance, will be issued in the form of a single, fully registered bond for each maturity of each series in the denomination equal to the principal amount of Bonds maturing on each such date and will be deposited with DTC. Each such Bond will initially be registered to Cede & Co., the nominee for DTC, or such other name as may be requested by an authorized representative of DTC, and no beneficial owner will receive certificates representing their respective interests in the Bonds, except in the event that the use of the book-entry system for the Bonds is discontinued. It is anticipated that during the term of each series of the Bonds, DTC will make book-entry transfers among its Participants and receive and transmit payment of principal and premium, if any, and interest on, the Bonds to the Participants until and unless the Paying Agent authenticates and delivers Replacement Bonds to the beneficial owners as described in subsection (vi).

(ii) The execution and delivery by the Local Government Unit of the Representation Letter shall not in any way create, expand or limit any undertaking or arrangement contemplated or provided for herein in respect of DTC or the book-entry registration, payment and notification system or in any other way impose upon the Local Government Unit or the Paying Agent any obligation whatsoever with respect to beneficial owners having interests in the Bonds, any such obligation extending solely to DTC, as sole bondholder, as shown on the registration books kept by the Paying Agent. The Paying Agent shall take all action necessary for all representations of the Local Government Unit in the Representation Letter with respect to the Paying Agent to be complied with at all times.

(iii) So long as the Bonds or any portion thereof are registered in the name of Cede & Co., or such other DTC nominee, all payments of principal, premium, if any, or redemption price of, and interest on, the Bonds shall be made to DTC or its nominee in accordance with the Representation Letter on the dates provided for such payments under this Resolution. All payments made by the Paying Agent to DTC or its nominee shall fully satisfy the Local Government Unit's obligations to pay principal, premium, if any, and interest, on the Bonds to the extent of such payments, and no beneficial owner of any Bond registered in the name of Cede & Co., or such other DTC nominee, shall have any recourse against the Local Government Unit or the Paying Agent hereunder for any failure by DTC or its nominee or any Participant therein to remit such payments to the beneficial owners of such Bonds.

(iv) If all or fewer than all Bonds of a maturity of a series are to be redeemed, the Paying Agent shall notify DTC within the time periods required by the Representation Letter. If fewer than all Bonds of a maturity of a series are to be redeemed, DTC shall determine by lot the amount of the interest of each Participant in the maturity of Bonds to be redeemed. In the event of the redemption of less than all of the Bonds outstanding of a series, the Paying Agent shall not require surrender by DTC or its nominee of the Bonds so redeemed, but DTC (or its nominee) may retain such Bonds and make an appropriate notation on the Bond certificate as to the amount of such partial redemption; *provided that*, in each case the Paying Agent shall request, and DTC shall deliver to the Paying Agent, a written confirmation of such partial redemption and thereafter the records maintained by the

Paying Agent shall be conclusive as to the amount of the Bonds of such maturity which have been redeemed.

(v) In the event DTC resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Local Government Unit may appoint a successor securities depository provided the Paying Agent receives written evidence satisfactory to the Paying Agent with respect to the ability of the successor securities depository to discharge its responsibilities. Any such successor securities depository shall be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Paying Agent upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor securities depository in appropriate denominations and form as provided herein.

(vi) If DTC resigns and the Local Government Unit is unable to locate a qualified successor of DTC in accordance with subsection (v), then the Paying Agent, based on information provided to it by DTC, shall notify the beneficial owners of the Bonds of the availability of certificates to beneficial owners of Bonds requesting the same, and the Paying Agent shall register in the name of and authenticate and deliver Bonds (the "Replacement Bonds") to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to the date of such Replacement Bonds, accrued interest and previous calls for redemption. In such event, all references to DTC herein shall relate to the period of time when DTC or its nominee is the registered owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by DTC shall be deemed to be imposed upon and performed by the Paying Agent, to the extent applicable with respect to such Replacement Bonds. The Paying Agent may rely on information from DTC and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial owners of the Bonds.

## **Section 6. Paying Agent, Sinking Fund Depository and Registrar.**

The proper officers of the Local Government Unit are hereby authorized and directed to contract with \_\_\_\_\_, having corporate trust offices in Pittsburgh, Pennsylvania, for its services as sinking fund depository, paying agent and registrar with respect to the Bonds and such Bank is hereby appointed to act in such capacities with respect to the Bonds.

