

Resolution 1998-5

**RESOLUTION AUTHORIZING THE EXECUTION AND
DELIVERY OF A LOAN AGREEMENT, NOTE
AND OTHER APPLICABLE DOCUMENTS TO THE
PENNSYLVANIA DEPARTMENT OF COMMUNITY
AND ECONOMIC DEVELOPMENT**

WHEREAS, the Borough of Indian Lake, Somerset County, Pennsylvania, a Pennsylvania municipal corporation with its office at 1301 Causeway Drive in the Borough of Indian Lake, Somerset County, Pennsylvania, with post office address at 1301 Causeway Drive, Central City, Pennsylvania, 15926 ("Borough"), proposes to enter into a Loan Agreement with the Pennsylvania Department of Community and Economic Development ("DCED") for the purpose of borrowing the sum of Twelve Thousand Two Hundred Eleven And/100 Dollars (\$12,211.00) to help finance the costs of purchasing a 1998 Ford Explorer to be used as a police vehicle; and,

WHEREAS, in order to qualify for the loan, and to secure the repayment thereof, the Borough must authorize appropriate Borough officers to execute and deliver to DCED a Loan Agreement, Promissory Note and other applicable documents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOROUGH COUNCIL OF THE BOROUGH OF INDIAN LAKE THAT:

(1) The Borough Council of the Borough of Indian Lake, Somerset County, Pennsylvania, hereby authorizes the President

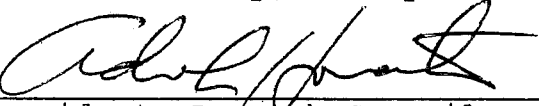
and Vice President of the Borough Council to execute the aforesaid Loan Agreement, Promissory Note and other applicable documents in the name and under the corporate seal of the Borough of Indian Lake, and the Borough Secretary is hereby authorized to attest to those documents.

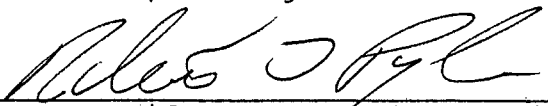
(2) A copy of the aforementioned Loan Agreement is attached hereto, marked Exhibit "A", and made a part hereof.

(3) A copy of the aforementioned Promissory Note is attached hereto, marked Exhibit "B", and made a part hereof.

IN WITNESS WHEREOF, the Borough Council of the Borough of Indian Lake, Somerset County, Pennsylvania, has caused this Resolution to be duly executed and the Borough seal to be affixed hereto this 9th day of June, 1998.

Borough Council of the
Borough of Indian Lake,
Somerset County, Pennsylvania

By: 
President, Borough Council

By: 
Vice President, Borough Council

(SEAL)
ATTEST:


Borough Secretary

CERTIFICATION

I, Theresa L. Weyant, Secretary of the Borough of Indian Lake, Somerset County, Pennsylvania, do hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by a majority vote of the Borough Council at a meeting duly held on the 9th day of June, 1998, and that the minutes of the said meeting showing how each member voted have been duly recorded in the official minutes of the said Borough Council.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 9th day of June, 1998.

Theresa L. Weyant

Borough Secretary

M.E. No./Contract No.: 97-216-0005

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**

**LOAN AGREEMENT
LOCAL GOVERNMENT CAPITAL PROJECTS**

This Agreement entered into by and between the Commonwealth of Pennsylvania, party of the first part, hereinafter referred to as the "Commonwealth", acting through the Department of Community and Economic Development, hereinafter referred to as the "Department", and

**INDIANA LAKE BOROUGH
1301 Causeway Drive
Central City PA 15926**

a municipality organized under the laws of the Commonwealth, (hereinafter "Borrower").

BACKGROUND:

Act 210 of 1990, as amended, known as the Local Government Capital Projects Loan Fund Act, (hereinafter "Act"), authorizes the Department to make loans to qualified municipalities with populations of 12,000 or under for acquisition, construction, renovation or rehabilitation of facilities or the purchase of equipment; and

The General Assembly of the Commonwealth has appropriated funds to the Department to carry out the provisions of the Act.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants herein contained, intending to be legally bound hereby, do covenant and agree as follows:

1. **LOAN AMOUNT.** Subject to the terms and conditions herein set forth, and subject to the Act and relevant guidelines, regulations, statements of policy and directives as adopted, promulgated and/or issued by the Department pursuant thereto, Borrower agrees to borrow from the Department, and the Department agrees to lend to Borrower, the aggregate principal sum of TWELVE THOUSAND TWO HUNDRED ELEVEN DOLLARS (\$12,211.00) AND NO CENTS----- (hereinafter "Loan"), out of state funds appropriated. The Borrower shall utilize the Loan solely and exclusively to pay current expenses deemed eligible by the Department pursuant to the Act and all relevant guidelines, regulations, statements of policy and directives adopted, promulgated and/or issued by the Department.

