

**BOROUGH OF ALBURTIS
LEHIGH COUNTY, PENNSYLVANIA**

Ordinance No. 382

(Duly Adopted November 29, 2000)

AN ORDINANCE INCREASING THE NONELECTORAL INDEBTEDNESS OF THE BOROUGH OF ALBURTIS, LEHIGH COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE, SERIES 1 OF 2000, IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THOUSAND DOLLARS (\$100,000), FOR AND TOWARD PAYING THE COSTS OF ROADWAY IMPROVEMENTS AND RELATED COSTS, AND PAYING THE COSTS OF ISSUING THE NOTE; PROVIDING THE FORM OF THE NOTE; FIXING THE RATE OF INTEREST TO BE PAID; PLEDGING THE FULL FAITH AND CREDIT OF THE BOROUGH FOR THE PAYMENT OF THE NOTE; MAKING COVENANTS FOR THE PAYMENT OF THE DEBT SERVICE; CREATING A SINKING FUND; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITARY; AND AUTHORIZING THE EXECUTION, PRIVATE SALE, AND DELIVERY OF THE NOTE.

WHEREAS, the governing body of the Borough of Alburtis, Lehigh County, Pennsylvania (the “**Local Government Unit**”) deems it advisable to borrow up to One Hundred Thousand Dollars (\$100,000.00) for and toward the costs of roadway improvements, including the reconstruction of West Penn Avenue (the “**Project**”), and paying the costs of issuance of the indebtedness; and

WHEREAS, the governing body of the Local Government Unit contemplates the authorization, sale, issuance and delivery of a note evidencing such indebtedness in a principal amount not to exceed \$100,000 to be designated as the General Obligation Note, Series 1 of 2000, all in accordance with applicable and appropriate provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, 53 PA. CONS. STAT. § 8001 *et seq.* (the “**Act**”); and

WHEREAS, the proposed increase of debt, together with the Local Government Unit’s nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the debt limitations of the Act to be exceeded; and

WHEREAS, the Borough Engineer has determined that the useful life of the Project is at least ten (10) years; and

WHEREAS, PNC BANK, NATIONAL ASSOCIATION (the “**Bank**”) has presented a written purchase contract (the “**Purchase Contract**”), attached hereto as **Exhibit A**, to purchase the note to be issued by the Local Government Unit in order to achieve the financing of the Project;

NOW, THEREFORE, be it **ORDAINED** and **ENACTED** by the Borough Council of the Borough of Alburtis, Lehigh County, Pennsylvania, as follows:

SECTION 1 – AUTHORIZATION.

The Local Government Unit hereby authorizes the incurrence of debt, and the increase of its nonelectoral indebtedness under the Act, in the principal amount not to exceed One Hundred Thousand Dollars (\$100,000.00), in order to pay the costs of the Project and the costs of issuing the indebtedness. The indebtedness shall be evidenced by one General Obligation Note (Series 1 of 2000), in fully registered form, in the principal sum not to exceed \$100,000, dated the date of its delivery, bearing interest at the rate of 5.14% per annum calculated on a 365-day year basis for the actual number of days in each interest period, payable in forty-eight (48) level monthly installment payments of principal and interest commencing January 15, 2001, and in the form attached hereto as **Exhibit B** (which is incorporated herein by reference) (the “**Note**”). The Local Government Unit may prepay the Note as set forth in **Exhibit B**.

SECTION 2 – ISSUANCE.

The Note shall be executed in the name and under the corporate seal of the Local Government Unit by the President of Borough Council (or the Vice President of Borough Council) and attested to by the Secretary (or the Treasurer) (the “**Designated Officers**”). The Designated Officers are hereby authorized and directed to execute and deliver such

documents, and to do and perform all acts, necessary and proper for the issuance and further security of the Note, including the execution, sealing, and delivery of the Note to the Bank. The Designated Officers are authorized to receive payment for the Note on behalf of the Local Government Unit, and to apply the proceeds to the costs of the Project and the issuance of the Note.

SECTION 3 — SMALL BORROWING; DEBT STATEMENT.

