

Refunding of General Obligation Bonds, Series A of 2011 Bonds,
and General Obligation Bonds, Series of 2012

Administration

ORDINANCE NO. _____

FILE OF THE CITY COUNCIL

BILL NO. 60

Introduced by the Administration

November 2, 2016

November __, 2016

AN ORDINANCE

AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL INDEBTEDNESS AND THE ISSUANCE OF A SERIES OF GENERAL OBLIGATION BONDS IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF UP TO ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$11,500,000); PROVIDING FOR MAXIMUM INTEREST RATES, MAXIMUM MATURITY AMOUNTS AND PLACE OF PAYMENT IN RESPECT TO THE BONDS; SETTING FORTH THE PARAMETERS FOR ACCEPTANCE OF A PROPOSAL AND AUTHORIZING ACCEPTANCE OF A PROPOSAL FOR THE PURCHASE OF THE BONDS; AUTHORIZING THE PROPER OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING AND DIRECTING THE PREPARATION, CERTIFICATION AND FILING OF THE PROCEEDINGS WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AND SETTING FORTH A FORM OF BOND.

WHEREAS, the City of Allentown, Pennsylvania (the "**City**") is granted the power by the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat. § 8001 *et seq.*, as amended (the "**Act**"), to incur indebtedness and to issue bonds for the purpose of refunding outstanding indebtedness; and

WHEREAS, the Council of the City ("**City Council**") has heretofore issued its General Obligation Bonds, Series A of 2011 which are presently outstanding in the principal amount of \$4,735,000 (the "**2011A Bonds**"); and

WHEREAS, the City Council has also heretofore issued its General Obligation Bonds, Series of 2012 which are presently outstanding in the principal amount of \$4,175,000 (the "**2012 Bonds**,")

WHEREAS, the City Council has determined to currently refund the remaining outstanding 2011A Bonds (the "**2011A Refunded Bonds**") and the remaining outstanding 2012 Refunded Bonds (the "**2012 Refunded Bonds**," together with the 2011A Refunded Bonds, are collectively referred to herein as the "**Refunded Bonds**" or the "**Refunding Program**") in order to achieve debt service savings; and

WHEREAS, the City Council has determined to finance the Refunding Program by incurring indebtedness and issuing its General Obligation Bonds, in an aggregate maximum principal amount not exceeding \$11,500,000 (the "**Bonds**") in accordance with the Act; and

WHEREAS, the City Council has retained Public Financial Management, Inc., as financial advisor (the "**Financial Advisor**") in connection with the authorization and issuance of the Bonds pursuant to this Ordinance; and

WHEREAS, the City Council, through the passage of this Ordinance, is incurring debt under the Act in an aggregate maximum principal amount not to exceed \$11,500,000 with the intent of financing the Refunding Program through the issuance of the Bonds; and

WHEREAS, the City Council, in consultation with its Financial Advisor, has determined that it is in the best financial interest of the City Council to sell the Bonds at a private negotiated sale, and has received a proposal for the purchase of the Bonds (the "**Bond Purchase Proposal**") within the parameters set forth herein from _____ (the "**Purchaser**" or "**Underwriter**") which it desires to accept;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Allentown, Pennsylvania, as follows:

SECTION 1. Authorization of Issuance of Bonds and Approval of Refunding Program. The City Council hereby approves the Refunding Program as described in the recitals hereto and authorizes the incurring of indebtedness pursuant to the Act by the issuance of the Bonds in the aggregate principal amount of up to ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$11,500,000) for the purpose of providing funds for and toward the costs of the Refunding Program, including the financing expenses associated therewith, and possibly insuring all or a portion of the Bonds.

The Refunding Program is being undertaken by the City Council for the purpose of reducing the debt service that would otherwise be payable on the Refunded Bonds in compliance with Section 8241(b)(1) of the Act, as shown in **Schedule A** attached hereto and made a part

hereof, such savings amounts being estimates to produce the Savings Condition as hereinafter defined.

The proceeds of the 2011A Bonds were used for and towards: (a) funding City improvement projects, (b) currently refunding the City's General Obligation Bonds, Series of 2001 (The "**2001 Bonds**"), (c) currently refunding the City's Guaranteed Sewer Revenue Bonds, Series of 2001 (the "**2001 Sewer Bonds**"), (d) currently refunding a portion of the City's Guaranteed Water Revenue Bonds, Series of 2001 (the "**2001 Water Bonds**"), and (e) payment of a portion of the costs of issuance. The 2001 Sewer Bonds and the 2001 Water Bonds have been defeased.

The latest maturity of the Bonds, which relates to the refunding of the 2011A Bonds (October 1, 2036), does not extend beyond the useful lives of the capital projects originally funded with proceeds of the 2001 Bonds. In summary, this new financing's latest maturity is not being extended. It is identical to the latest maturity of the 2011A Bonds being refunded and therefore, if the final maturity of the 2011A Bonds did not exceed the useful lives of the projects originally funded, then the new Bonds' debt service does not exceed the useful lives of the projects originally funded.

The latest maturity of the Bonds, which relates to the refunding of the 2012 Bonds does not extend beyond the latest maturity of the Refunded 2012 Bonds (October 1, 2022). In summary, this new financing's latest maturity is not being extended. It is identical to the latest maturity of the 2012 Bonds being refunded and therefore, if the final maturity of the 2012 Bonds did not exceed the useful lives of the projects originally funded, then the new Bonds' debt service does not exceed the useful lives of the projects originally funded.

It is hereby determined and stated that the Bonds are scheduled to mature in accordance with the limitations set forth in Section 8142 of the Act.

The Bonds are to be sold and delivered as hereinafter provided.

The City Council reserves the right to not issue any Bonds, issue the Bonds in an amount less than the maximum principal amount authorized hereunder (and therefore not refund one or more series of prior bonds) and to cancel any unused authorization hereunder in accordance with the terms of the Act.