2. **CONDITIONS OF THE LOAN AND FISCAL RESPONSIBILITIES.**

A. **Interest Rate.** This Loan shall bear interest at a rate of two (2%) percent per annum.

B. **Project Account.** All Loan proceeds received from the Department by the Borrower shall be deposited in a separate Project Account maintained by the Borrower to hold and disburse the Loan in accordance with the terms of this Agreement and Note. The Borrower shall maintain full and complete records of all deposits into and disbursements from this account for a period of six (6) years following the expiration or termination of this Agreement.

The Department or any of its duly-appointed officers, agents or employees shall have full and complete access to said records to inspect, copy or reproduce, at any reasonable time during the term of this Agreement, or the six (6) year period following the expiration or termination of this Agreement. The Borrower shall report to the Department or its representative, as deemed necessary by the Department.

C. **Return of Interest Earnings.** The Borrower shall return to the Department on a quarterly calendar basis any interest earned on the Project Account.

D. **Repayment.** The Loan shall be payable to the Department in accordance with the schedule attached hereto as Exhibit A and incorporated herein by reference. Interest shall accrue from the date funds have first been disbursed to the municipality. Principal payments shall commence no later than two months after the date of receipt of final payment to the municipality. The Borrower shall have the right, at its option, to anticipate any or all installments of principal at any time prior to the stated payment dates, without notice or penalty. A delinquent charge of six (6%) percent per annum shall be assessed on any payment that is delinquent for a period of thirty (30) days or more from the scheduled payment date or dates.

E. **Promissory Note.** The Borrower shall duly authorize, execute and deliver to the Department a promissory note (hereinafter "Note"), in the principal amount of the Loan. The Note is attached hereto as Exhibit B and incorporated herein by reference.

F. **Loan Payment.** Requests for payment for eligible costs and expenses as determined by the Department shall be submitted to the Department in writing and shall consist of such documentation and contain such information as may reasonably be required by the Department or its representative pursuant to the Act and relevant guidelines and regulations.

G. **Security.** The Borrower hereby irrevocably covenants that it shall include the amount of debt service due under this Loan and Note for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts to the payment of such debt service and shall duly and punctually pay or cause to be paid the principal of the Loan and Note at the dates and places and in the manner stated in this Agreement and Note according to the true intent and meaning thereof, and for such proper budgeting, appropriations and payment, the full faith, credit and taxing power of the Borrower is hereby irrevocably pledged.

Until the Loan and Note have been entirely repaid and all of its obligations to the Department in connection herewith have been satisfied, the Borrower hereby covenants that it shall use the proceeds of the Loan solely for the purpose of paying the current expenses as approved by the Department.

3. **BONDING AND INSURANCE REQUIREMENTS.**

A. **Fidelity Bonding:** The Borrower shall procure fidelity bonding for anyone authorized to sign checks, certify vouchers and/or handle or control funds, checks, securities or property. If a check signing machine is used which is not operated under the direct supervision of the authorized signer or counter-signer the machine operator shall be bonded in the same amount as the check-signer. The amount of the bond required shall be adequate to insure the security of all funds received under this Agreement as determined by the Department and such bond must be maintained until the Agreement is closed out by the Department.

B. **Hold Harmless:** The Borrower shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all claims, demands and actions based or arising out of any activities performed by the Borrower and its employees and agents under this Contract; and shall defend any and all actions brought against the Commonwealth based upon any such claims or demands. It is understood and agreed that the Borrower's standard liability insurance policies shall protect, or shall be endorsed to protect, the Commonwealth from claims of bodily injury and/or property damage arising out of any services performed by the Borrower or its employees or agents under this Contract, including business and non-business invitees, and their property and all other property sustaining damage as a direct or indirect result of the execution of this project when validly present on Borrower's premises whether or not actually engaged in the project at the time the claim inures. Such policies shall not include any provision limiting then existing sovereign immunity of the Commonwealth or of its agents or employees. Upon request, the Borrower shall furnish to the Department proof of insurance as required by this paragraph.

4. **REPRESENTATIONS AND WARRANTIES.** To induce the Department to enter into the Agreement and to disburse the proceeds thereof in accordance with the provisions hereof, the Borrower represents and warrants that:

A. The Borrower shall comply with the terms and conditions of the repayment plan approved by the Department, pursuant to the Act, said plan which is incorporated herein by reference and made a part hereof.

B. This Agreement and Note have been duly and validly executed by the Borrower and constitute valid and legally binding agreements of the Borrower enforceable in accordance with their terms and, when duly executed and delivered pursuant to the provisions hereof, shall constitute valid and binding obligations for the Borrower.