The principal or redemption price of the Bonds shall be payable upon surrender thereof when due in lawful money of the United States of America at the designated office of The \_\_\_\_\_ or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Such payments shall be made to the registered owners of the Bonds so surrendered, as shown on the registration books of the Local Government Unit on the date of payment. Interest on the Bonds shall be paid by check mailed to the registered owner of such Bond as shown on the registration books kept by the Paying Agent, as of the close of business on the fifteenth (15th) day of the calendar month (whether or not a business day) immediately preceding the interest payment date in question (the "Regular Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Regular Record Date and prior to such interest payment date. In the case of an interest payment to any registered owner of more than \$1,000,000 or more in aggregate principal amount of Bonds of a series, such payment may be made by wire transfer to any designated account in a member bank of the Federal Reserve System as of the close of business on such interest payment date upon written request of such registered owner, which written request is received by the Paying Agent not less than five days prior to such payment date. If the Local Government Unit shall default in the payment of interest due on such interest payment date, such interest shall thereupon cease to be payable to the registered owners of the Bonds shown on the registration books as of the Regular Record Date. Whenever moneys thereafter become available for the payment of the defaulted interest, the Paying Agent on behalf of the Local Government Unit shall immediately establish a "special interest payment date" for the payment of the defaulted interest and a "special record date" (which shall be a business day) for determining the registered owners of Bonds entitled to such payments; *provided, however*, that the special record date shall be at least ten (10) days but not more than fifteen (15) days prior to the special interest payment date. Notice of each date so established shall be mailed by the Paying Agent on behalf of the Local Government Unit to each registered owner of a Bond at least ten (10) days prior to the special record date, but not more than thirty (30) days prior to the special interest payment date. The defaulted interest shall be paid on the special interest payment date by check mailed to the registered owners of the Bonds, as shown on the registration books kept by the Paying Agent as of the close of business on the special record date.

If the date for payment of the principal or redemption price of, and interest on, the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in each of the cities in which the corporate trust office or payment office of the Paying Agent are located are authorized by law or executive order to close, then the date for such payment 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 payment.

Payment of interest on, or principal or redemption price of, the Bonds may be subject to backup withholding at the rate of 28% of the gross payment unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee.

Any corporation or association into which the Paying Agent, or any additional or appointed alternate or successor to it, may be merged or converted or with which it, or any additional or appointed alternate or successor to it, may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any corporation or association to which the Paying Agent, or any additional or appointed alternate or successor to it, sells or otherwise transfers all or substantially all of its corporate trust business shall be the successor paying agent hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

### **Section 7. Registration, Transfer and Exchange of Bonds.**

The Local Government Unit shall keep, at the corporate trust and/or payment office of the Paying Agent, as registrar, books for the registration, transfer and exchange of Bonds. The Governing Body hereby authorizes and directs the Paying Agent, as registrar and transfer agent, to keep such books and to make such transfers or exchanges on behalf of the Local Government Unit.

The ownership of each Bond shall be recorded in the registration books of the Local Government Unit, which shall contain such information as is necessary for the proper discharge of the Paying Agent's duties hereunder as Paying Agent, registrar and transfer agent.

The Bonds may be transferred or exchanged as follows:

(a) Any Bond may be transferred if endorsed for such transfer by the registered owner thereof and surrendered by such owner or his duly appointed attorney or other legal representative at the designated office of the Paying Agent, whereupon the Paying Agent shall authenticate and deliver to the transferee a new Bond or Bonds of the same maturity and series and in the same denomination as the Bond surrendered for transfer or in different authorized denominations equal in the aggregate to the principal amount of the surrendered Bond.

(b) Bonds of a particular maturity may be exchanged for one or more Bonds of the same maturity and series designation and in the same principal amount, but in a different authorized denomination or denominations. Each Bond so to be exchanged shall be surrendered by the registered owner thereof or his duly appointed attorney or other legal representative at the designated office of the Paying Agent, whereupon a new Bond or Bonds shall be authenticated and delivered to the registered owner.

(c) In the case of any Bond properly surrendered for partial redemption, the Paying Agent shall authenticate and deliver a new Bond in exchange therefor, such new Bond to be of the same maturity and series designation and in a denomination equal to the unredeemed principal amount of the surrendered Bond; *provided that*, at its option, the Paying Agent may certify the amount and date of partial redemption upon the partial redemption certificate, if any, printed on the surrendered Bond and return such surrendered Bond to the registered owner in lieu of an exchange.

Except as provided in subparagraph (c) above, the Paying Agent shall not be required to effect any transfer or exchange during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Bond to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange except for taxes or governmental charges related thereto.

No transfers or exchanges shall be valid for any purposes hereunder except as provided above.

New Bonds delivered upon any transfer or exchange of outstanding Bonds shall be valid general obligations of the Local Government Unit, evidencing the same debt as the Bonds surrendered.

The Local Government Unit and the Paying Agent may treat the registered owner of any Bond as the absolute



owner thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the Local Government Unit or the Paying Agent.

### **Section 8. Execution, Delivery and Authentication of Bonds; Disposition of Proceeds.**

The Bonds shall be executed by the manual or facsimile signature of the Mayor of the Governing Body and shall have the corporate seal of the Local Government Unit or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the Director of Finance of the Local Government Unit, and the said officers are hereby authorized and directed to execute the Bonds in such manner. In case any official of the Local Government Unit whose manual or facsimile signature shall appear on the Bonds shall cease to be such official before the authentication of such Bonds such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if such official had remained in office until authentication; and any Bond may be signed on behalf of the Local Government Unit, even though at the date of authentication of such Bonds such person was not an official. The Director of Finance of the Local Government Unit is authorized and directed to deliver, or cause to be delivered, the Bonds to the purchasers thereof against the full balance of the purchase price therefor. The Bonds shall be authenticated by the Paying Agent.

