

COUNCIL BILL NO. 1876

INTRODUCED BY: Randy Schmidt

ORDINANCE NO. 1779

WHEREAS, the Members of Council (the "Governing Body") of the City of DuBois (the "Local Government Unit") deem it advisable to incur nonelectoral indebtedness, pursuant to the Local Government Unit Debt Act (the "Act"), for: (a) the advance refunding of the City's General Obligation Bonds, Series of 2009 (the "Refunding Program"), (b) the acquisition, construction and improvement of infrastructure and certain recreational facilities, and (c) the payment of all costs and expenses incurred by the City in connection with the issuance and sale of the Note (collectively, the "Project"); and

WHEREAS, S & T Bank (the "Purchaser") has presented a written proposal (the "Purchase Contract"), attached hereto as Exhibit PC, to purchase the Note (defined hereinafter) to be issued by the Local Government Unit in order to achieve the financing of the Project; and

NOW, THEREFORE, it is hereby enacted that:

Section 1 -- Authorization.

1.01 The Local Government Unit hereby authorizes that incurrence, and the increase, of nonelectoral indebtedness in the principal amount of \$9,000,000, to be evidenced by a general obligation note (the "Note"), in substantially the form attached hereto as Exhibit N, in order to pay the costs of the Project. The Note will be dated the date of delivery, and will bear interest at the rates described in the Purchase Contract and the Loan Agreement (hereinafter defined), and will be payable (at maturity or upon earlier redemption) on the date and/or at the times, shown within the Purchase Contract. Furthermore, the Note will be issued subject to, and its terms and conditions of payment and security further delineated by and under a loan agreement (the "Loan Agreement") substantially incorporating the terms and conditions of the Purchase Contract. The Loan Agreement, substantially in such form as the Designated Officers and the Local Government Unit's Solicitor shall approve.

1.02 Reasonable estimates of the cost of the Project, which is not less than the principal amount of the indebtedness authorized hereby, together with the useful life of the capital assets financed and refinanced by the Prior Bonds (being, on a weighted average, in excess of twenty five (25) years), have been obtained with the assistance of engineers, architects, financial advisors and other persons qualified by experience. Nothing contained herein shall prohibit the Governing Body, under proper enactment of an ordinance and compliance with all provisions of law, from amending, adding to, subtracting from, substituting for or otherwise altering the Project undertaken hereby. The Refunding Program is being undertaken in order to substitute notes for bonds in accordance with Section 8241 (b)(5) of the Act.

1.03 The Mayor, City Manager and City Secretary or their duly elected and acting successors (the "Designated Officers") are hereby authorized and directed to execute and deliver such documents, and to do and perform all acts necessary and proper for the issuance and further security of the Note, including its execution and sealing and delivery to the Purchaser. The Designated Officers are further authorized and directed to undertake and perform, or cause to be undertaken or performed, all the ordinary duties of the Local Government Unit (and the same are hereby specifically approved) which may be required to effectuate the Refunding Program, including without limitation, the appointment of an escrow structuring agent and the purchase of United States government obligations and their deposit into escrow for the payment and discharge of the Prior Bonds, pursuant to one or more escrow deposit agreement(s) or similar instruments (the execution and delivery of which by Designated Officers is hereby authorized and directed).

1.04 The Designated Officers are hereby further authorized and directed to provide to the Purchaser a copy of the audited financial statements of the Local Government Unit while the Note is outstanding.

1.05 The Local Government Unit hereby covenants and agrees to comply with the conditions and/or requirements of the Purchaser set forth in the Purchase Contract within Exhibit PC attached hereto.

Section 2 - - Preparation of Debt Statement.

2.01 As required by §8110 of the Act, the Designated Officers of the Local Government Unit shall prepare, execute and acknowledge the Debt Statement, and its accompanying Borrowing Base Certificate and shall find such documents, along with a certified copy of this Ordinance and proofs of publication of required notices, with the Pennsylvania Department of Community and Economic Development (the "Department") to enable the Department to certify its approval to issue, sell and deliver the Note.