C. The execution and delivery of this Agreement and Note, consummation of the transactions herein contemplated and compliance with the terms and provisions hereof, will not conflict with or result in a breach of any law governing the activities and powers and duties of the Borrower or of any agreement, indenture or other instrument to which the Borrower is a party, or by which it is bound, or to which it or its property is subject, or constitute a default thereunder.

D. Concurrently with, or prior to the execution of, this Agreement and Note the Borrower shall have furnished to the Department, in form and substance satisfactory to the Department, a favorable written opinion of counsel for the Borrower that: (1) the Borrower is validly organized and existing and has authority to execute the Agreement, Note and applicable loan documents as required by the Department; and (2) the Agreement and Note and applicable documents have been duly executed on behalf of the Borrower and are legally binding obligations of the Borrower, enforceable in accordance with their terms except as such enforcement may be limited by bankruptcy laws.

E. There shall have been delivered to the Department a certified resolution or ordinance of the governing body of the Borrower authorizing the execution and delivery of the Agreement, Note and applicable documents.

F. On demand by the Department, the Borrower shall do any act, execute any additional documents, and give all further assurances reasonably required by the Department to secure the Note.

G. The Borrower shall give immediate notice to the Department of the occurrence of any event of default either hereunder, under the Note or any other applicable legal documents, or under the financing Plan approved by the Department pursuant to the Act.

H. Compliance with such other conditions as shall be required by the Department.

All representations and warranties of the Borrower set forth herein shall survive and continue until the Loan and Note are paid in full and all of the Borrower's obligations hereunder have been satisfied.

5. **COMPLIANCE WITH APPLICABLE STATUTES AND DEPARTMENT REGULATIONS.**

A. **Compliance with State Statutes and Regulations:** The Borrower hereby covenants that it shall comply with all applicable laws and regulations, and with all directives and statements of policy issued by the Department.

B. **Nondiscrimination Provisions.** During the term of this Agreement, the Borrower agrees as follows:

- (1) The Borrower shall not discriminate against any employee, applicant for employment, independent contractor or any other person because of race, color, religious creed, ancestry, national origin, age or sex. The Borrower shall take affirmative action to insure that applicants are employed and that employees or agents are treated during employment without regard to their race, color, religious creed, handicap, ancestry, national origin, age or sex. Such affirmative action shall include but is not limited to: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training. The Borrower shall post in conspicuous places available to employees, agents, applicants for employment and other persons, a notice to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.
- (2) The Borrower shall state in advertisements or requests for employment placed by it or on its behalf, that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, handicap, ancestry, national origin, age or sex.
- (3) The Borrower shall send each labor union or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising said labor union or workers' representative of its commitment to this nondiscrimination clause. Similar notice shall be sent to every other source of recruitment regularly utilized by the Borrower.
- (4) It shall be no defense to a finding of noncompliance with this nondiscrimination clause that the Borrower had delegated some of its employment practices to any union, training program or other source of recruitment which prevents it from meeting its obligations. However, if the evidence indicates that the Borrower was not on notice of the third-party discrimination or made a good faith effort to correct it, such factor shall be considered in mitigation in determining appropriate sanctions.
- (5) Where the practices of a union or any training program or other source of recruitment will result in the exclusion of minority group persons so that the Borrower will be unable to meet its obligations under this nondiscrimination clause, the Borrower shall then employ and fill vacancies through other nondiscriminatory employment procedures.

- (6) The Borrower shall comply with all state and federal laws prohibiting discrimination in hiring or employment opportunities. In the event of the Borrower's noncompliance with the nondiscrimination clause of this Contract or with any such laws, this Contract may be terminated or suspended, in whole or in part, and the Borrower may be declared temporarily ineligible for further Commonwealth contracts, and other sanctions may be imposed and remedies invoked.
- (7) The Borrower shall furnish all necessary employment documents and records to, and permit access to its books, records and accounts by the contracting agency for purposes of investigation to ascertain compliance with the provisions of this clause. If the Borrower does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by the contracting agency.
- (8) The Borrower shall actively recruit minority and women subcontractors or subcontractors with substantial minority representation among their employees.
- (9) The Borrower shall include the provisions of this nondiscrimination clause in every subcontract so that such provisions will be binding upon each subcontractor.
- (10) The Borrower obligations under this clause are limited to the Borrower's facilities within Pennsylvania or, where the Contract is for purchase of goods manufactured outside of Pennsylvania, the facilities at which such goods are actually produced.

C. **Compliance with the State Contractor Responsibility Program:** The Borrower certifies that it is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Borrower cannot so certify, then it agrees to submit along with the bid/proposal, a written explanation of why such certification cannot be made.