Upon receipt of the purchase price for each series of Bonds, the Paying Agent shall deposit the 2011A Bonds proceeds in a "2011A Bonds Settlement Account" and the 2011B Bonds proceeds in a "2011B Bonds Settlement Account". From each Settlement Account, the Paying Agent shall transfer or deposit and pay, or establish reserves for payment of, the costs and expenses of the financing. The proper officers of the Local Government Unit are authorized to direct the Paying Agent to make the foregoing transfers or deposits and to pay the issuance costs on behalf of the Local Government Unit as set forth in a closing receipt (the "Closing Receipt") duly executed and delivered by an authorized officer of the Local Government Unit on the date of issuance and delivery of the Bonds.

### **Section 9. Form of Bonds; CUSIP Numbers.**

The form of the Bonds of each series paying agent's authentication certificate and assignment shall be substantially as set forth in Exhibits A & B attached hereto.

The Bonds of each series shall be executed in substantially the forms as set forth in Exhibits A & B hereto with such appropriate changes, additions or deletions as may be approved by the officers executing the Bonds in the manner provided in Section 8 hereof; such execution shall constitute approval by such officers on behalf of the Governing Body. The opinion of bond counsel is authorized and directed to be attached to the Bonds.

The Local Government Unit, pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures (CUSIP) has caused CUSIP numbers to be printed on the Bonds. No representation is made as to the accuracy of said numbers either as printed on the Bonds or as contained in any notice of redemption, and the Local Government Unit shall have no liability of any sort with respect thereto. Reliance upon any redemption notice with respect to the Bonds may be placed only on the identification numbers printed thereon.

### **Section 10. Temporary Bonds.**

Until Bonds in definitive form are ready for delivery, the proper officers of the Local Government Unit may execute and, upon their request in writing, the Paying Agent shall authenticate and deliver in lieu of such Bonds in definitive form one or more printed or typewritten bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described with appropriate omissions, variations and insertions, as may be required. Such bond or bonds in temporary form may be for the principal amount of Five Thousand Dollars (\$5,000) or any whole multiple or multiples thereof, as such officers may determine. The aforesaid officers, without unnecessary delay, shall prepare, execute and deliver Bonds in definitive form to the Paying Agent, and thereupon, upon presentation and surrender of the bond or bonds in temporary form, the Paying Agent shall authenticate and deliver, in exchange therefor, Bonds in definitive form in an authorized denomination of the same maturity for the same aggregate principal amount as the bond or bonds in temporary form surrendered. Such exchange shall be made by the Local Government Unit at its own expense and without any charge therefor. When and as interest is paid upon bonds in temporary form without coupons, the fact of such payment shall be endorsed thereon. Until so exchanged, the temporary bond or bonds shall be in full force and effect according to their terms.

### **Section 11. Manner of Sale; Award of Bonds; Bid Price; Range of Interest Rates.**

The Governing Body of the Local Government Unit after due deliberation and investigation has found that a private sale by negotiation is in the best financial interest of the Local Government Unit and based upon such finding the Governing Body of the

Local Government Unit hereby authorizes and directs the sale and award of each series of the Bonds, at private negotiated sale, to \_\_\_\_\_ and \_\_\_\_\_ (together, the "Underwriters"), upon the terms set forth in its bond purchase agreement, a copy of which is attached hereto and made a part hereof.

As set forth in such proposal, the Bonds are purchased at a bid price of \$ \_\_\_\_\_, less original issue discount of \$ \_\_\_\_\_, plus original issue premium of \$ \_\_\_\_\_, for a total purchase price of \$ \_\_\_\_\_, plus accrued interest, and bear interest ranging from \_\_\_\_\_% to \_\_\_\_\_%. Original issue discount increases and original issue premium decreases the effective yield to maturity on Bonds of certain maturities, all as set forth in the maturity schedule attached hereto as Exhibit C. Such details are hereby approved.

**Section 12. Sinking Fund; Appropriation of Annual Amounts for Payment of Debt Service.**

There is hereby established a separate sinking fund for the 2011A Bonds (the "Sinking Fund") to be held by the Paying Agent in the name of the Local Government Unit. The Sinking Fund shall be designated as the "Sinking Fund - City of Pittsburgh Series of 2011A General Obligation Bonds." Into the Sinking Fund there shall be paid, when and as required, all moneys necessary to pay the debt service on the 2011A Bonds, and the Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the 2011A Bonds and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid.

The amounts set forth in Exhibit D attached hereto and made a part hereof shall be set aside in each of the fiscal years shown in Exhibit D to pay the debt service on the Bonds, and such amounts are annually hereby appropriated to the Sinking Fund for the payment thereof.

