

AN ORDINANCE OF THE BOROUGH OF INDIAN LAKE INCREASING THE NONELECTORAL INDEBTEDNESS OF THE BOROUGH BY THE ISSUANCE OF A GENERAL OBLIGATION NOTE NO. I IN THE AMOUNT OF ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) FOR THE PURPOSE OF PAYING FOR A PORTION OF THE COSTS OF CONSTRUCTING AND RECONSTRUCTING ROADS IN THE BOROUGH AND RELATED COSTS, AND APPROVING THE PROPOSAL FROM NATIONAL BANK OF WESTERN PENNSYLVANIA FOR THE SALE OF SAID NOTE; APPROVING THE ENGINEER'S PROJECT COST ESTIMATE; FIXING THE FORM, INTEREST RATE, PAYMENT AND MATURITY DATE FOR SAID NOTE; PLEDGING THE REPAYMENT OF SAID NOTE; AUTHORIZING THE EXECUTION, SALE AND DELIVERY THEREOF; AND AUTHORIZING THE FILING FOR APPROVAL OF SAID DEBT WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS, AND AUTHORIZING THE PAYING OF THE REQUIRED FILING FEE THEREFOR.

WHEREAS, it is necessary that the nonelectoral indebtedness of the Borough of Indian Lake, located in the County of Somerset and Commonwealth of Pennsylvania, be increased by the amount of One Hundred Sixty Thousand Dollars (\$160,000) for the purpose of paying for a portion of the cost of constructing and reconstructing roads in the Borough, including paying the costs and expenses incurred in preparing and issuing said Note; and

WHEREAS, the Borough has heretofore determined and solicited negotiated bids from three banks, including National Bank of Western Pennsylvania, for the issuance of its General Obligation Note No. I in the principal amount of \$160,000, has received an appropriate bid from National Bank of Western Pennsylvania therefor, and wishes to herewith formally accept said bid with 5-1/2% per annum (based upon a year of 365 days) as its stipulated interest rate for said Note.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Indian Lake, and it is hereby approved and enacted by authority of the same as follows:

SECTION 1:

The proposal from National Bank of Western Pennsylvania for the purchase of the General Obligation Note No. I of the Borough of Indian Lake in the principal amount of \$160,000 with an interest rate of 5-1/2% per annum (based upon a year of 365 days) for said Note, maturing five (5) years from the issuance date thereof, is hereby accepted.

SECTION 2:

The Borough Engineer's Project Cost Estimate as set forth in "Exhibit A" attached hereto and made a part hereof is hereby approved in compliance with Section 106 of the Local Government Unit Debt Act. The nonelectoral indebtedness of the Borough of Indian Lake be, and the same is, hereby increased by the amount of One Hundred Sixty Thousand Dollars (\$160,000) for the purpose of paying for a portion of the costs of constructing and reconstructing certain roads in the Borough, including paying the costs and expenses incurred in preparing and issuing said Note. The useful life of said improvements is hereby declared to be seven (7) years. The construction period for the improvements is estimated by the Engineers to be three (3) months.

SECTION 3:

The said indebtedness shall be evidenced by a General Obligation Note in the principal amount of \$160,000 and designated as No. I, shall be dated the date of execution thereof, and shall bear interest from its date at the rate of 5-1/2% per annum (based upon a year of 365 days) until its maturity five (5) years from the issuance date thereof, with the payments of principal and interest to be made annually on said Note as designated herein and therein.

SECTION 4:

The principal and interest on said Note shall be payable at the Berlin Office of National Bank of Western Pennsylvania, without deduction for any taxes (except gift, succession or inheritance taxes or any other taxes not levied directly on the Note, the receipt of the income therefrom, or the realization of gains made on the sale thereof) which may be levied or assessed thereon or on the debt secured thereby pursuant to any present or future law of the Commonwealth of Pennsylvania, all of which taxes the Borough of Indian Lake hereby assumes and agrees to pay as the same may be from time to time assessed thereon.

SECTION 5:

This Note or any portion of the principal amount thereof may be prepaid at any time. Any such prepayment may be made by the Borough without premium or penalty.

SECTION 6:

The indebtedness to be incurred hereunder will be done so by the issuance of a \$160,000 General Obligation Note No. I, which will be nonelectoral debt of the Borough of Indian Lake upon the proper filing with and approval by the Pennsylvania Department of Community Affairs.