If, under this Contract, the Borrower employs or enters into any subcontracts with subcontractors/individuals who are currently suspended or debarred by the Commonwealth or the federal government, or who become suspended or debarred by the Commonwealth or federal government during the term of this Contract or any extensions or renewals thereof, the Department shall have the right to require the Borrower to terminate such subcontracts or employment.

The Borrower agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the Inspector General for investigations of the Borrower's compliance with the terms of this Contract or any other Contract between the Borrower and the Commonwealth which result in the suspension or debarment of the Borrower. Such costs shall include, but not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Borrower shall not be responsible for investigative costs for investigations which do not result in the Borrower's suspension or debarment.

The Borrower may obtain the current list of suspended and debarred contractors by contacting the:

Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, Pennsylvania 17125
Telephone Number: (717) 783-6472
FAX Number: (717) 787-9138

D. Compliance with the Offset Provision for Commonwealth Contracts: The Borrower agrees that the Commonwealth may set off the amount of any state tax liability or other debt of the Borrower or its subsidiaries that is owed to the Commonwealth and is not being contested on appeal, against any payments due the Borrower under this or any other Contract with the Commonwealth.

E. Compliance with The Americans with Disabilities Act: Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. 35.101 et seq., the Borrower understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this Contract or from activities provided for under this Contract. As a condition of accepting and executing this Contract, the Borrower agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to the benefits, services, programs and activities provided by the Commonwealth through contracts with outside contractors.

The Borrower shall be responsible for and agrees to indemnify and hold harmless the Commonwealth from all losses, damages, expenses, claims, demands, suits and actions brought by any party against the Commonwealth as a result to the Borrower's failure to comply with the provisions of the above paragraph.

F. Reimbursement for Travel and Per Diem: Reimbursement to the Borrower for any travel, lodging or meals under this Contract shall be at or below state rates, unless the Borrower has higher rates which have been approved by its officers/officials, and published prior to entering into contract negotiations with the Commonwealth. Documentation in support of travel and per diem will be the same as required of state employees. Higher rates must be supported by a copy of the minutes or other official documents, and submitted to the Department.

G. Prohibition of Sexual Harassment: The Borrower must have a written sexual harassment policy which must be conspicuously posted.

H. Contractor Integrity Provisions:

(1) Definitions:

Confidential Information means information that is not public knowledge or available to the public on request, disclosure of which would give an unfair, unethical or illegal advantage to another desiring to contract with the Commonwealth.

Consent means written permission signed by a duly authorized officer or employe of the Commonwealth, provided that where the material facts have been disclosed in writing by pre-qualification, bid, proposal or contractual terms, the Commonwealth shall be deemed to have consented by virtue of execution of this Contract.

Borrower means the individual or entity that has entered into this Contract with the Commonwealth, including directors, officers, partners, managers, key employees and owners of more than a 5% interest.

Financial Interest means:

Ownership of more than a 5% interest in any business; or

Holding a position as an officer, director, trustee, partner, employe, or the like, or holding any position of management.

Gratuity means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment or contracts of any kind.

- (2) The Borrower shall maintain the highest standards of integrity in the performance of this Contract and shall take no action in violation of state or federal laws, regulations or other requirements that govern contracting with the Commonwealth.
- (3) The Borrower shall not disclose to others any confidential information gained by virtue of this Contract.
- (4) The Borrower shall not, in connection with this or any other Contract with the Commonwealth, directly or indirectly offer, confer or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion or violation of a known legal duty by any officer or employe of the Commonwealth.
- (5) The Borrower shall not, in connection with this or any other Contract with the Commonwealth, directly or indirectly offer, give, or agree or promise to give to anyone any gratuity for the benefit of, or at the direction or request of, any officer or employe of the Commonwealth.
- (6) Except with the consent of the Commonwealth, neither the Borrower nor anyone in privity with him shall accept or agree to accept from, or give or agree to give to, any person, any gratuity from any person in connection with the performance of work under this Contract except as provided therein.
- (7) Except with the consent of the Commonwealth, the Borrower shall not have a financial interest in any other contractor, subcontractor or supplier providing services, labor or material on this project.

- (8) The Borrower upon being informed that any violation of these provisions has occurred or may occur, shall immediately notify the Commonwealth in writing.
- (9) The Borrower by execution of this Contract and by the submission of any bills or invoices for payment pursuant thereto, certifies and represents that he has not violated any of these provisions.
- (10) The Borrower, upon the inquiry or request of the Inspector General of the Commonwealth or any of that official's agents or representatives, shall provide or, if appropriate, make promptly available for inspection and copying, any information of any type or form deemed relevant by the Inspector General to the Borrower's integrity or responsibility as those terms are defined by the Commonwealth's statutes, regulations or management directives. Such information may include, but shall not be limited to, the Borrower's business and financial records, documents or files of any type or form which refer to or concern this Contract. Such information shall be retained by the Borrower for a period of three (3) years beyond the termination of the Contract unless otherwise provided by law.
- (11) For violation of any of the above provisions, the Commonwealth may terminate this and any other Contract with the Borrower, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another Borrower to complete performance hereunder, and debar and suspend the Borrower from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation or otherwise.