**Section 13. Advertising.**

The action of the officers of the Local Government Unit in advertising a summary of this Resolution is hereby ratified and confirmed. The officers of the Local Government Unit are authorized and directed to advertise a notice of adoption of this Resolution in a newspaper of general circulation of the Local Government Unit within 15 days after final adoption. The City Clerk is hereby directed to make a copy of this Resolution available for inspection by any citizen during normal office hours.

**Section 14. Appointment of Counsel.**

The Local Government Unit hereby appoints \_\_\_\_\_ as Bond Counsel for the purpose of rendering any and all necessary opinions with respect to the Bonds and preparing such additional documents as may be necessary.

**Section 15. Debt Proceedings.**

The City Clerk of the Local Government Unit is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the debt statement and borrowing base certificate referred to hereinabove, to prepare and file any statements required by the Act which are necessary to qualify all or any portion of non-electoral or lease rental debt of the Local Government Unit as self-liquidating or subsidized debt, and to pay the filing fees necessary in connection therewith.

**Section 16. Tax Covenants and Representations.**

The Local Government Unit hereby covenants that:

(i) the Local Government Unit will not take or omit to take any action so as to cause interest on the 2011A Bonds to be no longer excluded from gross income for purposes of federal income taxation and will otherwise comply with applicable requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated thereunder, throughout the term of the Bonds;

(ii) the Local Government Unit will make no use of the proceeds of the 2011A Bonds during the term thereof which would cause the 2011A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code; and

(iii) if and to the extent the Local Government Unit is required to remit any amounts to the United States pursuant to Code section 148(f) (the "Rebate Amounts") in order to cause the 2011A Bonds not to be arbitrage bonds, the Local

Government Unit will remit such Rebate Amounts at such times and in the manner required by Code section 148(f) and the regulations thereunder. The obligation to remit the Rebate Amounts and to comply with all other requirements of this Section 16 shall survive the defeasance and payment in full of the 2011A Bonds.

**Section 17. Preliminary Official Statement; Official Statement; Continuing Disclosure.**

The Preliminary Official Statement in the form presented at this meeting (a copy of which shall be filed with the records of the Local Government Unit), is hereby approved with such subsequent, necessary and appropriate additions or other changes as may be approved by the Director of Finance of the Local Government Unit with the advice of counsel. The use and distribution of the Preliminary Official Statement by the Underwriters in the form hereby approved, and the distribution thereof on and after the date hereof, with such subsequent additions or other changes as aforesaid, is hereby authorized in connection with the public offering by the Underwriters of the Bonds. An Official Statement in substantially the same form as the Preliminary Official Statement, with such additions and other changes, if any, as may be approved by the Local Government Unit's officer executing the same with the advice of counsel, such approval to be conclusively evidenced by the execution thereof, is hereby authorized and directed to be prepared and upon its preparation, to be executed by the Director of Finance of the Local Government Unit following such investigation as such officer deems necessary as to the contents thereof. The Local Government Unit hereby further approves the distribution and use of the Official Statement as so prepared and executed in connection with the sale of the Bonds.

The Local Government Unit covenants to provide such continuing disclosure, at such times, in such manner and of such nature as is described in the Official Statement and to execute and deliver such agreements and certificates with respect to continuing disclosure as are described in the Official Statement. Any continuing disclosure filing under this Resolution may be made by transmitting such filing to the continuing disclosure service of the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") System, to other information repositories approved from time to time by the United States Securities and Exchange Commission, and to the state information depository, if any, of the Commonwealth of Pennsylvania ("SID").

**Section 18. Advance Refunding of Series 2011B 2002A Refunded Bonds.** The proper officers of the Local Government Unit, with respect to the refunding of the Series 2011B 2002A Refunded Bonds, are hereby authorized and directed to contract with \_\_\_\_\_, Pittsburgh, Pennsylvania, as the true and lawful attorney and agent of the Local Government Unit to effect the payment and the redemption and payment, including payment of interest, of the Series 2011B 2002A Refunded Bonds pursuant to the terms and provisions of an Escrow Agreement (the "Escrow Agreement") dated as of the Series Issuance Date, between the Local Government Unit and \_\_\_\_\_ as escrow agent (the "Escrow Agent") and hereby ratifies and confirms said Bank as the paying agent and registrar for the Series 2011B 2002A Refunded Bonds.

The form, terms and provisions of the Escrow Agreement, substantially in the form as presented to this meeting (copies of which shall be filed with the records of the Local Government Unit) are hereby approved. The proper officers of the Local Government Unit are hereby authorized and directed to execute and deliver the Escrow Agreement, in such form, subject to such subsequent additions, changes, variations, omissions, insertions and modifications, if any, as may be approved by such officers, with the advice of the Local Government Unit's Counsel and Bond Counsel, the execution of the Escrow Agreement to be conclusive evidence of such approval, and the proper officers of the Local Government Unit are hereby authorized and directed to affix thereto the corporate seal of the Local Government Unit and to attest the same.