SECTION 7:

The form of said Note issued hereunder shall be substantially as follows:

BOROUGH OF INDIAN LAKE
SOMERSET COUNTY, PENNSYLVANIA

General Obligation Note No. I

\$160,000.00

Indian Lake, Pennsylvania

August 5, 1977

FOR VALUE RECEIVED, the BOROUGH OF INDIAN LAKE, a local government unit and body corporate and politic of the Commonwealth of Pennsylvania, hereby promises to pay to the order of NATIONAL BANK OF WESTERN PENNSYLVANIA, at its Berlin Office in the Borough of Berlin, Somerset County, Pennsylvania, in lawful money of the United States of America, the principal sum of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) on or before August 5, 1982, with interest from the date hereof on the unpaid balance of said principal sum at the rate of 5-1/2% per annum (computed on the basis of a year of 365 days), and such interest and the principal on this Note to be paid in annual payments on August 5 of each year until maturity in accordance with the following schedule, all in compliance with the terms of the Debt Ordinance hereinafter identified:

<u>PAYMENT DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
<u>Aug. 5</u> , 1978	\$ 32,000	\$ 8,800.00	\$ 40,800.00
<u>Aug. 5</u> , 1979	32,000	7,040.00	38,040.00
<u>Aug. 5</u> , 1980	32,000	5,280.00	37,280.00
<u>Aug. 5</u> , 1981	32,000	3,520.00	35,520.00
<u>Aug. 5</u> , 1982	<u>32,000</u>	<u>1,760.00</u>	<u>33,760.00</u>
	\$160,000	\$26,400.00	\$186,400.00

This Note may be prepaid at the option of the Borough in whole or in part at any time and from time to time without penalty, provided that any such partial prepayment shall be in the inverse order of principal payments only.

The Borough Treasurer or Borough Secretary of the Borough of Indian Lake shall deposit money for the payment of the principal and interest due on this Note into a sinking fund at National Bank

of Western Pennsylvania on or before each of the aforementioned payment dates in amounts sufficient for the payment of the total principal and interest hereon. Such sinking fund, known as General Obligation Term Loan Note "Sinking Fund No. I" of the Borough, has been established at the Berlin Office of National Bank of Western Pennsylvania, at which this Note is payable.

The Borough hereby covenants that it will make no use of the proceeds issued pursuant to this Note which, if such use had been reasonably expected as of the date hereof, would have caused this Note to be considered an "arbitrage bond", as that term is defined by the regulations of the United States Treasury Department. In the Event that this Note is for any reason determined to be an "arbitrage bond", it shall bear interest from the effective date as set forth in said determination at the taxable equivalent of its present interest rate.

In the event of a default (other than a breach of the arbitrage covenant set forth above) hereunder, the entire balance of this Note shall be and become immediately due and payable without notice or demand.

The Borough of Indian Lake hereby covenants with the holder hereof that it will include the amount of the debt service for this Note in each of its budgets until this Note is fully paid, shall appropriate such amounts to the payment of the debt service, and shall duly and punctually pay the principal and interest as specified herein, and for such budgeting, appropriation and payment of this Note the Borough of Indian Lake hereby pledges its full faith, credit and taxing power.

This Note is issued under the authority of the Pennsylvania Local Government Unit Debt Act, Act No. 185, approved July 12, 1972,

as amended, and pursuant to and entitled to the benefits provided for under a Debt Ordinance of the Borough of Indian Lake, adopted July 8, 1977, being Ordinance No. 32. In said Debt Ordinance, the Borough has pledged its full faith, credit and taxing power to the payment in full of the principal and interest on this Note. Said Ordinance also contains, among other things, provisions for prepayment of this Note. Proceedings with respect to the issuance of this Note were approved by the Department of Community Affairs of the Commonwealth of Pennsylvania on July 25, 1977, and it is hereby certified and recited that all conditions, acts and things required by law to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened, and that this Note is within every debt and other limitation prescribed by law.

BOROUGH OF INDIAN LAKE

BY

John S. Muehlen
President, Borough Council

ATTEST:

BY

Carol Ann Corbett
Secretary

SECTION 8:

The President of the Borough Council and the Borough Secretary-Treasurer are hereby authorized and directed to execute said Note on behalf of the Borough and to affix thereto its common and corporate seal, and they are, or either of them individually is, further hereby authorized and directed to deliver said Note to the purchaser thereof and receive payment therefor on behalf of the Borough.

SECTION 9:

The Borough of Indian Lake covenants with the holder of

said Note, in compliance with Section 404 of the Local Government Unit Debt Act, that it will budget, appropriate and duly and punctually pay said interest and principal payments on said Note at the time and place and in the manner stated in said Note according to the true intent and meaning thereof, and for said budgeting, appropriation and payment, the Borough of Indian Lake pledges its full faith, credit and taxing power. This covenant shall be specifically enforceable.