6. **ASSIGNMENT, TRANSFER, COLLATERAL USE.** This Agreement shall be binding upon and inure to the benefit of the Department, the Borrower, and their respective successors and assigns, except that the Borrower may not assign or transfer its rights hereunder without the prior written consent of the Department. Approval of an assignment does not establish any legal relationship between the Commonwealth or the Department and any other third party, and under no circumstances shall the Commonwealth be held liable for any act or omission committed pursuant to such an assignment.

7. **SUBCONTRACTS.** The Borrower shall not execute or concur in any subcontract with any person or entity in any respect concerning the activities herein without prior written approval of the Department. Such prior written approval shall not be required for the purchase by the Borrower of articles, supplies, equipment and services which are both necessary for and merely incidental to the performance of the work required under this Agreement. Borrower shall not execute or concur in any subcontract declared disapproved by the Department. A subcontractor shall be automatically disapproved, without a declaration from the Department, if the subcontractor is currently or becomes suspended or debarred by the Commonwealth or the federal government. In any event, the Borrower shall be responsible for the quantity and quality of the performance of any of its subcontracts. All subcontracts must contain provisions of nondiscrimination as specified in the Article entitled Compliance with Applicable Statutes and Department Regulations, subsection (b).

8. **TEMPORARY SUSPENSION OF THE AGREEMENT.** The Department may suspend payment under this Agreement at any time upon written notice to the Borrower for any or all of the following:

Violations of laws and regulations, audit exceptions, misuse of funds, failure to submit required reports or when responsible public officials or private citizens make allegations of mismanagement, malfeasance or criminal activity.

During the term of suspension, the Borrower shall hold all available funds previously paid under this Agreement and unexpended as of the date of notice of suspension, in an interest-bearing project account. The Borrower shall have the right to cure any default or other circumstance that is the basis for suspension of this Agreement within a reasonable period of time during the period of suspension.

9. **TERMINATION OF THE AGREEMENT.** At the discretion of the Department, the Department may terminate this Agreement upon the occurrence of any one or more of the following events, by written notice to the Borrower. The termination shall be effective as of the date of delivery to the Borrower of the notice of termination, as specified in this Agreement.

A. **Termination for Default:** Upon the occurrence of any or all of the following, immediately and without further notice to the Borrower, the Department may declare the unpaid principal indebtedness under this Agreement and Note due and payable immediately, without notice or demand:

- (1) Failure of the Borrower to pay the principal and interest of the Loan when due and payable, whether at the maturity or at a date fixed for payment of installments or by acceleration or otherwise.
- (2) Failure of the Borrower to comply with or perform its obligations, duties, conditions, covenants, agreements, or undertakings as required by this Agreement and Note and relevant laws, guidelines, directives and statements of policy.
- (3) Misuse of the Loan, malfeasance, criminal activity or mismanagement in the implementation of this Agreement.
- (4) Failure of the Borrower to comply with the terms and conditions established by the Department or its representative pursuant to the Act.

B. **Termination for Lack of Appropriation:** This Agreement is expressly conditioned upon the availability of funds appropriated for the purpose of this Agreement. Unavailability of funds for any reason shall result in a suspension or termination of this Agreement by the Department.

Upon notification of termination by the Department herein, the Borrower shall repay to the Department all unused Loan proceeds and interest earned thereon. The Borrower shall also repay to the Department all Loan proceeds determined by the Department to have been used contrary to the terms of this Agreement, Note, applicable related documents, laws, directives, guidelines and statements of policy.

10. **REMEDIES.** In the event that the indebtedness shall be declared due and payable by the Department pursuant to the provisions of this Agreement and Note, or shall automatically become so due and payable, the Department may otherwise exercise, separately, concurrently, successively or otherwise, any and all remedies available to the Department pursuant to this Agreement and Note or available by law, equity, statute or otherwise, including but not limited to, those remedies identified in the Local Government Unit Debt Act.

11. **ENTIRE AGREEMENT.** This Agreement and Note, and any other documents as required by the Department, when signed by all parties hereto, constitute the full and complete understanding and agreement of the parties of its express terms as provided above.