Subject only to completion of delivery of, and settlement for, the 2011B Bonds, the Local Government Unit authorizes and directs the irrevocable deposit in trust with the Escrow Agent of proceeds of the 2011B Bonds in an amount which will be sufficient, together with the interest earned thereon and any other available moneys, to effect the refunding of the Series 2011B 2002A Refunded Bonds pursuant to the terms and provisions of the Escrow Agreement. The Escrow Agent is irrevocably authorized and directed to apply the moneys so to be made available to it in accordance with the Escrow Agreement. The Escrow Agent, in the name, place and stead of the Local Government Unit, shall mail, with respect to the Series 2011B 2002A Refunded Bonds being refunded, a notice of redemption as required by the terms of the Series 2011B 2002A Refunded Bonds. In addition, the Escrow Agent is hereby authorized and directed to mail as required by the Escrow Agreement, a notice of refunding of the Series 2011B 2002A Refunded Bonds. Such notices, in the forms attached to the Escrow Agreement as presented to this meeting, are hereby approved, subject to such changes, variations, omissions, insertions and modifications, if any, as may be approved by the proper officers of the Local Government Unit, with the advice of the Local Government Unit's Counsel and Bond Counsel, the execution of the Escrow Agreement to be conclusive evidence of such approval, and the proper officers of the Local Government Unit are hereby authorized and directed to affix thereto the corporate seal of the Local Government Unit and to attest the same. The Local Government Unit hereby agrees to provide for payment of the expenses of such mailings from proceeds of the 2011B Bonds or from moneys otherwise made available by the Local Government Unit and gives and grants the Escrow Agent full authority to do and perform all and every act and thing whatsoever requisite and necessary to effectuate said purposes as the Local Government Unit might do on its own

behalf, and hereby ratifies and confirms all that said agent shall do or cause to be done by virtue thereof.

Subject only to completion of delivery of, and settlement for, the 2011B Bonds, the Local Government Unit hereby calls for redemption and payment on March 1, 2012, all of the Series 2011B 2002A Refunded Bonds maturing after such date.

**Section 19. Municipal Bond Insurance.**

The Local Government Unit hereby authorizes and directs the purchase of municipal bond insurance and the payment of the premium therefor from the proceeds of the Bonds if deemed desirable. The proper officers of the Local Government Unit are hereby authorized, directed and empowered on behalf of the Local Government Unit to execute any and all agreements, papers and documents necessary or proper in connection with the application for, and issuance of, municipal bond insurance to the extent the purchase of such municipal bond insurance is deemed desirable.

**Section 20. Incidental Actions.**

The proper officers of the Local Government Unit are hereby authorized, directed and empowered on behalf of the Local Government Unit to execute any and all agreements, papers and documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the purposes of this Resolution and in connection with the application for, and issuance of, municipal bond insurance.

**Section 21. Payment of Issuance Costs.**

The proper officers of the Local Government Unit are hereby authorized and directed to pay the costs of issuing and insuring (if desirable) the Bonds at the time of delivery of the Bonds to the Underwriters, such costs being estimated in the proposal attached hereto.

**Section 22. Inconsistent Resolutions.**

All resolutions or parts of resolutions inconsistent herewith be and the same are hereby repealed.

**Section 23. Severability.**

In case any one or more of the provisions of this Resolution shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

**Section 24. Effective Date.**

This Resolution shall become effective on the earliest date permitted by the Act.

CERTIFICATE

I, the undersigned, City Clerk of the City of Pittsburgh, Pennsylvania, Allegheny County, Pennsylvania (the "City") hereby certify that: (a) attached to this Certificate is a true, correct and complete copy of a Resolution (the "Resolution") which was duly adopted at a meeting of the City Council of the City on July 26, 2011, at which a quorum was present and acting throughout, and which was at all times open to the public; (b) the Resolution was duly recorded in the City's Resolution Book, and a summary of the Resolution was published as required by law in a newspaper of general circulation in the City; (c) the City met the advance notice requirements of the Pennsylvania Sunshine Act, 65 Pa. Cons. Stat §701 et seq. by advertising the date of the meeting and posting a notice of the meeting at the public meeting place of the City Council; and (d) the vote upon the Resolution was called and duly

recorded upon the minutes and the members voted in the following manner:

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Darlene Harris, President	_____	_____	_____	_____
Rev. Ricky Burgess	_____	_____	_____	_____
Patrick Dowd	_____	_____	_____	_____
Theresa Kail-Smith	_____	_____	_____	_____
Bruce Kraus	_____	_____	_____	_____
R. Daniel Lavelle	_____	_____	_____	_____
Natalia Rudiak	_____	_____	_____	_____
William Peduto	_____	_____	_____	_____
Doug Shields	_____	_____	_____	_____

WITNESS my hand and the seal of the City on July 26, 2011

By: \_\_\_\_\_  
City Clerk

[SEAL]

**EXHIBIT A**

Form of 2011A Bonds

*Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

No. \_\_\_\_\_ \$ \_\_\_\_\_

**UNITED STATES OF AMERICA**

**COMMONWEALTH OF PENNSYLVANIA**

**CITY OF PITTSBURGH SERIES OF 2011A GENERAL OBLIGATION BOND**

**INTEREST RATE                      MATURITY DATE                      SERIES ISSUANCE DATE CUSIP**

**REGISTERED OWNER**

**PRINCIPAL AMOUNT**

**DOLLARS**

The City of Pittsburgh, Pennsylvania (the "Local Government Unit"), existing by and under the laws of the