The Local Government Unit hereby incurs the debt represented by the Note as a small borrowing for capital purposes under 53 PA. CONS. STAT. § 8109, and this Ordinance, although adopted as an ordinance in accordance with the Borough Code, is a “resolution” under 53 PA. CONS. STAT. § 8109. *See* 53 PA. CONS. STAT. § 8002(c) (a “resolution” under the Act is a formal action of a governmental unit to which the advertising requirements of 53 PA. CONS. STAT. § 8003 do not apply, whether, under the law applicable to the local government unit, the action is taken by ordinance or resolution). In accordance with the requirements of PA. CONS. STAT. § 8110, the Designated Officers have prepared, executed, and verified the debt statement and borrowing base certificate required by the Act prior to the adoption of this Ordinance (a true and correct copy of which is attached hereto as **Exhibit C**) and they are hereby directed to file and maintain such debt statement and certificate in the Office of the Secretary, and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 4 — SECURITY AND PAYMENT OF THE NOTE.

The Note shall be a general, full faith and credit, unlimited tax obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Bank and with subsequent holders, from time to time, of the Note that the Local Government

Unit shall (a) include the amount of the debt service on the Note for each fiscal year in which any amount of principal or interest is payable in its budget for that year; (b) appropriate such amounts to the payment of such debt service; and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates, at the place, and in the manner stated in the Note according to the true intent and meaning thereof, and for such proper budgeting, appropriation, and payment, the Local Government Unit hereby irrevocably pledges its full faith, credit and taxing power.

SECTION 5 – SINKING FUND.

The Local Government Unit does hereby create, and order to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with the Bank, and does further covenant to maintain such Sinking Fund until the Note is paid in full. The Secretary or Treasurer shall deposit into the Sinking Fund sufficient amounts for payment of principal and interest on the Note no later than the dates upon which such payments are due, without further action by the Local Government Unit. The Local Government Unit hereby designates the Bank as the Sinking Fund Depository and Paying Agent for the Note, and the Designated Officers are hereby authorized and directed to contract with the Bank for its services in such capacity, except as the same may be included in the Purchase Contract. Without further action by the Local Government Unit, the Bank may withdraw available monies from the Sinking Fund and apply them to the payment of the principal and interest on the Note.

SECTION 6 – TAX COVENANTS.

(a) **No Arbitrage Bond.** The Local Government Unit hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an “arbitrage bond” within the meaning of

Section 148 of the Internal Revenue Code of 1986, as amended (the “**Code**”) and the regulations thereunder applicable to the Note (the “**Regulations**”) and that it will comply with the requirements of that Section and the Regulations throughout the term of the Note.

(b) **Rebate Requirements.** If: (1) the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by or on behalf of the Local Government Unit during the 2000 calendar year exceeds \$5,000,000; and if (2) the gross proceeds of the Note are invested at a yield greater than the yield on the Note; and if (3) the gross proceeds of the Note are not expended or deemed to have been expended either within six months from the date of issuance, or, if the Project is a construction project, within two years from the date of issuance (and according to certain periodic expenditure thresholds), all pursuant to § 1.148.7 of the Regulations, the Local Government Unit covenants that it will rebate to the U.S. Treasury, at the times and in the manner required by the Code, the difference (if a positive number) between the investment income received on the Note proceeds and the investment income that would have been earned had the Note proceeds been invested at the yield of the Note.

(c) **Qualified Tax-Exempt Obligation.** The Local Government Unit hereby designates the Note as a “qualified tax-exempt obligation,” as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code, and represents that it has not issued, and does not reasonably expect to issue, tax-exempt obligations, together with all tax-exempt obligations issued and reasonably expected to be issued by its “subordinate entities” (within the meaning of Code § 265(b)(3)(E)) which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2000 calendar year.

(d) **IRS Filings.** The Local Government Unit will file IRS Form 8038-G (or 8038-GC if applicable) and any other forms or information required by the Code or the

Regulations to be filed with the Internal Revenue Service in order to further ensure the exclusion of the interest on the Note from gross income tax for federal income tax purposes.

SECTION 7 – AWARD.

In compliance with 53 PA. CONS. STAT. § 8161(a), the governing body of the Local Government Unit hereby determines that private sale of the Note by negotiation, rather than public sale, is in the best financial interest of the Local Government Unit.

