

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
\$1,000,000 Guaranteed Water Revenue Note
Series of 2022
May 31, 2022

Parties

Authority	-	West Cornwall Township Municipal Authority
Authority Solicitor	-	Henry & Beaver, LLP
Bond Counsel	-	Stevens & Lee, P.C.
Lender	-	Peoples Security Bank and Trust Company
Lender Counsel	-	Reilly Wolfson
Township	-	Township of West Cornwall, Lebanon County, Pennsylvania
Township Solicitor	-	Anthony J. Fitzgibbons, Esquire
USDA		The United States of America, acting through the Rural Utilities Service (RUS), United States Department of Agriculture

CLOSING AGENDA

Document

1. Commitment Letter
2. Loan Agreement
3. Specimen Note
4. Guaranty Agreement
5. Reimbursement Agreement
6. UCC Financing Statement
7. Township Debt Act Proceedings
 - a. Application for Approval

- b. Township Ordinance
 - c. Proofs of Publication
 - d. Report of Self-Liquidating Debt
 - e. Debt Statement and Borrowing Base Certificate
 - f. 8110(b) Certificate
8. Evidence of DCED Approval and exclusion of Self-Liquidating Debt
 9. Bond Counsel Opinion
 10. Authority Counsel Opinion
 11. Township Solicitor Opinion
 12. Authority General Certificate
 - a. Members and Officers of the Board
 - b. Articles of Incorporation
 - c. Subsistence Certificate
 - d. Bylaws
 - e. Resolution
 13. Nonarbitrage Certificate and Compliance Agreement
 14. Certificate of Lender
 15. Form 8038-G
 16. Lender Receipt for Note
 17. Authority Receipt and Disbursement Instructions



February 8, 2022

West Cornwall Township Municipal Authority
73 S. Zinns Mill Rd
Lebanon, Pa. 17042

RE: Purchase the Quentin Water Company

Dear WCTMA Manager,

The following summary presents the proposed terms and conditions of the financing proposal offered and approved by Peoples Security Bank & Trust Company ("Bank"). The proposed and approved terms and conditions set forth below are as follows:

Borrower: West Cornwall Township Municipal Authority (Borrower/the Authority).

Guarantor: West Cornwall Township (Guarantor/Township).

Principal Amount: up to \$1,000,000.00

Purpose: Purchase the privately owned Quentin Water Company.

Term: Twenty years. (240 months). Final Maturity 6/30/2043.

Rate of Interest:

Option 1:

A fixed rate of interest for the term of the Note (maturing June 30, 2043) equal to 2.75% per annum. (3.47% taxable equivalent)

or

Option 2: (10 Year Fixed Rate, Variable Rate Thereafter)

Initial Interest Rate: The initial interest rate on the Notes shall be 2.25% (2.83% taxable equivalent) for a period of approximately ten years, ending June 30, 2033.

Interest Rate Reset: After the initial fixed interest rate period, the rate shall be continually reset at 79% of the Wall Street Journal Prime Rate (or its equivalent).

or

Option 3: (15 Year Fixed Rate, Variable Rate Thereafter)

Initial Interest Rate: The initial interest rate on the Notes shall be 2.50% (3.15% taxable equivalent) for a period of approximately fifteen years, ending June 30, 2038.



Interest Rate Reset: After the initial fixed interest rate period, the rate shall be continually reset at 79% of the Wall Street Journal Prime Rate (or its equivalent).

Maximum Cap Interest Rate (With respect to II, III above): In no instance shall the interest rate ever exceed 3.25%.

Repayment: Semi-annual equal installments of Principal and Interest due June 30 and December 30 of each year, beginning December 30, 2022.

If a regularly scheduled payment of principal or interest on this Note is not paid when due, the Borough will be charged five percent (5%) of the unpaid portion of the regularly scheduled payment.

One final payment of any unpaid principal and interest will be due on June 30, 2043, the maturity date.

Fees and Expenses: The Borrower shall pay all fees and expenses relating to the issuance of the Note, including fees and expenses of Bank's counsel (up to a maximum of \$3,000). The fees and expenses of the Borrower's solicitor and its bond counsel incurred in connection with this transaction shall also be paid by the Borrower.