SECTION 2. Establishment of Parameters for Bonds. The City Council hereby establishes that the Bonds authorized hereunder shall be subject to the following parameters: (a) the Bonds shall not exceed ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$11,500,000) in aggregate principal amount; (b) the Bonds shall not mature later than a date which does not extend beyond the City's fiscal year ending 2036; (c) the purchase price for the Bonds (the principal amount of the Bonds, less underwriter's discount, less original issue discount, plus original issue premium) shall not be less than 95.000% nor more than 125.000% of the principal amount of the Bonds; (d) the Underwriter's discount shall not exceed \$10 per \$1,000 Bond; (e) the net present value savings resulting from the Refunding Program ("**Savings Condition**") shall not be less than two percent (2%) of the principal amount of the Refunded Bonds; (f) the maximum principal amounts of each maturity or mandatory sinking fund redemption on the Bonds shall not exceed those stated on **Schedule "B"** attached hereto and

made a part hereof; (g) the interest rates on the Bonds shall not exceed five and one-half percent (5.500%) per annum (the "**Maximum Rate**"); (h) the Bonds may have any number of interest rates and yields, provided that, in accordance with Section 8144 of the Act, no yield for any stated maturity date in the last two-thirds of the period of the Bonds shall be less than the yield for the immediately preceding year which falls within the last two-thirds period of the Bonds; (i) the Bonds shall be subject to optional redemption prior to maturity (as more fully described in Section 13 hereof) but in no event later than the first interest payment date following the tenth (10th) anniversary of the dated date of the Bonds; and (j) the Bonds may be issued in one or more series, provided that, in accordance with Section 8142(e) of the Act, the first stated maturity of any later series of Bonds shall not be more than fifteen (15) months later than the last stated maturity of the next preceding series of Bonds, unless the Act is amended to permit otherwise.

The City Council hereby acknowledges receipt of a Bond Purchase Proposal from the Purchaser pursuant to which the City Council agrees to sell its Bonds to the Purchaser subject to the Purchaser satisfying the conditions and parameters set forth therein. A copy of the Bond Purchase Proposal shall be delivered to the Secretary of the City Council and shall be affixed to and shall become part of this Ordinance. The President or Vice President of the City Council is hereby authorized and directed to execute the Bond Purchase Proposal.

If and when market conditions permit the Purchaser to sell a series of Bonds and meet the Savings Condition and other parameters set forth herein, the Purchaser shall submit an Addendum to the Bond Purchase Agreement to the City Council (the "**Addendum**") setting forth the actual terms of the Bonds, and upon a determination by the Director of Finance, in conjunction with the Financial Advisor and Bond Counsel, that the Addendum meets all of the parameters set forth herein, the President or Vice President of the City Council is hereby authorized and directed to execute an Addendum to the Bond Purchase Agreement in accordance therewith, such signature being deemed as conclusive evidence of the City Council's acceptance of such Addendum. The date of each such Addendum shall be the "sale date" for purposes of IRS Regulation Section 1.150-1(c)(6).

SECTION 3. Non-Electoral Debt. All of the debt incurred hereunder shall be non-electoral debt.

SECTION 4. Execution of Debt Statement and Bonds and Filing of Debt Proceedings. The President or Vice President of City Council and the City Clerk, or any duly appointed successors, or any assistant City Clerk, as the case may be, are hereby directed to prepare and certify and to file the debt statement required by Section 8110 of the Act, and to prepare and certify all filings required pursuant to Section 8111 of the Act, pertaining to submission to the Pennsylvania Department of Community and Economic Development (the "**Department**"), of the transcript of the proceedings, which shall include certified copies of this Ordinance, proofs of proper publication, the accepted proposal for the purchase of the Bonds and such other documents as may be necessary in connection with the same and to take all such further action and to execute and deliver such other documents as may be necessary or appropriate to comply with all requirements of the Act or to carry out the intent and purposes of this Ordinance. The Bonds shall be executed and delivered hereunder by the President or Vice President of City Council and the Mayor of the City or any duly appointed successors and attested to by the City Clerk or any duly appointed successor or any assistant City Clerk.

SECTION 5. Terms and Form of Bonds. The Bonds when issued shall be general obligation bonds issued in fully registered form and shall be in the denomination of FIVE THOUSAND DOLLARS (\$5,000), or in any integral multiple thereof within the limitations provided herein. The Bonds shall be issued in the maximum aggregate principal amount of not more than \$11,500,000, shall be dated as determined in accordance with the final terms of the Bonds (the "**Bond Issuance Date**"), shall bear interest from the Bond Issuance Date at the rates per annum in accordance with and within the parameters established pursuant hereto, all as set forth herein and in the Bond Purchase Proposal and Addendum, and shall mature on those dates contained therein, but in no event later than a date which does not extend beyond the City's fiscal year ending 2036. The Bonds shall be payable at the place and in the manner and shall be substantially in the form attached hereto as **Schedule "C"** and made a part hereof.

The Bonds are being amortized so that the debt service on all outstanding debt of the City following the issuance of the Bonds (at the maximum rate of 5.500%) will be brought more nearly into an overall level annual debt service plan as shown on the total debt service schedules attached hereto as **Schedule "D"** and made a part hereof.

SECTION 6. Appointment of Paying Agent and Sinking Fund Depositary. The Bank of New York Mellon Trust Company, N.A., is hereby appointed to serve as paying agent, bond registrar and sinking fund depositary (the "**Paying Agent**") for the Bonds and the President or Vice President of City Council, or any duly appointed successor, as the case may be, are directed to contract with the Paying Agent to obtain its services in the aforementioned capacities. The City shall cause to be kept, and the Paying Agent is hereby directed to keep, at the designated corporate trust office of the Paying Agent, books for the registration, exchange and transfer of Bonds in the manner provided herein and therein so long as Bonds shall remain outstanding. The Paying Agent is hereby directed to make such registrations, exchanges and transfers without charge to bondholders, except for actual costs, including postage, insurance and any taxes or other governmental charges required to be paid with respect to the same.

SECTION 7. Establishment of Sinking Fund. The City Council covenants that there shall be and there is hereby established and that it shall hereafter maintain a sinking fund for the Bonds (with respect to a series of Bonds, the "**Sinking Fund**") to be held by the Paying Agent (or such substitute or successor Paying Agent which shall hereafter be appointed in accordance with the provisions of the Act) in the name of the City, but subject to withdrawal only by the Paying Agent.

The City Council directs the City to covenant and agree to deposit in the Sinking Fund no later than each interest and principal payment date for the Bonds, the debt service payable on the Bonds on such dates, as set forth in the Paying Agent Agreement. Monies in the Sinking Fund shall be subject to withdrawal by the Paying Agent only to pay the principal and interest on the Bonds as the same becomes due and payable in accordance with the terms thereof. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office(s) of the Paying Agent.

Pending application to the purpose for which the Sinking Fund is established, the City is hereby authorized and directed to cause the monies therein to be invested or deposited and insured or secured as permitted and required by Section 8224 of the Act. All income received on

such deposits or investments of monies in the Sinking Fund during each applicable period shall be added to the Sinking Fund and shall be credited against the deposit next required to be made in the Sinking Fund. As provided in the Act, all money deposited in the Sinking Fund and all investments and proceeds of investments thereof shall, without further action or filing, be subject to a perfected security interest for the holders of the Bonds until such money or investments shall have been properly disbursed or sold.