Section 3 -- Security and Payment of the Note.

3.01 The Note shall be a general, full faith and credit obligation of the Local Government Unit. The Local Government Unit hereby covenants with the Purchaser and with subsequent holders, from time to time, of the Note that it will (a) include the amount of the debt service for each fiscal year in which any installment of principal or interest is payable in its budget for that year, (b) appropriate such amounts to the payment of such debt service and (c) duly and punctually pay or cause to be paid the principal of and interest on the Note on the dates at the place and in the manner stated therein according to the true intent and meaning thereof; for such budgeting, appropriation and payment of the Note, the Local Government Unit hereby irrevocably pledges its full faith, credit and taxing power. The exact amounts of debt service payable in respect of the Note are set forth in Exhibit N.

3.02 The Local Government Unit does hereby create, and orders to be established (in its name and identified by reference to the Note), a Sinking Fund for the payment of the Note with the Purchaser and does further covenant to maintain such Sinking Fund in accordance with the Act, until the Note is paid in full. A Designated Officer is hereby authorized and directed to contact with the Bank for its services in such capacity.

Section 4 -- Tax Covenants.

4.01 The Local Government Unit hereby covenants that no part of the proceeds of the Note will be used, at any time, directly or indirectly, in a manner which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations thereunder applicable to the Note and that it will comply with the requirements of that Section and the Regulations throughout the term of the Note.

4.02 If: (a) the principal amount of the Note plus the aggregate principal amount of all other tax-exempt obligations issued and to be issued by or on behalf of the Local Government Unit during the current calendar year exceeds \$5,000,000; and if (b) the gross proceeds of the Note is invested at a yield greater than the yield on the Note; and if (c) the gross proceeds of the Note are not expended or deemed to have been expended either within six months from the date of issuance, or, if the Project is a construction project, within two years from the date of issuance (and according to certain periodic expenditure thresholds), all pursuant to §1.148.7 of the Regulations, the Local Government Unit covenants that it will rebate the U.S. Treasury, at the times and in the manner required by the Code, the difference (if a positive number) between the investment income received and the Note proceeds and the investment income that would have been earned had the Note proceeds been invested at the yield of the Note.

4.03 The Local Government Unit hereby designates the Note as a Qualified Tax - Exempt Obligation pursuant to Section 265 (b) (3) of the Code and represents that the total amount of obligations designated and to be designated by or on behalf of the Local Government Unit during the current calendar year does not and is not expected to exceed \$10,000,000.

4.04 The Local Government Unit will file IRS Form 8038-G and any other forms or information required by the Code or the Regulations to be filed with the Internal Revenue Service in order to further ensure the exclusion of the interest on the Note from gross income tax for federal income tax purposes.

Section 5 -- Award.

After due consideration of sundry factors, including professional assistance and current market conditions, the Local Government Unit hereby: (1) determines that a private sale by negotiation of the Note is in the best financial interest of the Local Government Unit; and (2) authorizes the Designated Officers (or their appropriate successors acting by reason of absence or other incapacity), in their sole

discretion, to award the sale of the Note (or a portion thereof) to the Purchaser, by means of the execution of and delivery to the Purchaser, the Purchase Contract. The execution and delivery of the Purchase Contract is hereby ratified and confirmed.

Section 6 -- Appointment of Professionals.

The Local Government Unit does hereby appoint Dinsmore & Shohl LLP as Note Counsel in connection with the issuance of the Note and the financing of the Project. The Local Government Unit does hereby appoint The Bank of New York Mellon Trust Company, N.A. as Escrow Agent and Janney Montgomery Scott as Escrow Structuring Agent in connection with the Refunding Program.

Section 7 -- Ordinance a Contract.

Upon the Local Government Unit's execution of the Purchase Contract, this Ordinance, together with the Loan Agreement relating thereto, if and when executed and delivered, shall be deemed to be a contract with the holders, from time to time, of the Note.