Pre-Payment: Borrower shall have the privilege, at any time, and from time to time, to prepay the unpaid principal, in whole in or in part, without penalty or premium.

Security: Assignment of Borrower's pledged water and sewer revenues.

Covenant: The Authority will covenant that it will provide in its budget for each year, and will appropriate from its sewer system revenues in each such year, the amount of the debt service on its obligations for such year, and will duly and punctually pay or cause to be paid any of its revenues or funds, the principal due on its loan obligations and the interest thereon. The initial test date for this covenant will be for the budgetary year ending December 30, 2023.

Conditions: The following are conditions to the Bank's commitment to make the Loan:

- a) Borrower shall establish and maintain a deposit relationship with the Bank.
- b) All loan documents shall be prepared and/or approved by Bank's counsel and Borrower's bond counsel.
- c) On the Closing Date, Borrower will provide an opinion of the Authority's solicitor acceptable to the Bank, as to, among other things, the delivery of the Note and the regularity of the proceedings regarding the issuance thereof, and that the issuance of the Note is in compliance with all local, state and federal laws and regulations.



- d) On the Closing Date, Borrower will provide a certified copy of the Ordinance authorizing, among other things, the issuance of the Note and fixing the interest rate, and inclusion of debt service in its annual budget.
- f) On or before the Closing Date, Borrower will provide evidence that the proceedings have been filed with and approved by the Pennsylvania Department of Community and Economic Development (DCED).
- g) Borrower will deliver such other closing affidavits, certificates and documents as the Bank, its counsel or Borrower's bond counsel may reasonably require.
- h) The Note shall be in form and content satisfactory to the Bank.

Financial Statements: Borrower shall provide the following financial information to Bank on an annual basis:

- a) Copy of Borrower's Audited Financial Statements within 30 days of completion
- b) Copy of Borrower's Budget within 30 days of completion.

The Closing:

The Closing Date shall take place on or before June 30, 2022. If the closing does not take place on or before said date, this Commitment shall expire as of the close of business on June 30, 2022. The terms and conditions herein set forth and the covenants and agreements of the Borrower hereunder shall survive the Closing Date and the execution and delivery of the General Obligation Note shall be binding upon Borrower until all borrowing hereunder and interest thereon and charges with regard thereto have been paid in full.

Acceptance:

Provided that the foregoing is acceptable to the Borrower, this commitment may be accepted by signing copies enclosed in the manner indicated below and by returning such copies to the Bank on or before March 31, 2022, as evidence of the agreement between the Bank and Borrower.

Thank you for the opportunity to provide this financing proposal to you. I look forward to working with you. Please feel free to contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric T. Long".

Eric T. Long
Vice President | Commercial Loan Officer
830 Norman Drive
Lebanon, PA 17042
717-279-2202 office
717-798-0531 cell
717-279-2210 fax



ACCEPTANCE

INTENDING TO BE LEGALLY BOUND, the Borrower hereby agree(s) to the foregoing Commitment and all terms and conditions hereof.

BORROWER:

West Cornwall Township Municipal Authority

By: [Signature]
James Shoemaker
4/5/2022
Date

GUARANTOR:

West Cornwall Township

By: [Signature]
David Lloyd
04/05/2022
Date

Option #3 - 10 year fixed rate/20 year amortization

Loan Amount \$1,000,000
 Initial Interest Rate 2.25%
 Floating Interest Rate 3.25%