The governing body of the Local Government Unit hereby awards and sells the Note to the Bank at par in accordance with the Purchase Contract. The Local Government Unit accepts the Purchase Contract and authorizes the Designated Officers to execute an appropriate acceptance document.

SECTION 8 – ORDINANCE IS A CONTRACT.

This Ordinance shall be deemed to be a contract with the holders, from time to time, of the Note.

SECTION 9 – NECESSARY ACTS.

The Designated Officers are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, and publish all notices which shall be necessary or convenient to comply with the provisions of this Ordinance and the Act in the name and on behalf of the Local Government Unit.

SECTION 10 – COMPLIANCE WITH DEBT ACT.

This Ordinance is enacted pursuant to, and the Note issued hereunder shall be subject to, the provisions of the Act relating to general obligation notes issued as small borrowings for capital purposes under PA. CONS. STAT. § 8109, and all of the mandatory

provisions of the Act relating to such notes shall apply whether or not explicitly stated in this Ordinance.

SECTION 11 – SEVERABILITY.

In case any one or more of the provisions contained in this Ordinance or in the Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Ordinance or of the Note, and this Ordinance or the Note shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

SECTION 12 – ADVERTISEMENT.

The prior advertisement of a summary of this Ordinance as required by law in a newspaper of general circulation, is ratified and confirmed.

SECTION 13 – EFFECTIVE DATE.

This Ordinance shall take effect on the earliest date permitted by the Act.

DULY ORDAINED and **ENACTED** by the Borough Council of the Borough of Alburdis, this 29th day of November, 2000, in lawful session duly assembled.

**BOROUGH COUNCIL
BOROUGH OF ALBURDIS**

Steven R. Hill, President

Attest:

Brenda Melendez, Secretary

AND NOW, this 29th day of November, 2000, the above Ordinance is hereby
APPROVED.

Ronald J. DeIaco, Mayor

BANK PROPOSAL
4 - RF

EXHIBIT A
ALBURNIS BOROUGH

Lehigh County, Pennsylvania

TERMS OF PROPOSAL

I, a duly authorized officer of PNC Bank, National Association, certify that this Proposal was duly made and delivered to the Local Government Unit not later than the date of the enactment of the Ordinance and, on behalf of the Bank, and do hereby covenant and agree, upon award and acceptance of this Purchase Contract, to purchase the General Obligation Note of the Local Government Unit described in the attached Ordinance, upon satisfaction of the conditions and/or receipt of the materials listed in Section B hereof, and having the terms described in Section A hereof, as follows:

SECTION A:

1. Principal Amount: \$100,000.00
2. Maturity Date: December 15, 2004
3. Interest Rate: 5.14% per annum, per 365 day year.
4. Interest Payment Dates: Monthly commencing January 15, 2001.
5. Origination Fee: 0% of the principal amount of the Note, due on the Date of Delivery of the Note.
6. Principal Payment Dates and amounts: See attached amortization schedule.
7. Prepayment penalty: None.
8. The Project is described as: Fund roadway improvements and related costs.
9. Project Cost: \$ 156,000 approx.
10. Estimated (weighted average) useful life of Project: 10 Years.

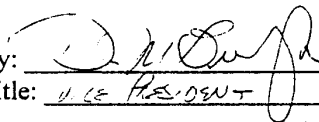
EXHIBIT PC

SECTION B:

1. A duplicate original of the transcript of proceedings authorizing the issuance of the Note;
2. If the Note is in a principal amount more than the lesser of \$125,000 or 30% of the nonelectoral debt limit of the Local Government Unit, satisfactory evidence of the approval, or deemed approval, by the Department of Community and Economic Development of such transcript.
3. A Federal Tax Certificate, in form and substance satisfactory to the Bank;
4. An Opinion of the Solicitor for the Local Government Unit dated the date of delivery of and payment for the Note to the effect that the proceedings for the authorization and issuance of the Note have been duly and properly taken; that the Note will be a valid and binding obligation of the Local Government Unit, enforceable in accordance with its terms; that the Federal Tax Certificate of the Local Government Unit is not unreasonable; that interest on the Note is exempt from Federal, Commonwealth of Pennsylvania and local taxation; and that the Note is a Qualified Tax-Exempt Obligation under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended;
5. Executed Note; and
6. Designation of the Note as a Qualified Tax-Exempt Obligation under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This proposal is subject to acceptance no later than 10:00 P.M., December 31, 2000.