Duly enacted by the Governing Body of the Local Government Unit, in lawful session assembled, on November 19, 2012.

{SEAL}

CITY OF DUBOIS

ATTEST:


John "Herm" Suplizio - City Manager


Gary Gilbert - Mayor & President of Council

PASSED BY COUNCIL

November 19, 2012

APPROVED: 

EXHIBIT N
FORM OF NOTE

CITY OF DUBOIS
(Clearfield County, Pennsylvania)
GENERAL OBLIGATION NOTE, SERIES OF 2012

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>
\$9,000,000	Variable	December 14, 2012	December 14, 2037

The above named Local Government Unit, intending to be legally bound, promises to pay to the Registered Owner at its address shown on the attached registration form in such coin or currency as at the time and place of payment is legal tender for the payment of public and private debts, without any right of setoff, the just principal sum of NINE MILLION DOLLARS (\$9,000,000.00) in accordance with the Initial Debt Service Schedule attached hereto and incorporated by reference, together with interest thereon; provided, however, that the maximum rate of interest shown on the Initial Debt Service Schedule beginning December 14, 2019 is subject to change as described below. All outstanding principal and accrued interest shall be due and payable in full on December 14, 2037. The Principal Amount outstanding under this Note will bear interest at the Tax Exempt Rate (hereinafter defined). Interest shall be payable in arrears monthly on the 14th calendar day of each month (each, an "Interest Payment Date"), commencing on January 14, 2013. All interest shall be calculated on a year of 365/360 day basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. For purposes of this Note, the term "Tax Exempt Rate" shall mean: (i) for the period from the date of this Note through December 13, 2019 a fixed rate of 2.33% per annum; and (ii) for the period commencing December 14, 2019 until all amounts are due under this Note are paid in full the LIBOR Rate plus 175 basis points up to a maximum of 6.50% per annum. The term "LIBOR Rate" shall mean the London Interbank Offered Rate of interest for an interest period of one (1) month, which appears on Bloomberg page BBAM under the column heading "USD" on the LIBOR Interest Period Rate Adjustment Date. The term "UBOR Interest Period" shall mean (i) initially, December 15, 2019 and ending on January 14, 2020 ("Change Date") and (ii) thereafter, each one (1) month period ending on the day of such month that numerically corresponds to the Change Date. The term "LIBOR Interest Period Rate Adjustment Date" shall

mean two (2) days prior to the beginning of each Change Date; provided that if such UBOR Interest Period Rate Adjustment Date is not a Business Day, the LIBOR Interest Period Rate Adjustment Date shall mean the Business Day immediately preceding such LIBOR Interest Period Rate Adjustment Date. The term "Business Day" means any day which is neither a Saturday or Sunday nor a legal holiday on which commercial banks are authorized to be closed in Indiana, Pennsylvania; and the term "S&T Prime Rate" shall mean the rate publicly announced by S&T Bank, from time to time as its Prime Rate. The S&T Prime Rate is not tied to any external rate or index and does not necessarily reflect the lowest rate of interest charged by S&T Bank, to any particular class or category of customers.

If the Local Government Unit fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within sixteen (16) calendar days of the date due and payable, the Local Government Unit also shall pay to the Registered Owner a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$20.00 (the "Late Charge"). Such sixteen-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Registered Owner's option upon the occurrence of any Event of Default (as defined in the Loan Agreement) and during the continuance thereof, this Note shall bear interest at a rate per annum (calculated on a year of 365/360 day basis) which shall be equal to three percentage points (3%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purposes of defraying the Registered Owner's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Registered Owner's exercise of any rights and remedies hereunder, under the Loan Agreement described below or under applicable law, and any fees and expenses of any agents or attorneys which the Registered Owner may employ. In addition, the Default Rate reflects the increased credit risk to the Registered Owner of carrying a loan that is in default. The Local Government Unit agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Registered Owner, and that the actual harm incurred by the Registered Owner cannot be estimated with certainty and without difficulty.