	Payment	Interest*	Principal*	Balance	
12/30/2022	\$30,550.00	\$11,250.00	\$19,300.00	\$980,700.00	
6/30/2023	\$30,550.00	\$11,032.88	\$19,517.13	\$961,182.88	
12/30/2023	\$30,550.00	\$10,813.31	\$19,736.69	\$941,446.18	
6/30/2024	\$30,550.00	\$10,591.27	\$19,958.73	\$921,487.45	
12/30/2024	\$30,550.00	\$10,366.73	\$20,183.27	\$901,304.19	
6/30/2025	\$30,550.00	\$10,139.67	\$20,410.33	\$880,893.86	
12/30/2025	\$30,550.00	\$9,910.06	\$20,639.94	\$860,253.91	
6/30/2026	\$30,550.00	\$9,677.86	\$20,872.14	\$839,381.77	
12/30/2026	\$30,550.00	\$9,443.04	\$21,106.96	\$818,274.82	
6/30/2027	\$30,550.00	\$9,205.59	\$21,344.41	\$796,930.41	
12/30/2027	\$30,550.00	\$8,965.47	\$21,584.53	\$775,345.87	
6/30/2028	\$30,550.00	\$8,722.64	\$21,827.36	\$753,518.51	
12/30/2028	\$30,550.00	\$8,477.08	\$22,072.92	\$731,445.60	
6/30/2029	\$30,550.00	\$8,228.76	\$22,321.24	\$709,124.36	
12/30/2029	\$30,550.00	\$7,977.65	\$22,572.35	\$686,552.01	
6/30/2030	\$30,550.00	\$7,723.71	\$22,826.29	\$663,725.72	
12/30/2030	\$30,550.00	\$7,466.91	\$23,083.09	\$640,642.63	
6/30/2031	\$30,550.00	\$7,207.23	\$23,342.77	\$617,299.86	
12/30/2031	\$30,550.00	\$6,173.00	\$24,377.00	\$592,922.86	
6/30/2032	\$30,550.00	\$6,670.38	\$23,879.62	\$569,043.25	
12/30/2032	\$30,550.00	\$6,401.74	\$24,148.26	\$544,894.98	Balance Subject to floating rate
6/30/2033	\$30,550.00	\$8,854.54	\$21,695.46	\$523,199.53	
12/30/2033	\$30,550.00	\$8,501.99	\$22,048.01	\$501,151.52	
6/30/2034	\$30,550.00	\$8,143.71	\$22,406.29	\$478,745.23	
12/30/2034	\$30,550.00	\$7,779.61	\$22,770.39	\$455,974.84	
6/30/2035	\$30,550.00	\$7,409.59	\$23,140.41	\$432,834.43	
12/30/2035	\$30,550.00	\$7,033.56	\$23,516.44	\$409,317.99	
6/30/2036	\$30,550.00	\$6,651.42	\$23,898.58	\$385,419.41	
12/30/2036	\$30,550.00	\$6,263.07	\$24,286.93	\$361,132.47	
6/30/2037	\$30,550.00	\$5,868.40	\$24,681.60	\$336,450.88	
12/30/2037	\$30,550.00	\$5,467.33	\$25,082.67	\$311,368.20	
6/30/2038	\$30,550.00	\$5,059.73	\$25,490.27	\$285,877.94	
12/30/2038	\$30,550.00	\$4,645.52	\$25,904.48	\$259,973.45	
6/30/2039	\$30,550.00	\$4,224.57	\$26,325.43	\$233,648.02	
12/30/2039	\$30,550.00	\$3,796.78	\$26,753.22	\$206,894.80	
6/30/2040	\$30,550.00	\$3,362.04	\$27,187.96	\$179,706.84	
12/30/2040	\$30,550.00	\$2,920.24	\$27,629.76	\$152,077.08	
6/30/2041	\$30,550.00	\$2,471.25	\$28,078.75	\$123,998.33	
12/30/2041	\$30,550.00	\$2,014.97	\$28,535.03	\$95,463.30	
6/30/2042	\$30,550.00	\$1,551.28	\$28,998.72	\$66,464.58	
12/30/2042	\$67,544.63	\$1,080.05	\$66,464.58	\$0.00	
	**	\$289,544.63	\$1,000,000.00		

[Signature]
 W. L. ... Chairman

*estimated breakdown of Principal and Interest. Subject to change based on actual settlement/disbursement date of loan proceeds.

**After 10 year fixed rate, interest is subject to change, with a maximum rate of 3.25%. Total interest assumes maximum rate of 3.25% from 12/30/32 - 12/30/42. Final payment would result in a balloon payment

➔ \$ 1,289,545

[Signature]
 W. L. ...