PNC BANK, NATIONAL ASSOCIATION

By: 
Title: V. C. PRESIDENT

AND NOW this 29th day of November, 2000, the Borough of Alburtis hereby accepts the above proposal from PNC Bank, National Association.

BOROUGH OF ALBURTIS

By: _____
Steven R. Hill, President of Borough
Council

Attest:

Brenda Melendez, Secretary

{SEAL}

EXHIBIT B

{Form of Note, including Registration Form}

**UNITED STATES OF AMERICA
COMMONWEALTH OF PENNSYLVANIA**

**BOROUGH OF ALBURTIS
LEHIGH COUNTY, PENNSYLVANIA
GENERAL OBLIGATION NOTE, SERIES 1 OF 2000**

Dated December 1, 2000

\$100,000.00

Principal Amount

5.14%

Interest Rate

December 15, 2004

Maturity Date

The BOROUGH OF ALBURTIS, Lehigh County, Pennsylvania, a political subdivision of the Commonwealth of Pennsylvania (“**Local Government Unit**”), intending to be legally bound, promises to pay to the registered owner shown on the attached registration form, at the place shown on the registration form, and in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of set-off, the principal sum of One Hundred Thousand Dollars (\$100,000.00) in level monthly payments of principal and interest in the amount of Two Thousand Three Hundred Thirteen Dollars and seventy-four cents (\$2,313.74) commencing on January 15, 2001 and continuing on the fifteenth (15th) day of each succeeding calendar month until paid in full. Any outstanding principal and accrued interest shall be due and payable in full on December 15, 2004. (The attached amortization schedule indicates the due dates and amounts of each payment under this Note, and the allocation of each payment between principal and interest, assuming the disbursement of funds on the indicated disbursement date, timely payment of all installments under this Note in the exact amount shown, and no prepayments. Any variation in these assumptions may cause the schedule to change. The Local Government Unit acknowledges that the level payment of principal and interest is calculated on the assumption that each periodic payment will be made on the date when due, and if there is any variation in the actual payment dates, there may be an additional amount due upon maturity of this Note.)

The principal amount outstanding under this Note will bear interest at a rate per annum which is at all times equal to five and fourteen hundredths percent (5.14%). Interest will be calculated on the basis of a year of 365 days for the actual number of days in each interest period.

Upon at least five (5) business days prior written notice to the registered owner of this Note, the Local Government Unit has the right to prepay all or part of the outstanding principal and interest hereunder, without cost or penalty.

The Local Government Unit hereby covenants with the registered owner hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service

and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon at the place, on the dates and in the manner stated above, according to the true meaning and intent hereof, and for such budgeting, appropriation, and payment, the Local Government Unit hereby pledges its full faith, credit, and taxing power.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any officer, agent, or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise. All such liability of such officers, agents, or employees is hereby renounced, waived, and released as a condition of and as consideration for the issuance, execution, and acceptance of this Note.

In the event of a default hereunder, the entire principal balance hereof shall, at the option of the registered owner, accelerate and shall be and become immediately due and payable without notice or demand, and the Local Government Unit will pay the registered owner's reasonable costs and expenses incurred in collection of the amounts due hereunder.

This Note evidences a borrowing for a project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, 53 PA. CONS. STAT. § 8001 *et seq.*, pursuant to Ordinance No. 382 of the Local Government Unit duly and regularly enacted in accordance with the provisions of the Debt Act.

The Local Government Unit hereby certifies that all acts, conditions, and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred, and have been performed in regular and due form and manner as required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.

This Note is a Qualified Tax-Exempt Obligation within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the authorized officers of the Local Government Unit have duly executed this Note on behalf of the Local Government Unit and affixed its seal as of the Dated date set forth above.

BOROUGH OF ALBURTIS

By: _____
Steven R. Hill, President of Borough
Council

Attest:

Brenda Melendez, Secretary

{SEAL}

REGISTRATION FORM

This Note can be validly negotiated only upon proper execution of the form set forth below, and upon notation of the same upon the books of the Local Government Unit maintained by the Sinking Fund Depository, as Registrar, for such purpose. The Local Government Unit shall treat the registered owner of this Note, as noted on this Note and on the books, as the absolute owner hereof, and shall not be affected by any changed circumstances, nor by any notice to the contrary.