Upon at least five (5) business days prior written notice to the Registered Owner of this Note, the Local Government Unit has the right to prepay, without penalty, all or part of the outstanding principal and interest of this Note.

The Local Government Unit hereby covenants with the Registered Owner hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, will appropriate such amounts to the payment of such debt service and will duly and punctually pay or cause to be paid the entire principal hereof and the interest hereon in the place, on the dates and in the manner stated above, according to the true meaning and intent hereof; for such budgeting, appropriation and payment, the Local Government Unit hereby pledges its full faith, credit and available taxing power.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, against any office, agent or employee, past, present or future, of the Local Government Unit, as such, either directly or through the Local Government Unit, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Note.

This Note evidences a borrowing for a Project under the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as amended, pursuant to an Ordinance of the Local Government Unit duly and regularly adopted in accordance with the provisions of the Debt Act (the "Debt Ordinance"), and is delivered under and pursuant to all the terms and conditions of a Loan Agreement of even date herewith between the Local Government Unit and the Original Registered Owner (the "Loan Agreement").

The occurrence of any Event of Default under the Loan Agreement will be deemed to be an Event of Default hereunder and will be subject to the remedies described in the Loan Agreement.

This Note has been designated as a "qualified tax-exempt obligation" for the purposes of, and according to all the terms and conditions of, Section 265(b)(3) of the Tax Code.

No delay or omission of the Registered Owner to exercise any right or power arising hereunder shall impair any such right or power or be considered to be a waiver of any such right or power or any acquiescence therein nor shall the action or non-action of the Registered Owner impair any right or power resulting therefrom. If any provision of this Note is found to be invalid by a court, all the other provisions of this Note will remain in full force and effect.

This Note has been delivered to and accepted by the Registered Owner and will be deemed to be made in the Commonwealth of Pennsylvania. This Note will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the Commonwealth of Pennsylvania, excluding its conflict of laws rules.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Note, or in the creation of the indebtedness of which this Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as

required by law, and that the debt evidenced by this Note is not in excess of any constitutional or statutory limitation.


WAIVER OF JURY TRIAL. THE LOCAL GOVERNMENT UNIT WAIVES ANY AND ALL RIGHTS THE LOCAL GOVERNMENT UNIT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS AND ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

Any provisions of this Note which are held to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or effecting the validity or enforceability of such provision in any other jurisdiction.

This Note may not be changed, modified or amended, in whole or in part, except in writing and signed by the parties hereto.

(SEAL)

ATTEST:


John "Herm" Suplizio - City Manager

CITY OF DUBOIS


Gary Gilbert - Mayor & President of Council

INITIAL DEBT SERVICE SCHEDULE

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Office	Initials
68,000,000.00	11-16-2012	12-14-2037					
<small>References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or term. Any item shown containing "****" has been omitted due to lost length limitations.</small>							
Borrower: Am Schedule		Lender: BBT BANK 880 Philadelphia Street PO Box 190 Idioms, PA 18701 8001 325-2288					
Debitment Date: December 14, 2012 Interest Rate: 2.770				Repayment Schedule: Installment Calculation Method: 360/360 U.S. Rule			
Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance		
	01-14-2013	21,080.00	20,480.83	599.17	8,878,518.07		
	02-14-2013	21,022.03	20,528.90	493.13	8,857,590.17		
	03-14-2013	18,953.24	23,907.98	4,954.74	8,802,635.43		
	04-14-2013	20,350.89	20,528.94	491.95	8,797,143.48		
	05-14-2013	20,309.04	21,351.89	842.85	8,788,791.63		
	06-14-2013	20,832.86	20,728.27	1,104.59	8,787,687.04		
	07-14-2013	20,113.89	21,447.27	1,333.38	8,786,353.66		
	08-14-2013	20,723.86	20,827.06	896.80	8,785,556.86		
	09-14-2013	20,688.10	20,878.83	180.73	8,785,376.13		
	10-14-2013	18,970.82	21,580.41	2,609.59	8,782,766.54		
	11-14-2013	20,888.83	20,878.30	1,010.53	8,781,756.01		
	12-14-2013	18,874.03	21,888.90	3,014.87	8,778,741.14		
2013 TOTAL:			248,080.78	283,798.28			
13	01-14-2014	20,480.71	21,078.22	597.51	8,778,143.63		
14	02-14-2014	20,428.04	21,126.89	698.85	8,777,444.78		
15	03-14-2014	18,412.84	22,148.98	3,736.14	8,773,708.64		
16	04-14-2014	20,332.88	21,228.38	1,104.50	8,772,584.14		
17	05-14-2014	18,828.84	21,802.28	2,973.44	8,769,610.70		
18	06-14-2014	20,231.86	21,229.27	497.41	8,769,113.29		
19	07-14-2014	18,830.86	22,030.28	3,200.42	8,765,912.87		
20	08-14-2014	20,130.00	21,430.83	1,300.83	8,764,612.04		
21	09-14-2014	20,879.80	21,481.13	601.33	8,764,010.71		
22	10-14-2014	18,383.28	22,177.88	3,794.60	8,760,216.11		
23	11-14-2014	18,872.85	21,888.28	3,015.43	8,757,330.68		
24	12-14-2014	18,284.18	22,278.74	4,000.56	8,753,330.12		
2014 TOTAL:			227,314.34	288,816.82			
25	01-14-2015	18,874.82	21,888.11	3,013.29	8,750,316.83		
26	02-14-2015	19,824.02	21,736.91	1,912.89	8,748,403.92		
27	03-14-2015	17,868.88	23,701.25	5,832.37	8,742,571.55		
28	04-14-2015	18,717.00	21,843.33	3,126.33	8,739,445.22		
29	05-14-2015	19,022.03	22,628.90	3,606.87	8,735,838.35		
30	06-14-2015	18,813.87	21,847.28	3,033.41	8,732,804.94		
31	07-14-2015	18,801.22	22,828.71	4,027.49	8,728,777.23		
32	08-14-2015	18,808.26	22,061.87	3,253.61	8,725,523.62		
33	09-14-2015	18,487.81	22,103.02	3,615.21	8,721,908.41		
34	10-14-2015	18,778.84	22,781.08	3,902.24	8,717,906.17		
35	11-14-2015	18,282.48	22,208.48	3,925.99	8,713,980.18		
36	12-14-2015	18,872.87	22,883.06	4,010.19	8,709,969.99		
2015 TOTAL:			238,438.00	288,101.18			
37	01-14-2016	18,248.88	22,314.07	4,065.19	8,705,904.80		
38	02-14-2016	18,184.80	22,288.33	3,103.53	8,702,791.27		
39	03-14-2016	17,807.23	23,888.70	6,081.47	8,696,709.80		
40	04-14-2016	19,888.81	22,474.13	2,585.32	8,694,124.48		
41	05-14-2016	18,420.17	23,140.78	4,720.61	8,689,403.87		
42	06-14-2016	18,879.87	22,880.86	3,901.00	8,685,502.87		
43	07-14-2016	18,318.83	23,244.40	4,925.57	8,680,577.30		
44	08-14-2016	18,872.84	23,988.29	5,115.45	8,675,461.85		
45	09-14-2016	18,818.80	22,741.42	3,922.62	8,671,539.43		
46	10-14-2016	18,188.87	23,408.08	5,219.21	8,666,320.22		
47	11-14-2016	18,711.42	22,848.51	4,137.09	8,662,182.61		
48	12-14-2016	18,088.04	22,984.89	4,896.85	8,657,297.76		
2016 TOTAL:			223,773.84	274,988.82			
49	01-14-2017	18,802.85	22,888.08	4,085.23	8,653,212.53		
50	02-14-2017	18,848.08	23,011.88	4,163.80	8,649,048.65		
51	03-14-2017	18,708.32	24,858.81	6,150.49	8,642,898.16		

REGISTRATION FORM

This note can be validly negotiated only upon proper execution of the form set forth below. The Local Government Unit shall treat the Registered Owner of this Note, as noted on this Note and on its books, As the absolute owner thereof, and shall not be affected by any change circumstances, or by any notice to the contrary.

