

INDIAN LAKE BOROUGH  
SOMERSET COUNTY, PENNSYLVANIA

ORDINANCE NO. 122

AN ORDINANCE INCREASING THE INDEBTEDNESS OF  
INDIAN LAKE BOROUGH, SOMERSET COUNTY,  
PENNSYLVANIA, BY THE ISSUE OF A GUARANTEED REVENUE NOTE  
IN THE AMOUNT OF \$429,750.00 FOR SUNDRY PURPOSES;  
FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY  
THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT  
SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED  
DOCUMENT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND  
DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE  
AND DELIVERY THEROF.

WHEREAS, it is necessary that the indebtedness of Indian Lake Borough,  
Somerset County, Pennsylvania (the "local government unit") be increased for the  
following purpose: construction and improvement of a water system within the meaning  
of the Pennsylvania Infrastructure Investment Authority Act; and

WHEREAS, the local government unit has received a preliminary realistic cost  
estimate from professional consultants indicating that the sum of \$429,750.00 will be  
needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its non-electoral  
indebtedness and its lease rental indebtedness outstanding, will not cause the limitations  
of the local government unit debt incurring power, pursuant to constitutional and  
statutory authority, to be exceeded;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Borough Council of Indian Lake Borough, Somerset County, Pennsylvania, and it is hereby ordained and enacted by the authority of same, as follows:

SECTION 1. The aggregate principal amount of the note of Indian Lake Borough, Somerset County, Pennsylvania, proposed to be issued is \$429,750.00, same to be issued for the foregoing purposes and same to be incurred as non-electoral debt.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of Twenty (20) years.

SECTION 3. Said indebtedness shall be evidenced by one Guaranteed Revenue Note, in fully registered form, in the sum of \$429,750.00, dated and bearing interest from the earliest date possible to issue said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28<sup>th</sup> day of April, 1978, being act 52 of 1978 Session and known as the Local Government Unit Debt Act, payable in 240 consecutive monthly payments, with interest at the rate of 1.491% per annum for the first 60 months and 2.848% per annum for the remaining 180 months, payable on the unpaid balance of said Note during the term of said Note, together with interest on overdue principal, and to the extent permitted by law, on overdue interest, at the rate of 4% per annum (computed on the basis of 365 days to the year) until paid, which Note shall mature in installments according to the Repayment Schedule which is attached hereto as Exhibit 'A' and incorporated herein by reference.

The local government unit reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payment dates thereof, without notice or penalty.

The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 4. The said Note is hereby declared to be a Guaranteed Revenue Note of Indian Lake Borough, Somerset County, Pennsylvania. The local government unit that hereby pledges all of the gross revenues and receipts generated from or by the Indian Lake Borough Water System and all other gross revenues and receipts as more fully set forth in the Loan Agreement to be executed by the Borough and the Pennsylvania Infrastructure Investment Authority, as well as the borrower's full faith and credit and taxing power. The local government unit hereby covenants that it shall include the amount of debt service on the note for each fiscal year in which such sums are payable in its budget for that year, shall appropriate such amounts as may be necessary for the payment of such debt service, and shall duly and punctually pay out of the gross revenues and receipts generated from the water system, and if necessary, out of the general funds of the Borough, the principal of the note and the interest thereon at the dates and places and in the manner stated in the Note, according to the true intent and meaning thereof, and for such proper budgeting, appropriation and payment, the full faith, credit and taxing power of Indian Lake Borough, Somerset County, Pennsylvania, are hereby irrevocably pledged.

The amount which the local government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 1.491 % per annum is as follows: 2001-2006: \$24,863.53 per annum.

The amount which the government unit hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 2.848 % per annum is as follows: 2006-2021: \$27,386.87 per annum.

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit 'B'.

SECTION 6. The said Note shall be executed in the name and under the corporate seal of the President and Vice President of the Borough Council and attested to by the Secretary. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser, and to receive payment therefor on behalf of the local government unit. The President and Secretary of the local government unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. Somerset Trust Company, Somerset, Pennsylvania is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2001 Guaranteed Revenue Note" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 8. The President and Secretary of the local government unit are hereby authorized to contract with Somerset Trust Company Bank for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the local government unit. Therefore, the Guaranteed Revenue Note in the amount of \$429,750.00, herein authorized to be issued and sold, is hereby awarded and sold to the Pennsylvania Infrastructure Investment Authority in accordance with its proposal to purchase the said Note at par; provided that the said Note is dated at the delivery thereof to the Pennsylvania Infrastructure Investment Authority and is in the form set forth in this Ordinance as Exhibit 'B'; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Local Government Unit Debt Act.

SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in the Somerset Daily American, a newspaper of general circulation within Somerset County, Pennsylvania, is ratified and confirmed. The advertisement in said paper of the enactment of the Ordinance is hereby directed within fifteen (15) days following the final enactment.

SECTION 11. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

ORDAINED AND ENACTED THIS 5<sup>th</sup> day of

February, 2001.

ATTEST:

Borough Council of Indian Lake Borough,  
Somerset County, Pennsylvania

Christina B. Kasper  
Secretary

By:

Adel Horst  
President

Robert J. [Signature]  
Vice-President

John [Signature]

Patricia Dewar

Ed. [Signature]

Way [Signature]

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Approved this 5<sup>th</sup> day of February, 2001.

Bang [Signature]  
Mayor, Indian Lake Borough