Commonwealth of Pennsylvania, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above on the maturity date specified above, unless this bond shall have been previously called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, the principal amount shown above; and to pay interest thereon at the annual rate specified above (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Regular Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or from the Series Issuance Date shown above, if no interest has been paid. Such payments of interest shall be made on \_\_\_\_ and on each \_\_\_\_\_ and \_\_\_\_\_ thereafter (each, a "Regular Interest Payment Date") until the principal or redemption price hereof has been paid or provided for as aforesaid. The principal or redemption price of, and interest on, this bond may be paid 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.

The principal or redemption price of this bond is payable upon presentation and surrender hereof at the office of \_\_\_\_\_, in Pittsburgh, Pennsylvania, or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Interest shall be paid by check mailed to the registered owner hereof, as shown on the registration books kept by the Paying Agent as of the close of business on the applicable Regular or Special Record Date (each as hereinafter defined).

The record date for any Regular Interest Payment Date (each, a "Regular Record Date") shall be the fifteenth (15th) day of the calendar month (whether or not a business day) immediately preceding each Regular Interest Payment Date. In the case of an interest payment to any registered owner of more than \$1,000,000 or more in aggregate principal amount of Bonds of a series, such payment may be made by wire transfer to any designated account in a member bank of the Federal Reserve System as of the close of business on such Regular Interest Payment Date upon written request of such registered owner, which written request is received by the Paying Agent not less than five days prior to such payment date. In the event of a default in the payment of interest becoming due on any Regular Interest Payment Date, the interest so becoming due shall forthwith cease to be payable to the registered owners otherwise entitled thereto as of such date. Whenever moneys become available for the payment of such overdue interest, the Paying Agent shall on behalf of the Local Government Unit establish a special interest payment date (the "Special Interest Payment Date") on which such overdue interest shall be paid and a special record date (which shall be a business day) relating thereto (the "Special Record Date"), and shall mail a notice of each such date to the registered owners of all Bonds (as hereinafter defined) at least ten (10) days prior to the Special Record Date, but not more than thirty (30) days prior to the Special Interest Payment Date. The Special Record Date shall be at least ten (10) days but not more than fifteen (15) days prior to the Special Interest Payment Date.

If the date for payment of the principal or redemption price of, and interest on, this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in each of the cities in which the corporate trust or payment office of the Paying Agent are located are authorized by law or executive order to close, then the date for such payment 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 payment.

So long as The Depository Trust Company ("DTC") or its nominee, CEDE & Co., is registered owner hereof, all payments of principal and premium, if any, and interest on, this bond shall be payable in the manner and at the respective times of payment provided for in the Representation Letter (the "Representation Letter") defined in, and incorporated into, the Resolution referred to herein.

Payment of interest on, or principal or redemption price of, this bond may be subject to backup withholding at the rate of 28% of the gross payment unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee.

This bond is one of a duly authorized issue of \$ \_\_\_\_\_ aggregate principal amount of general obligation bonds of the Local Government Unit known as "City of Pittsburgh General Obligation Bonds, Series of 2011A" (the "Bonds"), issued in the aggregate principal amount of all of like tenor, except as to interest rate, date of maturity and provisions for redemption. The Bonds are issuable only in the form of fully registered bonds without coupons in the denomination of \$5,000 or integral multiples thereof and are issued in accordance with the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Act") and by virtue of an Resolution of the Local Government Unit duly enacted (the "Resolution"), and the sworn statement of the duly authorized officers of the Local Government Unit as appears on record in the office of the Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania.

It is covenanted with the registered owners from time to time of this bond that the Local Government Unit shall (i) include the amount of the debt service for each fiscal year in which the sums are payable in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of the debt service, and (iii) duly and punctually pay or cause to be paid

from its sinking fund or any other of its revenues or funds the principal or redemption price of, and the interest on, this bond at the dates and place and in the manner stated in this bond, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Local Government Unit pledges its full faith, credit and taxing power. As provided in the Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.

This bond shall not be valid or become obligatory for any purpose until the Paying Agent's Authentication Certificate printed hereon is duly executed.

### OPTIONAL REDEMPTION

The Bonds maturing on or after \_\_\_\_\_, are subject to redemption prior to maturity at the option of the Local Government Unit, at the redemption price of \_\_\_\_% of the principal amount of Bonds to be redeemed, plus accrued interest 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 Local Government Unit shall select and within a maturity by lot) at any time on and after \_\_\_\_\_.