Original Registered Owner

PNC Bank, National Association
P.O. Box 231
Scranton, PA 18501

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last-named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.

AMORTIZATION

Principal	Loan Date	Maturity	Loan No.	Cust.	Collateral	Account	Officer	Initials
\$100,000.00	12-15-2004	12-15-2004						

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Lender: PA

Lender: PNC BANK, NATIONAL ASSOCIATION
201 PENN AVENUE
SCRANTON, PA 18503

Disbursement Date: December 1, 2000
Interest Rate: 5.140

Repayment Schedule: Installment
Calculation Method: 365/365 US Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	01-15-2001	2,313.74	632.51	1,681.23	98,318.77
2	02-15-2001	2,313.74	429.21	1,884.53	96,434.24
3	03-15-2001	2,313.74	360.24	1,933.50	94,500.74
4	04-15-2001	2,313.74	412.54	1,901.20	92,599.54
5	05-15-2001	2,313.74	391.20	1,922.54	90,677.00
6	06-15-2001	2,313.74	395.85	1,917.89	88,759.11
7	07-15-2001	2,313.74	374.98	1,938.76	86,820.35
8	08-15-2001	2,313.74	379.01	1,934.73	84,885.62
9	09-15-2001	2,313.74	370.57	1,943.17	82,942.45
10	10-15-2001	2,313.74	350.40	1,963.34	80,979.11
11	11-15-2001	2,313.74	353.51	1,960.23	79,018.88
12	12-15-2001	2,313.74	333.83	1,979.91	77,038.97
2001 TOTALS:		27,764.88	4,803.85	22,961.03	
13	01-15-2002	2,313.74	336.31	1,977.43	75,061.54
14	02-15-2002	2,313.74	327.68	1,986.06	73,075.48
15	03-15-2002	2,313.74	288.14	2,025.60	71,049.88
16	04-15-2002	2,313.74	310.17	2,003.57	69,046.31
17	05-15-2002	2,313.74	291.70	2,022.04	67,024.27
18	06-15-2002	2,313.74	292.59	2,021.15	65,003.12
19	07-15-2002	2,313.74	274.62	2,039.12	62,964.00
20	08-15-2002	2,313.74	274.87	2,038.87	60,925.13
21	09-15-2002	2,313.74	265.97	2,047.77	58,877.36
22	10-15-2002	2,313.74	248.74	2,065.00	56,812.36
23	11-15-2002	2,313.74	248.01	2,065.73	54,746.63
24	12-15-2002	2,313.74	231.29	2,082.45	52,664.18
2002 TOTALS:		27,764.88	3,390.09	24,374.79	
25	01-15-2003	2,313.74	229.90	2,083.84	50,580.34
26	02-15-2003	2,313.74	220.81	2,092.93	48,487.41
27	03-15-2003	2,313.74	191.19	2,122.55	46,364.86
28	04-15-2003	2,313.74	202.40	2,111.34	44,253.52
29	05-15-2003	2,313.74	186.96	2,126.78	42,126.74
30	06-15-2003	2,313.74	183.90	2,129.84	39,996.90
31	07-15-2003	2,313.74	168.97	2,144.77	37,852.13
32	08-15-2003	2,313.74	185.24	2,148.50	35,703.63
33	09-15-2003	2,313.74	155.86	2,157.88	33,545.75
34	10-15-2003	2,313.74	141.72	2,172.02	31,373.73
35	11-15-2003	2,313.74	136.96	2,176.78	29,196.95
36	12-15-2003	2,313.74	123.35	2,190.39	27,006.56
2003 TOTALS:		27,764.88	2,107.26	25,657.62	
37	01-15-2004	2,313.74	117.75	2,195.99	24,810.57
38	02-15-2004	2,313.74	108.01	2,205.73	22,604.84
39	03-15-2004	2,313.74	92.06	2,221.68	20,383.16
40	04-15-2004	2,313.74	88.74	2,225.00	18,158.16
41	05-15-2004	2,313.74	76.50	2,237.24	15,920.92
42	06-15-2004	2,313.74	69.31	2,244.43	13,676.49
43	07-15-2004	2,313.74	57.62	2,256.12	11,420.37
44	08-15-2004	2,313.74	49.72	2,264.02	9,156.35
45	09-15-2004	2,313.74	39.86	2,273.88	6,882.47
46	10-15-2004	2,313.74	29.00	2,284.74	4,597.73
47	11-15-2004	2,313.74	20.02	2,293.72	2,304.01
48	12-15-2004	2,313.74	9.73	2,304.01	0.00
2004 TOTALS:		27,764.88	758.32	27,006.56	
TOTALS:		111,059.52	11,059.52	100,000.00	