No provision of this Agreement, Note and applicable loan documents, shall be construed in any manner so as to create any rights in third parties not party to this Agreement. It shall be interpreted solely to define specific duties and responsibilities between the Department and the Borrower and shall not provide any basis for claims of any other individual, partnership, corporation, organization, municipal entity, supplier or other respective creditors.

12. **COUNTERPARTS.** This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

13. **CONTINUATION OF COVENANTS.** All covenants and agreements of the Borrower contained herein, or made in writing in connection herewith, shall survive and continue until the Loan and Note are entirely paid and all of the Borrower's obligations hereunder have been entirely satisfied.

14. **AMENDMENTS.** A properly executed amendment is required to change, revise or waive any provisions or conditions of this Agreement or Note. Such amendment must be in writing and executed by the Department and shall be effective only to the extent specifically set forth in such writing.

15. **FORM AND NOTICE.** Any notices or consents required or permitted by this Agreement shall be deemed sufficient if in writing and addressed to the Borrower or to the Department, as applicable, and shall be deemed to be delivered if delivered in person or sent by certified or registered mail, postage prepaid, return receipt requested, addressed to the Borrower or to the Department, as applicable, at the address set forth at the beginning of this Agreement. Notice shall be effective on delivery if delivered in person or on the second business day following mailing, if mailed.

16. **SEVERABILITY.** Should any section or any part of any section of this Agreement and Note be rendered void, invalid or unenforceable by any court of law, for any reason, such a determination shall not render void, invalid, or unenforceable any other section, or part of any section of this Agreement.

17. **CONSTRUCTION.** This Agreement and Note and all other applicable loan documents executed pursuant hereto shall be interpreted and construed in accordance with federal law, where applicable, and with the laws of the Commonwealth. All of the terms and conditions of this Agreement are expressly intended to be construed as covenants as well as conditions. The titles of the sections and subsections herein have been inserted as a matter of convenience and reference only and shall not control or affect the meaning or construction of any of the terms or provisions herein.

18. **NON-WAIVER OF REMEDIES.** No delay or failure on the part of the Department in exercising any right, power or privilege hereunder, or as provided in the Note, shall affect such right, power or privilege, nor shall any single or partial exercise thereof, or any abandonment waiver or discontinuance of steps to enforce such a right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies of the Department hereunder are cumulative and concurrent and not exclusive of any rights or remedies which it might otherwise have. The Department shall have the right at all times to enforce the provisions of this Agreement and Note and all related documentation in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Department in refraining from so doing at any time or times. The failure of the Department at any time or times to enforce its rights under such provisions, strictly in accordance with same, shall not be construed as having created a custom in any way or manner contrary to specified provisions of this Agreement or Note, or any such documentation, or as having in any way or manner modified or waived same.

IN WITNESS WHEREOF the parties hereunto have set their hands and seals on:

WITNESS:

INDIANA LAKE BOROUGH

Legal Name of Applicant

Federal Identification Number 25-1186232

Commonwealth of Pennsylvania
Acting through the
Department of Community and
Economic Development

By _____ (Seal)

Title _____

Date _____

Secretary/Deputy Secretary

Date

By _____

Title _____

Date _____

Approved:

Office of Budget Date

Approved as to Legality and Form

I hereby certify that funds in the amount of \$12,211
are available under Appropriations Symbol:

127-024-216-97-2-0050-835-\$12,211

Office of Chief Counsel Date

Program CAP
M.E. # 97-216-0005

Office of Attorney General Date

Department of Community & Economic Development Comptroller Date

**EXHIBIT B
NOTE**

FOR VALUE RECEIVED, the undersigned, INDIANA LAKE BOROUGH (hereinafter "Borrower"), organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby irrevocably promise to pay, without defalcation, to the order of the Pennsylvania Department of Community and Economic Development (hereinafter "Department"), an agency of the Commonwealth of Pennsylvania, at the latter's principal office in Harrisburg, Pennsylvania, the principal sum of TWELVE THOUSAND TWO HUNDRED ELEVEN DOLLARS (\$12,211.00) AND NO CENTS----- plus interest, if any, in lawful money of the United States of America, payable at the principal office of the Department set forth above, on the dates and in the amounts as set forth in Exhibit A, attached hereto and incorporated herein by reference, without fraud or delay.

This Note is executed and delivered pursuant to the Loan Agreement between the Borrower and the Department, dated of even date herewith (the "Loan Agreement"), and is subject to all terms and conditions thereof. This Note is entitled to the security provided for in the Loan Agreement.

THE BORROWER HEREBY COVENANTS AND AGREES AS FOLLOWS:

1. All the terms, covenants, conditions and provisions of the Loan Agreement are incorporated herein by reference and made a part hereof, and any breach or violation thereof shall constitute a breach or violation of this Note.