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated May 31, 2022, by and between WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY, a municipality authority existing under laws of the Commonwealth, and PEOPLES SECURITY BANK AND TRUST COMPANY, having an office in Lebanon, Pennsylvania;

WITNESSETH:

WHEREAS, the Authority (which term, and all other capitalized terms used herein shall have the meanings given them in Article I hereof unless the context otherwise clearly requires) has been incorporated pursuant to appropriate action of the governing body of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), and is existing under laws of the Commonwealth and is governed by the Authorities Act; and

WHEREAS, the Authority, by virtue of the Authorities Act, has the power and authority, among other things, to acquire, hold, construct, improve, maintain, operate, own and lease, either in the capacity of lessor or lessee, a water collection, treatment and distribution system; and

WHEREAS, under the Authorities Act, the Authority is authorized, among other things, to borrow money and to make and issue negotiable bonds, notes, refunding bonds and other obligations of the Authority in evidence thereof; and

WHEREAS, the Authority desires to arrange financing to provide funds to finance a project (the "Project") consisting of, among other things, (i) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township; and (ii) the payment of the costs of issuance of the Note (hereinafter defined); and

WHEREAS, the Bank is willing to provide financing for the Authority to finance the Project in the principal amount of \$1,000,000, to the extent and upon terms and conditions provided in this Loan Agreement, by making a loan to the Authority to be evidenced by the Note to be issued by the Authority; and

WHEREAS, to induce the Bank to make the loan under this Loan Agreement, the Township has agreed to guaranty the prompt and full payment of the principal of and interest payable on the Note pursuant to the terms of a Guaranty Agreement; and

WHEREAS, the Authority, by resolution duly adopted, has authorized execution and delivery of this Loan Agreement and has authorized issuance of the Note; and

WHEREAS, the Note shall be secured, shall bear interest and shall mature as hereinafter set forth.

NOW, THEREFORE, it is covenanted and agreed by and between the Authority and the Bank, as follows:

ARTICLE I

Definitions

Terms and phrases defined in this Section 1.01, for all purposes of this Loan Agreement, as herein defined (including, but not limited to, the recitals), shall have the meanings herein specified, unless the context clearly otherwise requires:

“Administrative Expenses” shall mean compensation and expenses of officers and members of the Board; legal, printing, advertising, engineering, architectural, and auditing fees and expenses; fees and expenses of the Bank and any other paying agent or authorized depository and other items of general administrative expense incurred by the Authority; provided, however, that all of the foregoing shall be subject to proper allocation to various projects of the Authority, as appropriate.

“Authorities Act” shall mean the Act of the General Assembly of the Commonwealth, known as the “Municipality Authorities Act,” approved June 19, 2001, as amended and supplemented, from time to time.

“Authority” shall mean the West Cornwall Township Municipal Authority, a municipality authority incorporated, existing, and governed as set forth in the Preamble hereof, a party hereto.

“Bank” shall mean Peoples Security Bank and Trust Company, a Pennsylvania banking corporation having an office in Lebanon, Pennsylvania, a party hereto.

“Board” shall mean the governing body of the Authority.

“Board of Supervisors” shall mean the governing body of the Township.

“Capital Additions” shall mean

(a) with respect to the Water System, new and additional property chargeable to plant or equipment account under sound accounting and/or engineering practice, including, without intending to limit the generality of the foregoing, land, rights of way, easements, licenses, privileges, rights and similar interests in real property, and additions, extensions, alterations and improvements of or to the Water System, including, without intending to limit the generality of the foregoing, buildings, standpipes, flumes, sluices, canals, cribs, basins, machinery, mains, conduits, pipes, pipelines, interceptor lines, outfall lines, trunk lines, service lines, water plants and systems, shops, pumping stations, ejector stations, force mains, fixtures, engines, boilers, pumps, meters and other equipment and personal property, and Extraordinary Repairs, in each case made, acquired or constructed by the Authority after the actual execution hereof and which are used or useful in connection with the Water System, including property in process of construction or erection, to the extent actually constructed or erected; and

(b) with respect to the Sewer System, new and additional property chargeable to plant or equipment account under sound accounting and/or engineering practice, including, without intending to limit the generality of the foregoing, land, rights of way, easements, licenses, privileges, rights and similar interests in real property, and additions, extensions, alterations and improvements of or to the Sewer System, including, without intending to limit the generality of the foregoing, buildings, standpipes, flumes, sluices, canals, cribs, basins, machinery, mains, conduits, pipes, pipelines, interceptor lines, outfall lines, trunk lines, service lines, sewer plants and systems, shops, pumping stations, ejector stations, force mains, fixtures, engines, boilers, pumps, meters and other equipment and personal property, and Extraordinary Repairs, in each case made, acquired or constructed by the Authority after the actual execution hereof and which are used or useful in connection with the Sewer System, including property in process of construction or erection, to the extent actually constructed or erected; and

provided, however, the phrase “Capital Additions” shall not include property acquired or constructed by the Authority from funds contributed or advanced by any Person, except that such property shall be deemed, notwithstanding anything elsewhere stated in this definition, to be “Capital Additions” to the extent and at the time that the Authority shall repay or shall be obligated to repay such funds so contributed or advanced.

