



Central Offices
Philadelphia and 6th Streets
P.O. Box 400
Indiana, PA 15701-0400
fcbanking.com

March 3, 2020

Swissvale Borough
7560 Roslyn Street
Swissvale, PA 15218

Attention: Clyde Wilhelm, Manager

RE: Draw down General Obligation Note to fund the purchase and renovation of a public works facility

Dear Mr. Wilhelm,

I am pleased to inform you that First Commonwealth Bank has approved your loan request. THIS LETTER REPLACES LETTER DATED 1-6-2020. This approval is subject to the terms and conditions that will be set forth in the documents to be executed by the parties to evidence and secure the credit facility including but not limited to the following terms and conditions:

Borrower:	Borough of Swissvale
Amount:	\$850,000.00
Dated:	The day of closing
Maturity:	15 years
Type of Loan:	Draw down General Obligation Note
Repayment:	Interest only monthly during draw down period of 12 months followed by 168 Monthly P and I payments to amortize by maturity.
Source of Repay:	General Obligation pledge of revenues of the Borrower
Collateral:	Pledge of all Revenues of the Borough
Rate:	Fixed at a tax exempt rate of 3.35% (taxable equivalent of 4.06%). Should interest rate not be approved for bank qualified tax exempt, the rate will be adjusted accordingly.
Prepayment Penalty:	2% if paid with funds from another financial institution
Accrual Method:	Actual number of days / 360 days
Purpose:	Purchase and renovate a Public works facility.

Commitment Fee: \$2,000.00

Conditions: In accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania the following must support the loan:

- A. Loan Resolution
- B. General Obligation Note including pledge of taxes and revenues and Security Agreement if necessary
- C. Solicitor's Opinion providing the following agreements:
 - 1. The individuals executing the note are duly elected officers of the Borough.
 - 2. The signatures on the documents are genuine.
 - 3. There is no litigation pending or threatened that in any manner affects the issuance and delivery of the said Notes.
 - 4. Note is tax-free borrowing under all relevant legal status
 - 5. Compliance with all Local Government Unit Debt Act Filings

Additional Conditions

- 1. Receipt and review of C.P.A. audited financial statements for the most recent three year period.
- 2. C.P.A. audited financial statements to be provided on an annual basis within 180 days of fiscal year end.
- 3. Receipt and review of the 2020 Budget showing sufficient revenues anticipated for payment to support the 2020 budget. Budget due annually within 30 days of FYE.
- 4. Draws will be limited to one per month and submitted via electronic mail or fax in the form of the Engineers Project and payment form and acceptable to the Bank.
- 5. All legal and any additional costs incurred by the Lender or the Borrower with respect to the proposed transaction are the responsibility of the Borrower.
- 6. Draws will be disbursed into a project checking account to be established at FCB.
- 7. First Commonwealth Bank will prepare the documents. If there are changes requested to the documents that require the review of Bank counsel there may be additional charges.
- 8. Language in the note to the effect that if at any time during the existence of the notes, it is determined that the interest paid or to be paid on the notes is not tax-free to the bank, the interest rate on the loan will be adjusted to provide the bank with a tax effective yield, as determined by the bank

This commitment is granted for a period of fifteen (15) days from the date above written. In the event these terms are not agreed to within that period, the commitment will lapse. If all terms and conditions are agreeable, kindly acknowledge acceptance and return a copy in the enclosed envelope. This loan must be closed within 60 days from the date of your acceptance. If the loan is not closed during this period, this commitment will lapse, and it will be necessary to renegotiate the terms of the loan.

I appreciate the opportunity to be of service to you and look forward to a mutually beneficial relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Trimarchi", written over the word "Sincerely,".

Joseph E. Trimarchi
Vice President / Manager Public Sector