2. It is hereby recited that this Note is authorized to be issued in accordance with the Act of the General Assembly of the Commonwealth of Pennsylvania, known as the "Local Government Capital Projects Loan Act," Act 26 of 1990, as amended, and that all acts, conditions and things required to be or be done, happen and be performed precedent to and in the issuance of this Note, or in the creation of the debt of which it is evidence, have been done, happened, and been performed in regular and due form and manner as required by law; and that for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note the entire faith, credit and taxing power of said Borrower are hereby irrevocably pledged.

3. It is hereby further certified that the said Borrower has effectively covenanted to include the amount of the debt service on this Note in each fiscal year for which sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to periodically pay or cause to be paid the principal and interest thereon, if any, at the dates and places and in the manner stated herein, according to the true intent and meaning hereof.

4. If the Borrower shall fail to pay any sum required to be paid by the Borrower under this Note or the Loan Agreement when same becomes due and payable, or if the Borrower shall fail to perform any other provision hereof to be performed by the Borrower, or if there is an event of default under the Loan Agreement, then, in any event, at the option of the Department, the whole unpaid balance of the principal indebtedness, together with all other sums due hereunder, shall become due and payable immediately without presentment, demand, protest or further notice to the Borrower, all of which are expressly waived by the Borrower.

5. Partial prepayments on the principal indebtedness may be made at any time, without premium, without the prior written consent of the Department.

6. All of the covenants herein contained shall accrue to the benefit of the successors and assigns, voluntary or involuntary, of the Department.

7. Demand, grace, presentment for payment, protest, notice of dishonor or nonpayment, and notice of the exercise of any option hereunder are hereby waived by the Borrower and all guarantors and endorsers hereof.

8. The remedies provided in this Note and the Loan Agreement, or otherwise available to the Department for the enforcement of the payment of the principal sum together with interest and performance of the covenants, conditions, agreements, matters and things herein and therein contained, are cumulative and concurrent and may be pursued singly or successively or together at the sole discretion of the Department, and may be exercised from time to time as often as occasion therefor shall occur until the Department has been paid all sums due in full.

9. The terms and provisions of this Note are severable. In the event of the un-enforceability or invalidity of any one or more of the terms, covenants, conditions or provisions of this Note under federal, state or other applicable law, such un-enforceability or invalidity shall not render any other term, covenant, condition or provision hereunder unenforceable or invalid. In the event any waiver by the Borrower hereunder is prohibited by law, including, but not limited to, the waiver of exemption from execution, such waiver shall be deemed to be deleted.

10. The Borrower hereby waives presentment for payment, demand, notice of nonpayment, notice of protest and protest of the Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and agrees that the liability of the Borrower shall be unconditional without regard to the liability of any other party, and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification.


11. This Note shall be construed and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the Borrower has caused this Note to be properly executed by the proper officers of its governing body and its corporate seal to be hereto affixed, attested to by the Secretary as of the 9 day of June, 1998.

Indian Lake Borough

Name of Borrower

BY:



(Title of Officer)

President of Council

BY:



(Title of Officer)

Vice President of Council

ATTEST:


Secretary/Clerk

(SEAL)

DEBT STATEMENT PURSUANT TO SECTION 8110
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit Indian Lake Borough
Somerset County

Statement as of July 13, 1998
(Date)

Section 3002 I. GROSS INCURRED DEBT

	Electoral	Nonelectoral	Lease Rental
A. Bonds outstanding	\$ 0.00	\$ 0.00	\$ 0.00
List and identify	\$ _____	\$ _____	\$ _____
by year of issue	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
B. Notes Outstanding	\$ 0.00	\$ ¹⁹⁹⁸ 35,000.00	\$ 0.00
List and identify	\$ _____	\$ _____	\$ _____
by year of issue	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
TOTAL	\$ 0.00	\$ 35,000.00	\$ 0.00

II. CREDITS & EXCLUSIONS

Section 3028(b)

Less:
(where applicable)

1. Sinking Funds, reserve accounts, bond proceeds	\$ 0.00	\$ 0.00	\$ 0.00
2. Current appropriations	\$ 0.00	\$ 0.00	\$ 0.00
3. Uncollected special assessments	\$ 0.00	\$ 0.00	\$ 0.00
4. Delinquent taxes and liens	\$ 0.00	\$ 0.00	\$ 0.00
5. Surplus cash	\$ 0.00	\$ 0.00	\$ 0.00
6. Solvent debts due	\$ 0.00	\$ 0.00	\$ 0.00
7. Indemnifying insurance	\$ 0.00	\$ 0.00	\$ 0.00
8. Self-liquidating and self-sustaining debt (Excluded under Sections 8024, 8025, 8026)	\$ 0.00	\$ 35,000.00	\$ 0.00
TOTAL NET INDEBTEDNESS	\$ 0.00	\$ 0.00	\$ 0.00

III. The aggregate principal amount of bonds or notes being issued or evidencing lease rental debt \$ 12,211.00

IV. The principal amount of bonds or notes which will no longer be deemed to be outstanding pursuant to Section 3250 after settlement of the issue.