The Paying Agent is hereby authorized and directed, without further action by the City, to pay from the Sinking Fund the principal of and interest on, and the Bonds as the same become due and payable in accordance with the terms thereof and the City hereby covenants that such monies, to the extent required, will be applied to such purpose.

All monies deposited in the Sinking Fund for the payment of the Bonds which have not been claimed by the registered owners thereof after two (2) years from the date when payment is due, except where such monies are held for the payment of outstanding checks, drafts or other instruments of the Paying Agent, shall be returned to the City. Nothing contained herein shall relieve the City of its liability to the registered owners of the unrepresented Bonds. The City hereby covenants that such monies, to the extent required, will be applied to such purpose.

SECTION 8. Covenant to Pay Bonds. The City covenants that, to the fullest extent authorized under law:

(a) The amount of the debt service with respect to the Bonds payable in each fiscal year shall be included in the City budget for that year;

(b) The City shall appropriate such amounts from its general revenues necessary for the payment of such debt service;

(c) It shall 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 interest due upon the Bonds, to the extent of its obligation, on the dates, at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof; and

(d) For such payment, budgeting and appropriation the City hereby irrevocably pledges its full faith, credit and taxing power.

The covenant contained in this Section shall be specifically enforceable.

SECTION 9. Sale of Bonds. In compliance with Section 8161 of the Act and after due consideration, the City Council hereby determines that a private sale by negotiation is in the best financial interest of the City. The Bonds shall be sold at private sale by negotiation pursuant to the Bond Purchase Proposal approved below.

SECTION 10. Acceptance of Bond Purchase Proposal for Purchase of Bonds. The Bond Purchase Proposal presented at this meeting by the Purchaser is hereby found by the City Council to be in conformity with the requirements of the Act and of this Ordinance for the purchase and sale of the Bonds, at a future date, and is hereby accepted, and the Bonds are

hereby awarded to the Purchaser subject to the provisions of Section 2 of this Ordinance and the submission of an Addendum to the Bond Purchase Agreement by the Purchaser in connection at the time of issuance of the Bonds satisfying the parameters set forth herein. The Bonds are hereby authorized to be delivered to the Purchaser upon receipt of the purchase price therefor and upon compliance with all of the conditions precedent to such delivery required by the Act, this Ordinance and the Bond Purchase Proposal.

SECTION 11. Execution, Authentication and Delivery of Bonds. The Bonds, when issued, shall be executed by manual or facsimile signature of the President or Vice President of City Council and the Mayor of the City and be duly attested by manual or facsimile signature of the City Clerk. The Bonds shall be authenticated by the manual signature of the Paying Agent. Furthermore, City Council, the President or Vice President and Mayor of the City are authorized and directed to deliver the Bonds, but only after the Department has certified its approval pursuant to Section 8204 of the Act, and to execute and deliver such other documents and to take such other action or cause such other action to be taken as may be necessary or appropriate in order to effectuate the issuance, sale and delivery of the Bonds, all in accordance with this Ordinance, the Act and the Bond Purchase Proposal.

SECTION 12. Appointment of Securities Depository. The Depository Trust Company, New York, New York ("**DTC**"), shall act as securities depository for the Bonds on behalf of the firms which participate in the DTC book-entry system ("**DTC Participants**"). The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC. Each bond will be in the aggregate principal amount of such maturity as established in accordance with the final terms of the Bonds within the parameters set forth herein shown on Schedule "B" attached hereto and as accepted by the City in accordance with Section 2 hereof. The City shall cause the Bonds to be delivered to DTC for the benefit of the Purchaser on or before the date of issuance of the Bonds.

Pursuant to the book-entry only system, any person for whom a DTC Participant acquires an interest in the Bonds (the "**Beneficial Owner**") will not receive certificated Bonds and will not be the registered owner thereof. Ownership interest in the Bonds may be purchased by or through DTC Participants. Each DTC Participant will receive a credit balance in the records of DTC in the amount of such DTC Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Receipt by the Beneficial Owners (through any DTC Participant) of timely payment of principal, premium, if any, and interest on the Bonds, is subject to DTC making such payment to DTC Participants and such DTC Participants making payment to Beneficial Owners. Neither the City nor the Paying Agent will have any direct responsibility or obligation to such DTC Participants or the persons for whom they act as nominees for any failure of DTC to act or make any payment with respect to the Bonds.

The City is authorized to execute such documents as may be necessary or desirable in connection with DTC's services as securities depository. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the City officials then holding the offices set forth in Section 25 of this Ordinance are hereby authorized to designate a successor securities depository or to deliver certificates to the Beneficial Owners of the Bonds.

SECTION 13. Redemption Provisions. The Bonds shall be subject to redemption prior to maturity at the option of the City, in whole or in part, and if in part, in such order of maturity or portion of a maturity as the City shall select (and within a maturity by lot as selected by the Paying Agent), on or after a date specified by the Purchaser and agreed to by the City which shall not be later than the first interest payment date following the tenth (10th) anniversary of the dated date of the series of Bonds and as set forth in the applicable Addendum to the Bond Purchase Agreement, upon payment of a redemption price of 100% of the principal amount plus accrued interest to the date fixed for redemption. Specific redemption provisions, including mandatory redemption provisions, if any, will be set forth in the Bonds.

The City may, in its discretion, instruct the Paying Agent to purchase all or a portion of the Bonds subject to being drawn for redemption in any such year (at a price not to exceed the principal amount plus accrued interest) from money in the relating Sinking Fund or money tendered from the City to the Paying Agent for such purpose.

The Paying Agent shall give notice of any such redemption by first-class mail, postage prepaid, mailed not less than twenty (20) nor more than sixty (60) days prior to the redemption date to each registered owner of Bonds to be redeemed at its registered address as it appears on the bond register maintained by the Paying Agent, or such other notice of redemption as deemed appropriate. Such notice having been mailed and funds sufficient for redemption having been deposited with the Paying Agent, the Bonds so called for redemption shall become due and payable on the date fixed for redemption and interest thereafter shall cease to accrue thereon, whether such Bonds shall be presented for payment or not.

SECTION 14. Limitation on Indebtedness. It is declared that the debt incurred hereby, together with any other indebtedness of this City, is not in excess of any limitation imposed by the Act upon the incurring of debt by the City.