EXHIBIT C

DEBT STATEMENT OF

Borough of Alburdis
Lehigh County, Pennsylvania

We, the undersigned Designated Officers of the above named Local Government Unit, being duly sworn, depose and say that as of the date hereof:

I. The GROSS INDEBTEDNESS of the Local Government Unit is:

A. Electoral Debt	Amount Outstanding
	\$ 0
	<hr/>
	\$ 0

B. Nonelectoral (Direct) Debt
[Include all Bonds, Notes or other Loans, exclude Tax Anticipation Notes or Loans]

1. 1998-1 Note	\$ 128,896.31	
2.	\$	
3.	\$	
4.	\$	
5.	\$	
6.	\$	
7.	\$	
8.	\$	
9.	\$	
		128,896.31
		<hr/> <hr/>
		\$ (x)

C. Lease Rental (Authority) Debt

1. 1971-1 Bonds	\$ 345,000.00	
2.	\$	
3.	\$	
4.	\$	
5.	\$	
		345,000.00
		<hr/>
		\$ (y)

II. The PRINCIPAL AMOUNT OF THE
NOTE to be issued as new nonelectoral
debt is:

100,000.00

\$ (z)

FORM OF BORROWING BASE CERTIFICATE
5a - RF

BORROWING BASE CERTIFICATE OF

Borough of Alburdis

(Name of Local Government Unit)
Lehigh County, Pennsylvania

We, the undersigned Designated Officers, hereby certify pursuant to Section 102(c)(3) of the Local Government Unit Debt Act (the "Debt Act") that:

The Total Revenues received by the Local Government Unit for the three full fiscal years preceding the date hereof are:

Fiscal year: _____	1997	1998	1999
A. All moneys received:	\$ 1,384,306	\$ 1,418,245	\$ 1,845,466

Deductions:

1. Subsidies or reimbursements from U.S.A. or Commonwealth of Pennsylvania given or paid on account of projects financed by debt.	\$ 0	\$ 0	\$ 0
2. Project revenues, rates, and special assessments pledged or budgeted for specific self-liquidating debt or for payments under leases, guaranties, or other forms of agreements which could constitute lease rental debt.	\$ 51,600	\$ 51,600	\$ 51,600
3. Interest from funds pledged or budgeted for the payment or security of outstanding debt and interest on bond or note proceeds, if similarly pledged.	\$ 0	\$ 0	\$ 0

4. Grants and gifts in aid of, or measured by the construction or acquisition of, specific projects.

\$ 0 \$ 0 \$ 0

5. Proceeds from disposition of capital assets and other nonrecurring items including bond or note proceeds not considered income under GAAP.

\$ 76,000 \$ 29,368 \$ 250,000

6. Total Deductions (Add B-1 through B-5)

\$ 127,600 \$ 80,968 \$ 301,600

C. Total Revenues (A minus B-6)

\$ 1,256,706(x) \$ 1,337,277 (y) \$ 1,543,866 (z)

D. The Borrowing Base (i.e., the arithmetic average of the Total Revenues for the three full fiscal years; (x + y + z) + 3) is \$ 1,379,283

By: _____ President of
Chief Legislative Officer Borough Council

By: _____ Borough
Chief Administrative Officer Secretary

Date: 11/29, 19 2000

Derived from Audit Report

A = Total revenues from all funds except fiduciary funds (trust & agency)

B2= Subsidy from Lehigh County to pay Sewer Bonds

B5= Proceeds of Long-term Debt and certain Misc. Revenue (1998=Timbering)