

ORDINANCE NO. 159

Enacted April 11, 2012

of the
BOROUGH OF INDIAN LAKE
(Somerset County, Pennsylvania)

respecting
\$7,000,000 GENERAL OBLIGATION NOTES, SERIES A AND B OF 2012

WHEREAS, the Governing Body of the above-named Local Government Unit (the "Local Government Unit") deems it advisable to borrow the amount shown above, pursuant to the Local Government Unit Debt Act (the "Act"), for the: (a) payment of a portion of the costs of the repair, restoration and rehabilitation of the Indian Lake Borough Dam (as generally described in analyses, reports, plans and specifications developed by GAI Consultants, Inc. and CME Engineering LP (together, the "Professional Engineer")); (b) current refunding, in order to exchange notes for bonds, of the Local Government Unit's outstanding General Obligation Bond, Series of 2010 (the "Prior Bond") which Prior Bond was issued to provide funds to finance or refinance a portion of the costs of the improvements described in (a) above; and (c) payment of the costs of issuing the Notes (collectively, the "Project"); and

WHEREAS, 1st Summit Bank (the "Purchaser-A" or the "Bank-A") has presented a written purchase contract (the "Purchase Contract-A"), attached hereto within **Exhibit PC**, to purchase a note to be issued by the Local Government Unit in order to achieve the financing of a portion of the Project; and

WHEREAS, Somerset Trust Company (the "Purchaser-B" or the "Bank-B") has presented a written purchase contract (the "Purchase Contract-B"), attached hereto within **Exhibit PC**, to purchase a note to be issued by the Local Government Unit in order to achieve the financing of a portion of the Project; and

WHEREAS, as appropriate in the context, 1st Summit Bank and Somerset Trust Company may be referred to herein, collectively, as "Purchaser" or "Banks", or, singularly, as "each Purchaser" or "each Bank";

NOW, THEREFORE, it is hereby enacted that:

Section 1 -- Authorization.

1.01. The Local Government Unit hereby authorizes the incurrence of electoral indebtedness in the principal amount set forth above, to be evidenced by installment obligations (the "Notes"), in the forms attached hereto as **Exhibit B**, in order to pay the costs of the Project. The Notes will be dated the date of their delivery, and will bear interest at the variable rates described in their forms over their twenty-five year terms, and will be payable (at maturity or upon earlier redemption) on the date and/or at the times, shown within **Exhibit B** attached hereto.

1.02. The Local Government Unit hereby specifically finds and determines that: (a) the costs of the Project have been determined by its Professional Engineer from bids received and contracts completed and performed, and/or from professional estimates, in the case of the final Phase III of the Project's development; and (b) as completed, following the Phase III improvements, the remaining useful life of the Project is at least thirty (30) years.