SECTION 10:

There is hereby established a sinking fund for the payment of the Note hereby authorized, said Fund to be known as the "Sinking Fund No. I". The moneys hereinabove pledged to be deposited in said Sinking Fund shall be so deposited, shall be held in said Sinking Fund, and shall be used solely for the payment of the interest and principal payments on said Note, to which purpose said money is hereby irrevocably pledged. The Borough hereby covenants to make the payments of said interest and principal out of said Sinking Fund at such time and in such amounts as are stipulated herein and in said Note. The Borough further covenants to make such appropriations and payments to said Sinking Fund out of its general tax revenues in each of its Fiscal Years during the life of said Note as shall be necessary at any time in order to meet its obligations under said Note. The moneys in said Sinking Fund may be invested at the direction of the Borough at any time, all in accordance with applicable law.

SECTION 11:

The President of the Borough Council and the Borough Secretary-Treasurer are herewith authorized and directed to contract with National Bank of Western Pennsylvania for its services as the

Sinking Fund Depository and Paying Agent for said Note. There shall be no charges made for this service by said Bank.

SECTION 12:

The Borough Council herewith directs that the necessary documentation be prepared, executed, verified and filed with the Pennsylvania Department of Community Affairs for its proper approval as promptly as practicable. On this basis, it is hereby declared that the net nonelectoral debt (not excluded) to be incurred hereby shall be \$160,000.00, which together with all presently existing net nonelectoral debt of the Borough, will not be in excess of the constitutional limitations as set forth in the Local Government Unit Debt Act. The President of the Borough Council and the Borough Secretary-Treasurer and the Borough Auditors are hereby authorized and directed to prepare, verify and file the necessary "Debt Statement" required by Section 410 of the Local Government Unit Debt Act, and to submit the same, together with an "Application for Approval" of said indebtedness and the necessary filing fee of \$15.00 to the Pennsylvania Department of Community Affairs, pursuant to and in conformity with the Local Government Unit Debt Act, as promptly as practicable, and to do and perform all other acts proper and necessary in connection therewith.

SECTION 13:

All moneys derived from the sale of said Note are hereby appropriated to the purpose as stated herein and shall not be used for any other purpose.

SECTION 14:

The proceeds from the sale of said Note shall be deposited in a special account of the Borough with National Bank of Western

Pennsylvania, Berlin Office, herein designated as "Indian Lake Improvement Project Account No. I", and shall be held and shall be used only for the purposes stated herein. The moneys in said Account may be invested at the direction of the Borough Council at any time, all in accordance with applicable law.

SECTION 15:

All resolutions or ordinances or parts of resolutions or ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

SECTION 16:

This Ordinance shall take effect ten (10) days after its final enactment.

ENACTED INTO LAW by the Borough Council of the Borough of Indian Lake this 8th day of July, 1977.

BOROUGH OF INDIAN LAKE

BY John E. Ingham
President, Borough Council

ATTEST:

BY Carol Ann Corbett
Borough Secretary-Treasurer

APPROVED this 8th day of July, '77
BY James A. Holme
Mayor

"EXHIBIT A"

IMPROVEMENT PROJECT

PROJECT COST ESTIMATE

Borough Council's Portion of Construction - Streets and Roads	\$ 315,500.00
Legal Costs, Advertising and Contingencies	<u>\$ 4,500.00</u>
TOTAL PROJECT COSTS:	\$ 320,000
AMOUNT OF COST CONTRIBUTED BY OTHERS:	\$ 160,000
AMOUNT OF 5 YEAR NOTE:	\$ 160,000

It is estimated that the construction and development of this Improvement Project will take three (3) months.

, Engineer

C E R T I F I C A T E

I, the undersigned, Secretary of the Borough Council of the Borough of Indian Lake, Somerset County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said Borough which was duly enacted by the affirmative vote of a majority of the members of the Governing Body of said Borough at a meeting thereof duly called and held on July 8, 1977, with said members voting in the following manner:

<u>COUNCIL MEMBERS</u>	<u>VOTE</u>
<u>John Meehan</u> , President	<u>yes</u>
<u>Kenneth Ross</u>	<u>yes</u>
<u>Dorothy Piell</u>	<u>yes</u>
<u>Peggy Kearns</u>	<u>yes</u>
<u>Robert McGraw</u>	<u>yes</u>
<u>Terry Heinmeyer</u>	<u>absent</u>
<u>Warren Kopenhoffer</u>	<u>yes</u>

I hereby further certify that proper notices before and after its adoption were duly published, as required by law, in a newspaper of general circulation, published or circulating in the Borough, and that the same was duly recorded in the Ordinance Book of said Borough, and that said Ordinance has not been amended, modified or rescinded and is still in full force and effect.

WITNESS my hand and the seal of the Borough of Indian Lake this 8th day of July, 1977.

BOROUGH OF INDIAN LAKE

BY Carol Ann Corbett
Borough Secretary