### MANDATORY REDEMPTION

The Bonds maturing on September 1, \_\_\_\_\_ and September 1, \_\_\_\_\_ are subject to mandatory redemption by the Authority in part, by lot, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption, on September 1 in the years and in amounts set forth below;

Bonds Maturing  
September 1, 20--

Bonds Maturing  
September 1, 20--

Any redemption of this bond under the preceding paragraph shall be made as provided in the Resolution, upon not less than thirty (30) days' notice, by mailing a copy of the redemption notice by first-class United States mail, postage prepaid, or by another method of giving notice which is acceptable to the Paying Agent and customarily used by fiduciaries for similar notices at the time such notice is given, to each registered owner of the Bonds to be redeemed. Such notice shall be mailed to the address of such registered owner appearing on the registration books of the Paying Agent, unless such notice is waived by the registered owner of the Bonds to be redeemed; *provided, however*, that failure to give notice of redemption by mailing or any defect in the notice as mailed or in the mailings thereof to the registered owner of any Bond to be redeemed shall not affect the validity of the redemption as to other Bonds for which proper notice shall have been given or waived. 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 new Bonds in an aggregate principal amount equal to the unredeemed portion of the principal amount hereof. The Paying Agent shall also give further notice of such redemption as provided in the Resolution, but no failure to do so or defect therein shall affect the validity of the redemption.

So long as DTC or its nominee, CEDE & Co., is registered owner hereof, if all or fewer than all Bonds of a maturity are to be redeemed, the Paying Agent shall notify DTC within the time periods required by the Representation Letter. It is expected that DTC will, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Paying Agent, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond. If fewer than all Bonds of a maturity are to be redeemed, DTC shall determine by lot the principal of the maturity of the Bonds to be redeemed of each DTC Participant's interest in such maturity to be redeemed.

If at the time of the mailing of any notice of optional redemption the Local Government Unit shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional, that is, subject to the deposit or transfer of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date, and that such notice shall be of no effect unless such moneys are so deposited.

The Local Government Unit has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal or redemption price of, and the interest on, the Bonds shall be deposited not later than the date fixed for disbursement thereof. The Local Government Unit has covenanted in the Resolution to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for





JT TEN - as joint tenants with the right of

survivorship and not as tenants in common

UNIFORM GIFT MIN ACT \_\_\_\_\_ Custodian \_\_\_\_\_

(Cust)

(Minor)

under Uniform Gifts to Minors Act. \_\_\_\_\_

(State)

Additional abbreviations may also be used though not in the above list.

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_

(Please type or print name, address

\_\_\_\_\_

(including postal zip code) and social security or other tax

\_\_\_\_\_

identification number of the transferee)

the within Bond and all rights thereunder, hereby irrevocably appointing \_\_\_\_\_ his/her attorney to transfer said Bond on the bond register with full power of substitution in the premises.

Dated:

Signature Guaranteed:

**NOTICE:** The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**EXHIBIT B**

Form of 2011B Bonds

*Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

No. \_\_\_\_\_

\$ \_\_\_\_\_

**UNITED STATES OF AMERICA**

**COMMONWEALTH OF PENNSYLVANIA**  
**CITY OF PITTSBURGH TAXABLE SERIES OF 2011B**  
**GENERAL OBLIGATION BONDS**

**INTEREST RATE**                      **MATURITY DATE**                      **SERIES ISSUANCE DATE** **CUSIP**

**REGISTERED OWNER**

**PRINCIPAL AMOUNT**

**DOLLARS**

The City of Pittsburgh, Pennsylvania (the "Local Government Unit"), existing by and under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above on the maturity date specified above, unless this bond shall have been previously called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, the principal amount shown above; and to pay interest thereon at the annual rate specified above (computed on the basis of a 360-day year of twelve 30-day months) from the most recent Regular Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or from the Series Issuance Date shown above, if no interest has been paid. Such payments of interest shall be made on \_\_\_\_ and on each \_\_\_\_ and \_\_\_\_ thereafter (each, a "Regular Interest Payment Date") until the principal or redemption price hereof has been paid or provided for as aforesaid. The principal or redemption price of, and interest on, this bond may be paid 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.

The principal or redemption price of this bond is payable upon presentation and surrender hereof at the office of \_\_\_\_\_, in Pittsburgh, Pennsylvania, or at the designated office of any additional or appointed alternate or successor paying agent or agents (the "Paying Agent"). Interest shall be paid by check mailed to the registered owner hereof, as shown on the registration books kept by the Paying Agent as of the close of business on the applicable Regular or Special Record Date (each as hereinafter defined).

The record date for any Regular Interest Payment Date (each, a "Regular Record Date") shall be the fifteenth (15th) day of the calendar month (whether or not a business day) immediately preceding each Regular Interest Payment Date. In the case of an interest payment to any registered owner of more than \$1,000,000 or more in aggregate principal amount of Bonds of a series, such payment may be made by wire transfer to any designated account in a member bank of the Federal Reserve System as of the close of business on such Regular Interest Payment Date upon written request of such registered owner, which written request is received by the Paying Agent not less than five days prior to such payment date. In the event of a default in the payment of interest becoming due on any Regular Interest Payment Date, the interest so becoming due shall forthwith cease to be payable to the registered owners otherwise entitled thereto as of such date. Whenever moneys become available for the payment of such overdue interest, the Paying Agent shall on behalf of the Local Government Unit establish a special interest payment date (the "Special Interest Payment Date") on which such overdue interest shall be paid and a special record date (which shall be a business day) relating thereto (the "Special Record Date"), and shall mail a notice of each such date to the registered owners of all Bonds (as hereinafter defined) at least ten (10) days prior to the Special Record Date, but not more than thirty (30) days prior to the Special Interest Payment Date. The Special Record Date shall be at least ten (10) days but not more than fifteen (15) days prior to the Special Interest Payment Date.