“Certified Resolution” shall mean a copy of a resolution of the Board, certified by its Secretary or Assistant Secretary, under its official seal, duly to have been adopted and to be in effect as of the date of such certification.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Collateral” shall mean the pledge by the Authority of (i) all its right, title and interest in and to the Receipts and Revenues from the Water System, and (ii) all its right, title and interest in and to the Receipts and Revenues from the Sewer System, all as more fully provided in Section 6.01 hereof.

“Commonwealth” shall mean the Commonwealth of Pennsylvania.

“Consulting Engineers” shall mean a Person, who may be an employee of the Authority, appointed by the Board, qualified to pass upon engineering questions relating to water systems and/or sewer systems, as applicable. If such Person shall be an individual, he shall be a professional engineer duly registered under laws of the Commonwealth. If such Person shall be a partnership, corporation or association, it shall have a partner, officer, employee or member who is a professional engineer duly registered under laws of the Commonwealth.

“Counsel” shall mean counsel, duly authorized to engage in the practice of law, who may be, but need not be, retained regularly by the Authority, duly appointed by the Board and satisfactory to the Bank.

“Determination of Taxability” means the first to occur of the following events: (i) the date on which the Authority determines that an Event of Taxability (hereinafter defined) has occurred by filing with the Bank, a statement to that effect supported by one or more tax schedules, returns or documents that disclose that such an Event of Taxability has occurred;

(ii) the date on which the Authority is advised by private ruling, technical advice or any other written communication from any authorized official of the Internal Revenue Service that, based upon any filings of the Authority or any other person or entity, or upon any review or audit of the Authority or any other person or entity, or upon any other grounds whatsoever, an Event of Taxability has occurred; (iii) the date on which the Authority is advised that a court of competent jurisdiction has issued an order, declaration, ruling or judgment to the effect that an Event of Taxability has occurred; (iv) the date the Authority shall have received written notice from the owner of the Note that such owner has received a written assertion or claim by any authorized official of the Internal Revenue Service that an Event of Taxability has occurred; or (v) the date the Authority is notified that the Internal Revenue Service has issued any private ruling, technical advice or any other written communication, with or to the effect that an Event of Taxability has occurred; provided, however, that (x) no Determination of Taxability shall be deemed to have occurred unless the Authority shall have received a written opinion of Stevens & Lee, P.C., Reading, Pennsylvania, or other nationally recognized bond counsel satisfactory to the Bank and not unsatisfactory to the Authority, and in form and substance satisfactory to the Bank and not unsatisfactory to the Authority, to the effect that an Event of Taxability has occurred; and (y) no Determination of Taxability shall be deemed to have occurred until 180 days shall have elapsed from the dates described in clauses (i), (ii), (iii), (iv) or (v) above without such Determination of Taxability having been suspended, rescinded or canceled.

“Event of Taxability” means a change of law or regulations, or the interpretation thereof, or the occurrence of any other event or the existence of any other circumstances (including without limitation the fact that any representations or warranties of the Authority made in connection with the issuance of the Note is or was untrue or that a covenant of the Authority has been breached) that has the effect of (A) causing more interest payable on the Note to be taken into account by “financial institutions” (as defined in Section 265(b) of the Code) for purposes of determining the allocation of interest expenses to tax-exempt interest under Sections 265(b)(1) and (2) of the Code than is currently required to be taken into account on the date of issuance of the Note or (B) causing interest payable on the Note to be includible in gross income for federal income purposes under Section 103 of the Code.

“Extraordinary Repairs” shall mean alterations, repairs, renewals, improvements or replacements with respect to the Water System or the Sewer System which are necessary or desirable for proper operation and maintenance thereof, the costs of which reasonably cannot be paid by the Authority out of then current Receipts and Revenues from the Water System or then current Receipts and Revenues from the Sewer System, as current Operating Expenses, as determined by a Consulting Engineers' Certificate.