SECTION 15. Federal Tax Covenants. The City hereby covenants not to take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and all applicable regulations promulgated with respect thereto throughout the term of the Bonds. The City further covenants that it will make no investments or other use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" as defined in Section 148 of the Code. The City further covenants to comply with the rebate requirements contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

The appropriate officer of the City authorized by Section 2 of this Ordinance to accept the final terms of the Bonds in accordance with such Section 2 is hereby further authorized the right to designate, if necessary, based upon the advice and recommendation of the City's Financial Advisor and Bond Counsel, the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3)(B) of the Code. The City hereby authorizes the proper officers of the City to execute a certificate to that effect at the time of the closing for the Bonds.

SECTION 16. Continuing Disclosure. The City hereby authorizes and directs the appropriate officers to execute and deliver a Continuing Disclosure Agreement or supplement thereto (the "**Continuing Disclosure Agreement**") in form approved by the executing officer, such approval to be conclusively evidenced by his or her execution thereof. The City further covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of this Ordinance, failure of the City to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder or under the Bonds; however, the Paying Agent, any Participating Underwriter (as defined in the Continuing Disclosure Agreement), or any Bondholder may take such actions as may be necessary and appropriate, including specific performance by court order, to cause the City to comply with its obligations under this Section.

SECTION 17. Approval of Official Statement. The appropriate officer of the City authorized by Section 2 of this Ordinance to accept the final terms of the Bonds in accordance with such Section 2 and designate the Bonds as qualified tax-exempt obligations in accordance with such Section 15 is hereby further authorized to approve the Preliminary Official Statement in the form to be prepared by the Purchaser in connection with the public offering and sale of the Bonds, and such Preliminary Official Statement as so approved shall be "deemed final" by the City as of its date for purposes of United States Securities and Exchange Commission Rule 15c2-12.

A final Official Statement to be dated the date of the applicable Addendum to the Bond Purchase Agreement setting forth the final terms of the Bonds, substantially in the form of the Preliminary Official Statement, with such additions and other changes, if any, as may be approved by the appropriate officer of the City, with the advice of the City's Financial Advisor, Solicitor and Bond Counsel, and containing the final terms of the Bonds, shall be prepared and delivered to the Purchaser within seven (7) business days from the date of the Addendum to the Bond Purchase Agreement, and the City hereby approves the use thereof in connection with the public offering and the sale of the Bonds.

SECTION 18. Bond Insurance. If the Addendum to the Bond Purchase Agreement for the purchase of the Bonds is based on insurance for the Bonds, the officers of the City are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on the Bonds, to pay the premium for such policy from the proceeds of the Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the Bonds issued under this Ordinance may include a statement of the terms of such insurance policy and the Authentication Certificate of the Paying Agent appearing on each Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Paying Agent.

SECTION 19. Refunding of Refunded Bonds. The City Council hereby authorizes the calling of the 2011A Refunded Bonds. The Director of Finance is hereby authorized, with the advice and recommendation of the Financial Advisor and Bond Counsel, to determine the date of redemption. The City may enter into redemption instructions with the 2011A Refunded Bonds Paying Agent regarding the 2011A Refunded Bonds Paying Agent's acknowledgement and acceptance (the "**Redemption Request Certificate**") with The Bank of New York Mellon Trust Company, N.A. as the escrow agent and the Paying Agent for the 2011A Bonds (the

"**2011A Bonds Paying Agent**"), providing, among other things, for: (a) the certification to such 2011A Bonds Paying Agent of the amounts required to pay the principal and interest on the 2011A Refunded Bonds to the date of redemption; (b) the deposit with said 2011A Bonds Paying Agent of amounts which, together with interest earnings thereon, if any, will meet such requirements; and (c) the irrevocable pledge of all amounts and investments held under the Redemption Request Certificate for the payment of the 2011A Refunded Bonds to the date of redemption and the application of such funds to such purposes. The Redemption Request Certificate shall be in form and substance as approved by the signing officer of the City. The Director of Finance is hereby authorized and directed to execute said Redemption Request Certificate and to deliver the same to the 2011A Bonds Paying Agent on behalf of the City. The City hereby gives and grants the 2011A Bonds Paying Agent full authority to do and perform all and every act and thing whatsoever requisite and necessary to carry out the intent of this Ordinance and effectuate the refunding of the 2011A Refunded Bonds as the City might do on its own behalf, and hereby ratifies and confirms all that said 2011A Bonds Paying Agent shall do or cause to be done by virtue thereof.

The City Council hereby authorizes the calling of the 2012 Refunded Bonds. The Director of Finance is hereby authorized, with the advice and recommendation of the Financial Advisor and Bond Counsel, to determine the date of redemption. The City may enter into redemption instructions with the 2012 Refunded Bonds Paying Agent regarding the 2012 Refunded Bonds and the 2012 Refunded Bonds Paying Agent's acknowledgement and acceptance (the "**Redemption Request Certificate**") with The Bank of New York Mellon Trust Company, N.A., as the escrow agent and the Paying Agent for the 2012 Bonds (the "**2012 Bonds Paying Agent**"), providing, among other things, for: (a) the certification to such 2012 Bonds Paying Agent of the amounts required to pay the principal and interest on the 2012 Refunded Bonds to the date of redemption; (b) the deposit with said 2012 Bonds Paying Agent of amounts which, together with interest earnings thereon, if any, will meet such requirements; and (c) the irrevocable pledge of all amounts and investments held under the Redemption Request Certificate for the payment of the 2012 Refunded Bonds to the date of redemption and the application of such funds to such purposes. The Redemption Request Certificate shall be in form and substance as approved by the signing officer of the City. The Director of Finance is hereby authorized and directed to execute said Redemption Request Certificate and to deliver the same to the 2012 Bonds Paying Agent on behalf of the City. The City hereby gives and grants the 2012 Bonds Paying Agent full authority to do and perform all and every act and thing whatsoever requisite and necessary to carry out the intent of this Ordinance and effectuate the refunding of the 2012 Refunded Bonds as the City might do on its own behalf, and hereby ratifies and confirms all that said 2012 Bonds Paying Agent shall do or cause to be done by virtue thereof.

The Director of Finance or the Mayor, or any duly appointed successors, as the case may be, are hereby authorized to execute any and all requests to mail notice of redemption, agreements or documents deemed appropriate concerning the Refunding Program, including, but not limited to, Federal Tax Certificates and the Redemption Request Certificates.

SECTION 20. Covenant to Pledge Sufficient Funds. The City hereby covenants and agrees that, concurrently with the issuance of and payment of the Bonds:

(a) The City will have irrevocably pledged with the Escrow Agent, amounts sufficient, together with interest, if any, to be earned thereon, to pay: (i) all interest on the Refunded Bonds by such series of Bonds to the date of maturity or redemption thereof; and (ii) the principal of the Refunded Bonds by such series of Bonds to and including the date of maturity or redemption thereof so that such Refunded Bonds will no longer be outstanding under the Act; and

(b) Such Escrow Agent for the refunded bonds will have invested the monies required by such Redemption Request Certificate relating to the Refunded Bonds in accordance with its respective terms.