(Refunding issues only)

\$ -0-

The borrowing base as shown by appended borrowing base certificate

\$ 412,141

Applicable debt limitations

(a) nonelectoral
(250% of the borrowing base)

\$ 1,030,352

(b) nonelectoral plus lease rental:
(350% of the borrowing base)

\$ 1,442,493

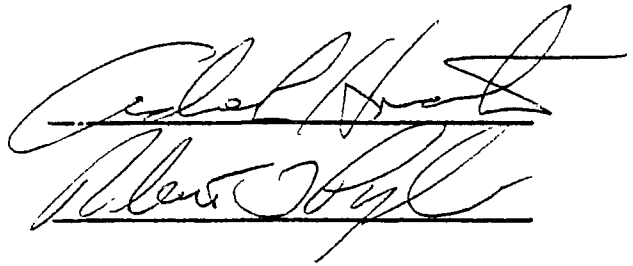
Section 8110(a) IN WITNESS WHEREOF, we, Andrew L. Horvath

and Robert T. Pyle

being authorized to prepare, certify and file the foregoing statement, have hereunto set out hands and affixed the seal

of the Indian Lake Borough, this 14 day of July
(Name of Local Government Unit)

19 98.



(SEAL)

Thomas X Keyant
Secretary

BORROWING BASE CERTIFICATE - SECTION 8002

The borrowing base is the arithmetic average of total revenues received for the three preceding fiscal years as set forth in a certificate stating the total revenues for each year and stating the average. The certificate may be executed by any authorized official of the local government unit or an independent accountant. The computation of the borrowing base must be done in accordance with the definition of revenues in Section 8002. The following method may be used:

BORROWING BASE CERTIFICATE

Prepared as of June 9, 1998
(Date)

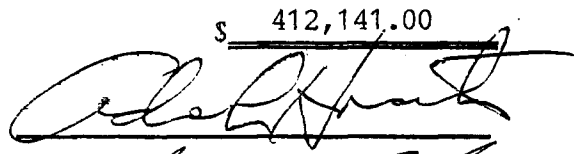
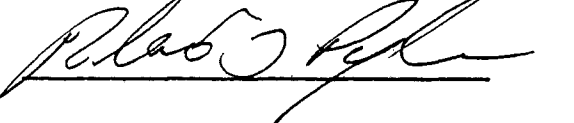
FISCAL YEAR

19 95 19 96 19 97

Total Revenues Received (money from all sources) \$ 398,657.00 \$ 428,601.00 \$ 421,188.00

Less:

(1)	State and Federal subsidies and reimbursements related to a particular project financed by debt	\$ <u>398,657.00</u>	\$ <u>428,601.00</u>	\$ <u>421,188.00</u>
(2)	Revenues, receipts, assessments, etc., pledged for self-liquidating debt	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
(3)	Interest on moneys in sinking funds pledged for debt	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
(4)	Grants and gifts-in-aid measured by construction or acquisition of specific projects	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
(5)	Nonrecurring receipts	\$ <u>300.00</u>	\$ <u>8,484.00</u>	\$ <u>3,235.00</u>
	SUBTOTAL	\$ <u>398,350.00</u>	\$ <u>420,113.00</u>	\$ <u>417,953.00</u>
	TOTAL NET REVENUES			\$ <u>1,236,423.00</u>
	BORROWING BASE (Total Net Revenues divided by 3)			\$ <u>412,141.00</u>

(SEAL)

Theresa L. Keyant
Secretary

COMMONWEALTH OF PENNSYLVANIA :

SS

COUNTY OF Somerset

Before me, the undersigned Notary Public, personally appeared _____

Andrew L. Horvath and Robert T. Pyle, who

being duly sworn according to law depose and say that they are the _____
(Title of Officer)

President and Vice President of
(Title of Officer) (Title of Officer)

Indian Lake Borough and that the facts set forth in the foregoing
(Name of Local Government Unit)

are true and correct.

[Signature]

(Title of Officer)

[Signature]

(Title of Officer)

(Title of Officer)

Sworn to and subscribed before me

this 9th day of June, 19 98

Theresa L. Weyant

Notary Public

Notarial Seal
Theresa L. Weyant, Notary Public
Stonycreek Twp., Somerset County
My Commission Expires Aug. 3, 1998

Member, Pennsylvania Association of Notaries