Original Registered Owner

S & T Bank

<u>Date</u>	<u>Transferor</u>	<u>Subsequent Purchaser</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

For value received, the last-named Transferor, by its due execution above, hereby, on the above-stated date, sells, transfers and negotiates this Note to the last named Subsequent Purchaser, warranting that this transfer is effective and rightful; that this Note is genuine and has not been materially altered; and that it has no knowledge of any fact which might impair the validity of this Note.

EXHIBIT PC

PURCHASE CONTRACT - Page 1



P.O. Box 247
Dubois, PA 15801-0247

800-325-BANK
stbank.com

October 16, 2012

Revised Date: November 7, 2012

City of DuBois
PO Box 408
18 W. Scribner Ave.
DuBois, PA 15801

Dear John:

I am pleased to inform you that S&T Bank (hereinafter the "Bank") has approved your \$9,000,000.00 financing request for City of DuBois (hereinafter the "Borrower"). This offer is subject to the terms and conditions in the documents signed by the parties to evidence the loan transaction and includes, but is not limited to, the following terms and conditions:

<i>Borrower:</i>	<i>City of DuBois</i>
<i>Amount:</i>	<i>\$8,300,000.00</i>
<i>Revised Amount:</i>	<i>\$9,000,000.00</i>
<i>Rate:</i>	<ul style="list-style-type: none"> a.) Tax Free Equivalent of 30-Day LIBOR + 1.75% - 1.33% (tax-free) / 1.96% (taxable) b.) Fixed for 7 years at the Tax Free Equivalent of 175 basis points over the 7-year FHLB weekly average fixed rate. Rate to reset to the tax-free equivalent of the 30-Day LIBOR + 175 basis points. Rate to be locked at the time of documentation. - 2.33% (tax-free) / 3.49% (taxable) c.) Fixed for 10 years at the Tax Free Equivalent of 175 basis points over the 10-year FHLB weekly average fixed rate. Rate to reset to the tax-free equivalent of the 30-Day LIBOR + 175 basis points. Rate to be locked at the time of documentation. - 2.72% (tax-free) / 4.10% (taxable) d.) Fixed for 15 years at the Tax Free Equivalent of 100 basis points over the 15-year S&T Bank Portfolio Rate. Rate to reset to the tax-free equivalent of the 30-Day LIBOR + 175 basis points. Rate to be locked at the time of documentation. - 3.31% (tax-free) / 5.00% (taxable)
<i>Commitment Fee:</i>	<i>5 Basis points of total loan amount</i>
<i>Documentation Fee:</i>	<i>Per outside council</i>
<i>Repayment:</i>	<i>Principal and interest per month to be determined and adjusted accordingly</i>

EXHIBIT PC

PURCHASE CONTRACT - Page 2

Maturity Date:	25 years
Amortization:	25 years
Security:	a.) Full faith credit and taxing power of the City of DuBois b.) UCC-1 filing on all future taxes and revenues due to the City
Revised Security:	<i>The note will be secured by a pledge of the full faith credit and taxing power of the City pursuant to the Local Government Unit Debt Act, 53 Pa.C.S.A. §8001 et seq., as amended. The City will covenant to include the amount of debt service on the Note, in each fiscal year for which such sums are due, in its budget for that year; to appropriate such amount to the payment of such debt service; and to pay or cause to be paid, from time to time as and when due, the principal of the Note and the interest thereon the dates, at the place and in the manner stated in the Note.</i>
Guarantors:	None
Purpose:	To refinance General Obligation Bond, Series 2009 (\$7,500,000 principal and \$700,000 interest and fees) and to add new water lines for new customers (\$800,000)
Prepayment Penalty:	None
Conditions Required Prior To Closing:	<ol style="list-style-type: none"> 1.) Annual CPA Audited financial statement on the Borrower due 18 months after fiscal year end. 2.) Compliance with all filings required by the Local Governmental Unit Debt Act. 3.) <i>Borrowing Ordinance</i> 4.) <i>Receipt of Note Counsel's opinion verifying the Tax-Free Status.</i> 5.) <i>Rate is based on the designation of the note as a Qualified Tax-Exempt obligation. If the note fails to meet this requirement, the interest rate on the loan will be adjusted to provide the Bank with a tax effective yield, as determined by the Bank.</i> 6.) The borrower will reimburse the Bank for all expenses in connection with the documentation, closing and collection of this loan. 7.) Borrower shall further provide any additional information that the Bank shall reasonably request. 8.) Contingent upon receipt of an executed commitment letter and appropriate loan documents as determined by the Bank.