SECTION 21. Application of Bond Proceeds. The purchase price for the Bonds shall be paid to the Paying Agent on behalf of the City. Upon receipt of such funds, the Paying Agent shall deposit the same in a settlement account. From the settlement account, the Paying Agent shall transfer to the Escrow Agent the amounts required to effect the refunding of the bonds being refunded by the Bonds as provided in Section 19 hereof. The final amounts of the issuance costs shall be set forth in instructions, the execution and delivery of which on behalf of the City shall constitute the approval of such costs. Any net proceeds of the Bonds remaining after provisions for payment of the foregoing items shall be deposited in the Sinking Fund established for the Bonds to be used to pay a portion of the first interest payment due on the Bonds.

SECTION 22. Confirmation of Appointment of Professional Advisors. The City Council hereby confirms the appointment of Public Financial Management, Inc., Harrisburg, Pennsylvania, as financial advisor (the "Financial Advisor") and Saul Ewing LLP, Philadelphia, Pennsylvania, as bond counsel ("Bond Counsel") in connection with the refundings described in this Ordinance.

SECTION 23. Act Applicable to Bonds. This Ordinance is adopted pursuant to, and the Bonds issued hereunder shall be subject to, the provisions of the Act and all the mandatory provisions thereof shall apply hereunder whether or not explicitly stated herein.

SECTION 24. Contract with Bond Owners. This Ordinance constitutes a contract with the registered owners of the Bonds outstanding hereunder and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

SECTION 25. Further Actions. The President and Vice President of City Council, or any duly appointed successors, as the case may be, the City Clerk, the Mayor, Director of Finance, and City Solicitor or any duly appointed successors, assistants or acting officials appointed for such purpose, are hereby authorized to execute any agreements, instruments or documents and to do or cause to be done any and all acts and things deemed necessary or appropriate for the carrying out of the purposes of this Ordinance and to comply with the Act.

SECTION 26. Severability. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any

remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the City Council that such remainder shall be and shall remain in full force and effect.

SECTION 27. Repealer. All prior ordinances or parts thereof inconsistent herewith, are hereby repealed.

SECTION 28. Effective Date. This Ordinance shall take effect on the earliest date permitted by the Act.

DULY PASSED this ____ day of November, 2016, by the Council of the City of Allentown, Lehigh County, Pennsylvania, in lawful session duly assembled.

CITY OF ALLENTOWN

By: _____
(Vice) President of Council

ATTEST:

City Clerk

(SEAL)

CERTIFICATION

I hereby certify that the foregoing document is a true and correct copy of Ordinance passed by Allentown City Council on November __, 2016.

Certified this ____ day of November, 2016.

City Clerk

Examined and approved by me this ____ day of November, 2016.

Mayor of the City of Allentown
Lehigh County, Pennsylvania

I hereby certify that the foregoing Ordinance was passed by the City Council and signed by his Honor the Mayor on November __, 2016.

City Clerk

CITY OF ALLENTOWN
LEHIGH COUNTY, PENNSYLVANIA

IN RE:

2017 BOND FINANCING)	BORROWING ORDINANCE
)	
)	CERTIFICATE OF ENACTMENT

CERTIFICATE

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

The foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Council of the City at a meeting duly held on the ____ day of November, 2016; said Ordinance duly has been recorded in the Minute Book of the Council of the City; notices with respect to enactment (both before and after enactment) of said Ordinance have been published as required by law; and said Ordinance has not been amended, altered, modified, or repealed as of the date of this certificate.

I further certify that:

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

Ray O'Connell	_____
Daryl L. Hendricks	_____
Candida Affa	_____
Julio A. Guridy	_____
Roger MacLean	_____
David K. McGuire	_____
Cynthia Mota	_____

IN WITNESS WHEREOF, I set my hand and affix the official seal of the City, this ____ day of November, 2016.

City Clerk

(SEAL)

SCHEDULE " A "

SCHEDULE OF ESTIMATED DEBT SERVICE SAVINGS¹

CITY OF ALLENTOWN				Settle	1/16/2017
SERIES OF 2017				Dated	1/16/2017
REFUNDS THE SERIES A OF 2011 & 2012					

1	2	3	4	5	6	7	8
Date	Principal	Coupon	Interest	Semi-Annual Debt Service	Fiscal Year Debt Service	Existing Debt Service	Debt Service Savings
4/1/2017			50,550.42	50,550.42			
10/1/2017	985,000	2.070	121,321.00	1,106,321.00	1,156,871.42	1,301,793.75	144,922.33
4/1/2018			111,126.25	111,126.25			
10/1/2018	1,080,000	2.170	111,126.25	1,191,126.25	1,302,252.50	1,302,943.75	691.25
4/1/2019			99,408.25	99,408.25			
10/1/2019	1,110,000	2.260	99,408.25	1,209,408.25	1,308,816.50	1,308,443.75	(372.75)
4/1/2020			86,865.25	86,865.25			
10/1/2020	1,125,000	2.350	86,865.25	1,211,865.25	1,298,730.50	1,301,481.25	2,750.75
4/1/2021			73,646.50	73,646.50			
10/1/2021	1,155,000	2.440	73,646.50	1,228,646.50	1,302,293.00	1,306,306.25	4,013.25
4/1/2022			59,555.50	59,555.50			
10/1/2022	905,000	2.530	59,555.50	964,555.50	1,024,111.00	1,027,837.50	3,726.50
4/1/2023			48,107.25	48,107.25			
10/1/2023	170,000	2.660	48,107.25	218,107.25	266,214.50	265,737.50	(477.00)
4/1/2024			45,846.25	45,846.25			
10/1/2024	170,000	2.800	45,846.25	215,846.25	261,692.50	265,300.00	3,607.50
4/1/2025			43,466.25	43,466.25			
10/1/2025	175,000	2.930	43,466.25	218,466.25	261,932.50	264,300.00	2,367.50
4/1/2026			40,902.50	40,902.50			
10/1/2026	180,000	3.040	40,902.50	220,902.50	261,805.00	263,100.00	1,295.00
4/1/2027			38,166.50	38,166.50			
10/1/2027	190,000	3.140	38,166.50	228,166.50	266,333.00	266,500.00	167.00
4/1/2028			35,183.50	35,183.50			
10/1/2028	190,000	3.240	35,183.50	225,183.50	260,367.00	263,850.00	3,483.00
4/1/2029			32,105.50	32,105.50			
10/1/2029	200,000	3.320	32,105.50	232,105.50	264,211.00	265,975.00	1,764.00
4/1/2030			28,785.50	28,785.50			
10/1/2030	205,000	3.400	28,785.50	233,785.50	262,571.00	262,650.00	79.00
4/1/2031			25,300.50	25,300.50			
10/1/2031	210,000	3.470	25,300.50	235,300.50	260,601.00	264,100.00	3,499.00
4/1/2032			21,657.00	21,657.00			
10/1/2032	220,000	3.530	21,657.00	241,657.00	263,314.00	265,100.00	1,786.00
4/1/2033			17,774.00	17,774.00			
10/1/2033	230,000	3.590	17,774.00	247,774.00	265,548.00	265,125.00	(423.00)
4/1/2034			13,645.50	13,645.50			
10/1/2034	235,000	3.640	13,645.50	248,645.50	262,291.00	264,675.00	2,384.00
4/1/2035			9,368.50	9,368.50			
10/1/2035	250,000	3.680	9,368.50	259,368.50	268,737.00	268,750.00	13.00
4/1/2036			4,768.50	4,768.50			
10/1/2036	255,000	3.740	4,768.50	259,768.50	264,537.00	267,112.50	2,575.50
TOTALS	9,240,000		1,843,229.42	11,083,229.42	11,083,229.42	11,261,081.25	177,851.83

