

ORDINANCE

AN ORDINANCE AUTHORIZING PAYMENT OF THE OUTSTANDING BALANCE OF AN EXISTING HARLEYSVILLE NATIONAL BANK LINE OF CREDIT IN THE AMOUNT OF 7,000,000.00 DOLLARS BY WITHDRAWING OF PRINCIPAL OF A CITY RESERVE TRUST FUND; AUTHORIZING AND APPROVING THE LOAN AGREEMENT AND PROMISSORY NOTE BETWEEN THE REDEVELOPMENT AUTHORITY OF THE CITY OF COATESVILLE AND THE CITY OF COATESVILLE

WHEREAS, the City of Coatesville is a Third Class City situated in Chester County, Pennsylvania, operating under its Home Rule Charter and the Third Class City Code; and,

WHEREAS, pursuant to Ordinance No. 1124-2000, the City created the Fund for the purpose of administering and investing any net proceeds it received from CCA as a result of the sale of CCA's assets subject to certain conditions including that the principal of such Fund could be used in the event of "emergency" financial circumstances requiring the need for funds, in which case any funds used would be replenished when practical; and

WHEREAS, funds are needed to meet current and past due financial obligations; and

WHEREAS, pursuant Ordinance No. 1236-2004, the City of Coatesville authorized and approved the Project which is included the following: (i) the acquisition and rehabilitation of certain blighted properties located in the City of Coatesville (as identified in the Authority's revitalization plan or identified in the direct agreements with preferred developers); (ii) payment of the costs of appraisals and environmental studies in connection with the acquisition of such property; (iii) payment of the costs of professional services, public relations, engineering costs, relocation expenses and development costs for the acquired property; (v) funding capitalized interest; and (vi) payment of the costs and expenses associated with the issuance of the Note; and

WHEREAS, the City of Coatesville requested the Coatesville Redevelopment Authority to undertake the Project; and

WHEREAS, the City of Coatesville authorized and approved the issuance of the Note by the Coatesville Redevelopment Authority in the principal amount of seven million (7,000,000.00) dollars by the execution and delivery of the Guaranty Agreement; and

WHEREAS, the City of Coatesville is obligated to make payments under the Guaranty Agreement from the general revenues of the City; and

WHEREAS, Harleysville National Bank \$7,000,000.00 (seven million) dollars line of credit expired on August 15th 2009 and been extended to November 15th 2009.

NOW THEREFORE, in accordance with the foregoing authority, which incorporates all rights and powers granted to the City of Coatesville under the Third Class City Code and those powers granted to the City under its Charter as well as all inherent powers and all rights deriving from any agreements between the City and CCA, the City does hereby enact and ordain as follows:

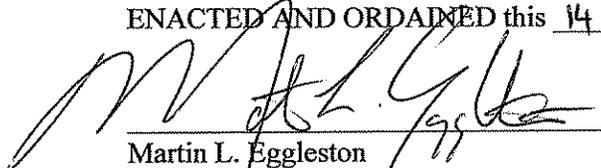
1. The City Council of the City of Coatesville does hereby declare and confirm that there exists a state of public emergency affecting the life, health, property and peace of the citizens of Coatesville;

2. Paragraph 5 of Ordinance No. 1124-2000 is hereby repealed for purposes of addressing the emergency identified herein;
3. The City Manager is authorized and directed to alleviate the emergency by withdrawing amounts of principal from the Fund in the amount of up to seven million (\$7,000,000.00) dollars for the purpose of paying current obligations of the City to the extent that funds are not otherwise available on a current basis for such purpose and are necessary to address the identified emergency; and
4. In furtherance of the authority and direction provided in the preceding paragraph, the City Manager is authorized and directed to (i) instruct the First National Bank of Chester County to sell investments in the Fund and to transfer the proceeds to such City account(s) as the City Manager shall direct, and (ii) take any other actions that may be necessary or desirable to facilitate the sale of investments in the Fund and to transfer the proceeds to one or more City accounts.
5. The City authorizes and approves the execution of the Loan Agreement and Promissory Note in the amount of \$ 7,000,000.00 between the Redevelopment Authority and the City of Coatesville.
6. The President or Vice President of the Council of this City and the City Manger are hereby authorized and directed to execute, attest, seal and deliver the Loan Agreement and Promissory Note.

If any sentence, clause, section or part of this Ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts hereof.

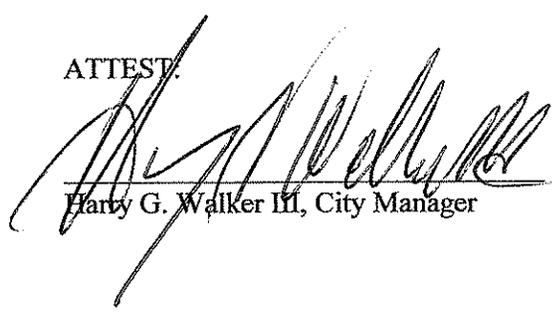
This Ordinance shall be effective thirty (30) days after publication following final adoption in accordance with the City Charter and the Third-Class City Code.

ENACTED AND ORDAINED this 14 day of December, 2009.



Martin L. Eggleston
President, City Council

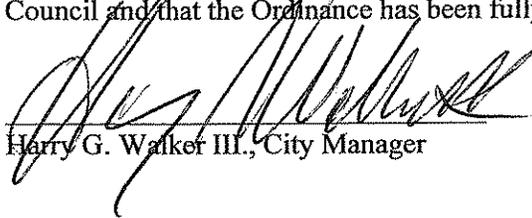
ATTEST.



Harry G. Walker III, City Manager

CERTIFICATION

I HEREBY CERTIFY that the foregoing Ordinance was introduced on the 16th day of November and was duly enacted by the Council of the City of Coatesville, Chester County, Pennsylvania, on the 14 day of ~~December~~, 2009, that the vote upon the said Ordinance has been recorded in the Minutes of the City Council and that the Ordinance has been fully recorded.

A handwritten signature in cursive script, appearing to read "Harry G. Walker III", is written over a horizontal line.

Harry G. Walker III., City Manager