EXHIBIT PC

PURCHASE CONTRACT - Page 3

The Borrower agrees to execute and deliver such instruments, documents, certificates, opinions, assurances, and actions as the Bank may request, to affect the purpose of the transaction described in this commitment letter. The Bank's obligation to make the loan shall be subject to receipt by the Bank of properly executed documents in form and substance satisfactory to the Bank and Bank's counsel. All proceedings, agreements, instruments, documents, and other matters relating to the making of the loan, and all other transactions herein contemplated, shall be satisfactory to the Bank and to Bank's counsel. While our mutual efforts will be directed toward the closing of this transaction, we may require that the transaction be restructured or otherwise modified.

This commitment is issued in reliance on, and the validity and binding effect of this commitment shall be subject to, the accuracy of all information, representations, schedules, and other materials or data submitted by the Borrower on the Borrower's financial standing and the financial standing of the principals of the Borrower as set forth in the financial statements and other information submitted by the Borrower to the Bank and in reliance on the Borrower's statements as to the value of the Collateral and its intended usage, all of which is deemed material. Any misrepresentation of a material fact, whether intentional or otherwise, made prior to issuance of this commitment or any change of any material fact (in the business, assets, operations, or conditions, financial or otherwise, of Borrower and/or any other party guarantying or pledging collateral on behalf of the Borrower) after the issuance hereof shall, at the Bank's sole option, render this commitment void without further notice to the Borrower. In such event, the Bank, at its sole option, may elect not to close the loan.

If the terms of this loan are satisfactory, please sign, date and return the enclosed copy of this letter, *along with the previously stated commitment fee*, in the envelope provided. This commitment is effective for thirty (30) days from the date of this letter. This offer will expire if we have not closed the loan within sixty (60) days of the commitment letter date. If you have any questions or desire clarification on the conditions, please give me a call at (814) 375-3821.

This commitment cannot be assigned to any other party without the express written consent of S&T Bank.

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

Sincerely,


Daniel M. Baronick
 Vice President

Agreed to this 8 day of NOVEMBER, 2012 with the intent of being legally bound; the undersigned hereby accepts the foregoing Commitment and agrees to the terms and conditions hereof.

By 
 John Suplizio, City Manager

CERTIFICATE

I, the undersigned, a Designated Officer of the named Local Government Unit, hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly adopted by the affirmative vote of a majority of all the members of the Governing Body thereof at a meeting held on the date of the execution thereof; that due notice of such meeting was given and the meeting was at all times open to the public; that such Ordinance was duly recorded; that this Ordinance is still in full force and effect as of the date hereof; that the vote upon said Ordinance was called and duly recorded upon the minutes of the Governing Body; and that the members of the Governing Body voted in the manner following:

	Yes	No	Abstain	Absent
Gary Gilbert	<input checked="" type="checkbox"/>			
Randy E. Schmidt	<input checked="" type="checkbox"/>			
James Aughenbaugh	<input checked="" type="checkbox"/>			
Diane L. Bernardo	<input checked="" type="checkbox"/>			
Edward Walsh	<input checked="" type="checkbox"/>			

WITNESS my hand and seal of the Local Government Unit this 20th day of November, 2012.

(SEAL)

City of DuBois

Shirley J. Whipple
City Secretary