If the date for payment of the principal or redemption price of, and interest on, this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania or in each of the cities in which the corporate trust or payment office of the Paying Agent are located are authorized by law or executive order to close, then the date for such payment 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 payment.

So long as The Depository Trust Company ("DTC") or its nominee, CEDE & Co., is registered owner hereof, all payments of principal and premium, if any, and interest on, this bond shall be payable in the manner and at the respective times of payment provided for in the Representation Letter (the "Representation Letter") defined in, and incorporated into, the Resolution referred to herein.

Payment of interest on, or principal or redemption price of, this bond may be subject to backup withholding at the rate of 28% of the gross payment unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee.

This bond is one of a duly authorized issue of \$ \_\_\_\_\_ aggregate principal amount of general obligation bonds of the Local Government Unit known as "City of Pittsburgh Taxable Series of 2011B General Obligation Bonds" (the "Bonds"), issued in the aggregate principal amount of all of like tenor, except as to interest rate, date of maturity and provisions for redemption. The Bonds are issuable only in the form of fully registered bonds without coupons in the denomination of \$5,000 or integral multiples thereof and are issued in accordance with the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the "Act") and by virtue of a Resolution of the Local Government Unit duly enacted (the "Resolution"), and the sworn statement of the duly authorized officers of the Local Government Unit as appears on record in the office of the Pennsylvania Department of Community and Economic Development, Harrisburg, Pennsylvania.

It is covenanted with the registered owners from time to time of this bond that the Local Government Unit shall (i) include the amount of the debt service for each fiscal year in which the sums are payable in its budget for that year, (ii) appropriate those amounts from its general revenues for the payment of the debt service, and (iii) duly and punctually pay or cause to be paid from its sinking fund or any other of its revenues or funds the principal or redemption price of, and the interest on, this bond at the dates and places and in the manner stated in this bond, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Local Government Unit pledges its full faith, credit and taxing power. As provided in the Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.

This bond shall not be valid or become obligatory for any purpose until the Paying Agent's Authentication Certificate printed hereon is duly executed.

The Local Government Unit has established a sinking fund with the Paying Agent, as the sinking fund depository, into which funds for the payment of the principal or redemption price of, and the interest on, the Bonds shall be deposited not later than the date fixed for disbursement thereof. The Local Government Unit has covenanted in the Resolution to make payments out of such sinking fund or out of any other of its revenues or funds, at such times and in such annual amounts, as shall be sufficient for prompt and full payment of the principal or redemption price of, and interest on, this bond.

The Local Government Unit, pursuant to recommendations promulgated by the Committee on Uniform Security Identification Procedures (CUSIP), has caused CUSIP numbers to be printed on the Bonds. No representation is made as to the accuracy of aid numbers either as printed on the Bonds or as contained in any notice of redemption, and the Local Government Unit shall have no liability of any sort with respect thereto. Reliance upon any redemption notices with respect to the Bonds may be placed only on the identification numbers printed hereon.

No recourse shall be had for the payment of the principal or redemption price of, or interest on, this bond, or for any claim based hereon or on the Resolution, against any member, officer or employee, past, present, or future, of the Local Government Unit or of any successor body, either directly or through the Local Government Unit or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the execution and issuance of this bond.

This bond is registered as to both principal and interest on the bond register to be kept for that purpose at the corporate trust and/or payment office of the Paying Agent, and both principal and interest shall be payable only to the registered owner hereof. This bond may be transferred in accordance with the provisions of the Resolution, and no transfer hereof shall be valid unless made at said office by the registered owner in person or his duly appointed attorney or other legal representative and noted hereon. The Local Government Unit and the Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest hereon and for all other purposes, whether or not this bond shall be overdue. The Local Government Unit and the Paying



identification number of the transferee)

the within Bond and all rights thereunder, hereby irrevocably appointing \_\_\_\_\_ his/her attorney to transfer said Bond on the bond register with full power of substitution in the premises.

Dated:

Signature Guaranteed:

**NOTICE:** The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**EXHIBIT C**

Maturity Schedule

Series A

Principal Amount                      Interest Rate                      Maturity Year (Sept. 1)

Redemption Provisions

- (a) Optional Redemption:
- (b) Mandatory Redemption:

Series B

Principal AmountInterest  
RateMaturity Date

**EXHIBIT D**

Annual Amounts Appropriated to 2011A Sinking Fund

<u>Year</u>	<u>Amount</u>
2011	
2012	