Savings as a % of Refunded Par	2.00%
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Public Financial Management, Inc. 10/25/2016

¹ Based on assumed market interest rates approximating those which are necessary to meet the "Savings Condition" specified in the Ordinance.

SCHEDULE " B "

MAXIMUM ANNUAL DEBT SERVICE SCHEDULE AT MAXIMUM INTEREST RATE

CITY OF ALLENTOWN
SERIES OF 2017
REFUNDS THE SERIES A OF 2011 & 2012
MAXIMUM PARAMETERS DEBT SERVICE SCHEDULE

1	2	3	4	5	6
<u>Date</u>	<u>Maximum Principal</u>	<u>Maximum Rate [1]</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>
4/1/2017			131,770.83	131,770.83	
10/1/2017	1,100,000	5.500	316,250.00	1,416,250.00	1,548,020.83
4/1/2018			286,000.00	286,000.00	
10/1/2018	1,300,000	5.500	286,000.00	1,586,000.00	1,872,000.00
4/1/2019			250,250.00	250,250.00	
10/1/2019	1,300,000	5.500	250,250.00	1,550,250.00	1,800,500.00
4/1/2020			214,500.00	214,500.00	
10/1/2020	1,300,000	5.500	214,500.00	1,514,500.00	1,729,000.00
4/1/2021			178,750.00	178,750.00	
10/1/2021	1,300,000	5.500	178,750.00	1,478,750.00	1,657,500.00
4/1/2022			143,000.00	143,000.00	
10/1/2022	1,025,000	5.500	143,000.00	1,168,000.00	1,311,000.00
4/1/2023			114,812.50	114,812.50	
10/1/2023	275,000	5.500	114,812.50	389,812.50	504,625.00
4/1/2024			107,250.00	107,250.00	
10/1/2024	275,000	5.500	107,250.00	382,250.00	489,500.00
4/1/2025			99,687.50	99,687.50	
10/1/2025	275,000	5.500	99,687.50	374,687.50	474,375.00
4/1/2026			92,125.00	92,125.00	
10/1/2026	300,000	5.500	92,125.00	392,125.00	484,250.00
4/1/2027			83,875.00	83,875.00	
10/1/2027	300,000	5.500	83,875.00	383,875.00	467,750.00
4/1/2028			75,625.00	75,625.00	
10/1/2028	300,000	5.500	75,625.00	375,625.00	451,250.00
4/1/2029			67,375.00	67,375.00	
10/1/2029	300,000	5.500	67,375.00	367,375.00	434,750.00
4/1/2030			59,125.00	59,125.00	
10/1/2030	300,000	5.500	59,125.00	359,125.00	418,250.00
4/1/2031			50,875.00	50,875.00	
10/1/2031	300,000	5.500	50,875.00	350,875.00	401,750.00
4/1/2032			42,625.00	42,625.00	
10/1/2032	300,000	5.500	42,625.00	342,625.00	385,250.00
4/1/2033			34,375.00	34,375.00	
10/1/2033	300,000	5.500	34,375.00	334,375.00	368,750.00
4/1/2034			26,125.00	26,125.00	
10/1/2034	300,000	5.500	26,125.00	326,125.00	352,250.00
4/1/2035			17,875.00	17,875.00	
10/1/2035	325,000	5.500	17,875.00	342,875.00	360,750.00
4/1/2036			8,937.50	8,937.50	
10/1/2036	325,000	5.500	8,937.50	333,937.50	342,875.00
TOTALS	11,500,000		4,354,395.83	15,854,395.83	15,854,395.83

[1] Assumes a maximum interest rate of 5.500%

Public Financial Management, Inc. 10/24/2016

SCHEDULE "C"

FORM OF BOND

UNITED STATES OF AMERICA

COMMONWEALTH OF PENNSYLVANIA

**CITY OF ALLENTOWN
(Lehigh County, Pennsylvania)**

GENERAL OBLIGATION BOND, SERIES [____] OF 20____

No. R- _____ \$ _____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
%	_____	_____	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The City of Allentown, Lehigh County, Pennsylvania (the "**City**"), for value received, hereby promises to pay to the registered owner hereof on the maturity date set forth above the principal sum set forth above, and to pay interest thereon from _____, 20__ or the most recent Interest Payment Date to which interest has been paid or duly provided for, initially on _____, 20__ and semiannually thereafter on _____ and _____ of each year (each, an "**Interest Payment Date**"), at the annual rate specified above, calculated on the basis of a 360-day year of twelve 30-day months until the principal sum is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from _____, 20__. The principal of this Bond is payable upon presentation and surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Philadelphia, Pennsylvania (the "**Paying Agent**"). Interest on this Bond will be paid on each Interest Payment Date by check mailed to the person in whose name this Bond is registered on the registration books of the City maintained by the Paying Agent, as bond registrar, at the address appearing thereon at the close of business on the _____ (____) day (whether or not a business day) immediately preceding such Interest Payment Date (the "**Regular Record Date**"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the Regular Record Date, and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever monies become available for payment of the defaulted interest, and notice of the Special Record Date and payment date for such interest shall be given by first class mail to the registered owners

of the Bonds not less than fifteen (15) days prior to the Special Record Date. The principal of and interest on this Bond are payable in lawful money of the United States of America.

Notwithstanding the foregoing, so long as this Bond is registered in the name of The Depository Trust Company or Cede & Co., payment of principal, redemption premium (if any) and interest on this Bond shall be made by wire transfer to The Depository Trust Company.

This Bond is one of a duly authorized issue of General Obligation Bonds, Series [____] of 20__, of the City in the aggregate principal amount of \$_____ (the "**Bonds**"), issued in fully registered book-entry form in the denomination of \$5,000 or any integral multiple thereof, all of like date and tenor, except as to dates of maturity, rates of interest and provisions for redemption, and all issued in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, 53 Pa. Cons. Stat. § 8001 *et seq.*, as amended (the "**Act**"), and pursuant to an ordinance finally enacted on _____, 2016 (the "**Ordinance**"). The Bonds are issued for the purpose of financing the current refunding of all of the City's outstanding General Obligation Bonds, Series A of 2011 and Series of 2012 and paying the costs of issuing the Bonds.

Under the laws of the Commonwealth of Pennsylvania, this Bond and the interest thereon shall at all times be free from taxation within the Commonwealth of Pennsylvania, but this exemption shall not extend to gift, estate, succession or inheritance taxes or to any other taxes not levied or assessed directly on this Bond or the interest thereon. Profits, gains or income derived from the sale, exchange, or other disposition of this Bond are subject to state and local taxation.

[The Bonds maturing on or after _____ are subject to redemption prior to maturity at the option of the City on _____ or any date thereafter, as a whole or from time to time in part, in such order of maturity or portion of each maturity as may be designated by the City (and within a maturity by lot as selected by the Paying Agent, upon payment of a redemption price of 100% of the principal amount, together with accrued interest to the date fixed for redemption.)]

If less than an entire year's maturity of Bonds are to be redeemed at any particular time, such Bonds so to be called for redemption shall be chosen by lot by the Paying Agent.

[The Bonds stated to mature on _____ and _____ (the "**Term Bonds**") are subject to mandatory redemption prior to their stated maturity in order of maturity and within a maturity by lot by the City from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of principal amount together with accrued interest to the date fixed for redemption. The City hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem Term Bonds at said price from monies deposited in the Sinking Fund sufficient to effect such redemption (to the extent that Term Bonds of the maturity currently required to be redeemed shall not have been previously purchased from said monies by the City as permitted under the Ordinance) on _____ of the years, in the annual principal amounts and from the maturities set forth in the following

schedule (or such lesser principal amount as shall at the time represent all Term Bonds of the maturity currently required to be redeemed which shall then be outstanding):

Mandatory Redemption Schedule

Redemption Date (_____)	<u>Principal Amount to be Redeemed or Purchased</u>	<u>Maturity From Which to Be Selected</u>
------------------------------------	--	--

*Stated Maturity.

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust payment office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

On the date designated for redemption and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds called for redemption, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and the Bonds or portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of the Bonds so called for redemption shall have no rights with respect to the Bonds or portions thereof so called for redemption, except to receive payment of the principal of and accrued interest on the Bonds so called for redemption to the date fixed for redemption.]

Notice of any redemption shall be given by first-class mail, postage prepaid, mailed by the Paying Agent not less than twenty (20) nor more than sixty (60) days before the redemption date to the registered owners of the Bonds at their addresses as they appear on the Bond register maintained by the Paying Agent. Such notice shall also be sent to The Depository Trust Company and the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("**EMMA**") site. Such notice shall be given in the name of the City, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust payment office of the Paying Agent and that from the date of redemption interest will cease to

accrue. The Paying Agent shall use CUSIP numbers (if then generally in use) in notices of redemption as a convenience to Bond owners, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed R- printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for the redemption of other Bonds so called for redemption.

[With respect to any optional redemption of the Bonds, if at the time of mailing such notice of redemption, the City shall not have deposited with the Paying Agent monies sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption monies with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such monies are so deposited.]

The Bonds are transferable by the registered owners thereof, subject to payment of any required tax, fee or other governmental charge, upon presentation and surrender at the corporate trust payment office of the Paying Agent, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent. The Paying Agent shall not be required: (i) to issue, transfer or exchange any of the Bonds during a period beginning at the close of business on the fifth (5th) day next preceding the day of selection of Bonds to be redeemed and ending at the close of business on the day on which such notice is given, or (ii) to transfer or exchange any Bond selected for redemption in whole or in part.

The City and the Paying Agent may treat the person in whose name this Bond is registered on the Bond register maintained by the Paying Agent as the absolute owner of this Bond for all purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

So long as the Bonds are issued in book-entry form, actual bond certificates are not available for distribution to the beneficial owners and the principal, redemption premium (if any), purchase price and interest on the Bonds are payable to Cede & Co., as nominee of the Securities Depository. Transfer of principal, redemption premium (if any) and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfers of principal, redemption premium (if any) and interest to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of beneficial owners. The City and the Paying Agent are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants. If the Bonds are no longer registered to a Securities Depository or its nominee, this Bond may be registered as transferred only upon the registration books kept for that purpose at the corporate trust payment office of the Paying Agent by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon presentation and surrender to the Paying Agent of this Bond duly endorsed for registration of transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new registered certificate, in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor. In addition, if the Bonds are no longer registered to a

Securities Depository, this Bond may be exchanged by the registered owner hereof or his or her duly authorized attorney upon presentation at the corporate trust payment office of the Paying Agent for an equal aggregate principal amount of Bonds of the same rate of interest and maturity and in any authorized denomination in the manner, subject to the conditions and upon payment of charges, if any, provided in the Ordinance.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon, against any member, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City or through 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.

Whenever the due date for payment of interest on or principal of this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the jurisdiction in which the corporate trust payment office of the Paying Agent is located are authorized or directed by law or executive order to close (a "**Holiday**"), then the payment of such interest or principal need not be made on such date, but may be made on the succeeding day which is not a Holiday, with the same force and effect as if made on the due date for payment of principal or interest.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the City to issue and deliver this Bond has been duly given pursuant to the Act; that all acts, conditions and things required by the laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania; that the City has established a sinking fund for the Bonds and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable; and that for the prompt and full payment of all obligations of this Bond, the full faith, credit and taxing power of the City are hereby irrevocably pledged.

This Bond shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the Paying Agent by execution of the certificate endorsed hereon.

IN WITNESS WHEREOF, the City of Allentown, Lehigh County, Pennsylvania has caused this Bond to be executed in its name by the signature or the facsimile signature of the Mayor and the President of City Council, attested by the signature or facsimile signature of the City Clerk, and the seal or facsimile of its seal to be affixed hereto, all as of _____, 20__.

ATTEST:

CITY OF ALLENTOWN

By: _____
City Clerk

By: _____
Mayor

By: _____
President of City Council

(SEAL)

AUTHENTICATION CERTIFICATE

This Bond is one of the City of Allentown, Pennsylvania General Obligation Bonds, Series [____] of 2017, described in the within mentioned Ordinance.

Date of Authentication: _____, 2017

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
Paying Agent

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

[TO BE INSERTED IF INSURANCE IS PURCHASED]

ASSIGNMENT AND TRANSFER

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

PLEASE INSERT SOCIAL SECURITY OR
EMPLOYER IDENTIFICATION NUMBER OF
ASSIGNEE

/ _____ /

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer said
Bond on the books of the within named Paying Agent, with full power of substitution in the
premises.

Dated:

Signature Guaranteed by:

NOTICE: Signature(s) must be guaranteed by
an eligible guarantor institution, an institution
which is a participant in a Securities Transfer
Association recognized signature guaranteed
program.

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.

(Authorized Signature)

[END OF BOND FORM]

SCHEDULE "D"

WRAP-AROUND DEBT SERVICE SCHEDULE AT MAXIMUM RATE

CITY OF ALLENTOWN SUMMARY OF OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS															
Debt Service Requirements															
Fiscal Year Ended	G.O. Bonds Series of 2008	G.O. Notes Series of 2009	G.O. Bonds Series A of 2011 (GO Portion) [1]	G.O. Bonds Series of 2012	G.O. Note Series of 2015	G.O. Bonds Series A of 2015	G.O. Bonds Series B of 2015	MAXIMUM G.O. Bonds Series of 2017 [2]	Tax-Exempt Debt Service Subtotal	TAXABLE					Total Debt Service
										G.O. Pension Refunding Series of 2004	Lease-Sublease Series of 2006	CAN Series A of 2007	G.O. Notes Series B of 2007	Taxable Debt Service Subtotal	
12/31/2016	617,560	474,544	540,631	759,413	1,358,488	665,180	906,075	1,548,021	5,351,913	1,092,143	1,012,022		1,316,099	3,420,264	8,772,176
12/31/2017	322,455	475,440			1,388,807	863,380	1,156,475	1,548,021	5,754,579	1,354,468	1,014,141		1,590,238	3,958,872	9,713,451
12/31/2018	326,665	474,737			1,387,967	874,680	1,164,275	1,872,000	6,190,218	1,352,708	1,013,791		1,570,467	3,936,966	10,017,210
12/31/2019		475,415			1,387,967	882,280	1,158,475	1,800,500	5,784,338	1,354,705	1,013,424		1,837,261	4,255,410	9,959,748
12/31/2020		474,452				954,060	906,675	1,729,000	4,064,295	1,355,242	1,014,870		2,135,922	4,506,034	8,570,243
12/31/2021		474,809				967,480	903,678	1,657,500	4,063,488	1,354,317	1,012,568	2,075,000	47,642	4,485,526	8,493,013
12/31/2022		474,504				940,230	908,928	1,311,000	3,634,664	1,355,003	1,012,099	2,420,000		4,787,102	8,421,762
12/31/2023		475,435				953,230	907,426	504,625	2,840,716	1,353,683	1,011,560	3,170,000		5,535,443	8,376,160
12/31/2024		474,602				969,480	904,426	489,500	2,838,096	1,350,957	1,012,409	3,160,000		5,523,366	8,361,375
12/31/2025						883,880	956,026	474,375	1,925,081	1,355,070	1,010,352	3,660,000		6,025,421	7,950,594
12/31/2026						881,505	966,376	484,250	1,942,131	1,352,690	1,009,651	3,655,000		6,017,341	7,959,472
12/31/2027						887,405	969,678	467,750	1,924,831	1,353,230	1,008,875	3,655,000		6,017,106	7,941,836
12/31/2028						882,405	967,020	451,250	1,910,675	1,351,430	1,008,875	3,660,000		6,020,306	7,930,581
12/31/2029						891,155	973,533	434,750	1,899,438	1,352,260	1,007,125	3,655,000		6,014,415	7,913,652
12/31/2030						884,418	969,365	418,250	1,882,863	1,355,550	1,005,127	3,660,000		6,021,677	7,903,738
12/31/2031						885,693	973,800	401,750	1,861,263	1,355,425	1,005,028	3,660,000		6,020,453	7,891,716
12/31/2032						896,518	987,545	385,250	1,849,413	1,352,413		4,660,000		6,012,413	7,861,825
12/31/2033						891,493	965,920	368,750	1,826,163	1,351,513		4,665,000		6,016,513	7,842,675
12/31/2034						890,105	973,035	352,250	1,815,390	1,352,463		4,660,000		6,012,463	7,827,853
12/31/2035						202,950	565,238	360,750	1,192,980			7,040,000		7,040,000	8,232,980
12/31/2036						267,806	564,893	342,875	1,175,575			7,040,000		7,040,000	8,215,575
12/31/2037						902,438			902,438						902,438
12/31/2038						903,573			903,573						903,573
12/31/2039						903,783			903,783						903,783
12/31/2040						903,068			903,068						903,068
12/31/2041						900,348			900,348						900,348
12/31/2042						901,665			901,665						901,665
12/31/2043						901,828			901,828						901,828
12/31/2044						905,835			905,835						905,835
12/31/2045						903,495			903,495						903,495
Totals	1,266,090	4,273,959	540,631	759,413	5,552,829	25,631,525	15,743,713	15,854,396	69,623,154	25,455,522	16,172,920	64,495,000	8,547,679	114,671,128	184,294,278
Principal⁽¹⁾	618,000	3,236,000	0	0	4,078,000	15,270,000	10,945,000	11,500,000	45,644,000	15,565,000	8,416,276	14,773,981	6,240,000	44,995,259	90,639,259
Call Date:	8/15/2015	Anytime	4/15/2017	4/1/2017	Anytime	4/1/2023	4/1/2023			10/1/2014		Make Whole	Make Whole		
Purpose:	Cur Ref 1997 & 1998	New Money	Cur Ref 2021 & New Money	Adv Ref Portion of 2003	New Money	New Money	Cur Ref 2003 Cur Ref 2004 Adv Ref 2011	Cur Ref 2011A Cur Ref 2012		Adv Ref 1996		Adv Ref 2004 Pension & 2004 Refunding	Adv Ref 2003 & 2004 Pension		

[1] Assumes \$0,000 portion attributable to General Obligation purposes of \$13,275,000 total 2011A GO bond issue
 [2] Assumes a maximum interest rate of 5.500%
 * Outstanding as of October 25, 2016