“Guaranty Agreement” shall mean the Guaranty Agreement dated the date hereof by and among the Township, the Authority and the Bank.

“Loan Agreement” shall mean this document and all modifications, alterations, amendments and supplements hereto made and delivered and at such time constituting part hereof, which term sometimes is referred to in this document by use of such words as “hereto”, “hereby”, “herein”, “hereof”, “hereunder” or other descriptive words or phrases having similar import.

“Maturity Date” shall mean December 30, 2042.

“Note” shall mean the Guaranteed Water Revenue Note, Series of 2022, dated the date hereof, of the Authority in the original principal amount of \$1,000,000.

“Operating Expenses” shall mean all expenses required in operating and maintaining the Water System and/or the Sewer System, as applicable, including, without intending to limit the generality of the foregoing:

A. Expenses of operation, maintenance, repair, alteration, insurance and inspection; and any sums payable periodically to any Person pursuant to any agreement relative to the treatment, supply, storage or transportation of water collected in and through the Water System, if such agreement is permitted under provisions hereof;

B. Expenses of operation, maintenance, repair, alteration, insurance and inspection; and any sums payable periodically to any Person pursuant to any agreement relative to the collection, transportation, treatment or disposal of sewage to be conveyed by the Authority in and through the Sewer System, if such agreements are permitted under provisions hereof;

C. Expenses of managerial, supervisory, administrative, engineering, architectural, legal and auditing services;

D. Sums payable to any Person, which sums, under sound accounting and/or engineering practice, constitute expenses of operation and maintenance; and

E. All taxes, assessments and charges, including, without intending to limit the generality of the foregoing, income, profits, property, franchise and excise taxes.

“Opinion of Counsel” shall mean an opinion, in writing, signed by Counsel.

“Person” shall mean an individual, a partnership, an association, a corporation, a joint stock company, a trust, an unincorporated association, a governmental body, a political subdivision, a municipality or a municipal corporation, a municipality authority or any other group or entity.

“Receipts and Revenues from the Sewer System” shall mean:

A. All sewer rentals, rates and other charges collected by the Authority from owners of properties which are or shall be connected to the Sewer System for use thereof and for services rendered by the Authority in connection therewith; and

B. All other receipts, revenues and money derived in any manner, from any source, from or in connection with the Sewer System, by the Authority or on behalf of the Authority, excepting, however, money derived from Tapping Fees charged by the Authority in those cases and to the extent that the Authority agrees to refund such Tapping Fees or any part thereof to any Person who has paid for the construction of any part of the Sewer System which was constructed by the Authority or which was

constructed by such Person under the supervision of the Authority as may be permitted by law.

“Receipts and Revenues from the Water System” shall mean:

A. All water rentals, rates and other charges collected by the Authority from owners of properties which are or shall be connected to the Water System for use thereof and for services rendered by the Authority in connection therewith; and

B. All other receipts, revenues and money derived in any manner, from any source, from or in connection with the Water System, by the Authority or on behalf of the Authority, including receipts from Tapping Fees, connection fees and customer facilities fees, excepting and excluding, however, money derived from such fees required to be refunded by the Authority or on behalf of the Authority by agreement with any Person or pursuant to any law.

“Sewer System” shall mean all appurtenant facilities and properties which the Authority has acquired or hereafter shall acquire or construct in connection therewith as designated by the Authority, including all property, real, personal and mixed, rights, powers, licenses, easements, rights of way, privileges, franchises and any and all other property or interests in property of whatsoever nature used or useful in connection with such facilities, and together with all additions, extensions, alterations and improvements which may be made or acquired, from time to time. As of any particular time, the “Sewer System” shall mean all property, real, personal and mixed, rights, powers, licenses, easements, rights of way, privileges, franchises and any and all other property or interests in property of whatsoever nature used or useful in connection with such facilities and Capital Additions (including property in the nature of Capital Additions acquired or constructed from funds wholly or partially contributed or advanced by any Person) acquired, owned, made or constructed by or for the Authority; and the “Sewer System”, without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, standpipes, reservoirs, wells, flumes, sluices, canals, basins, cribs, machinery, mains, conduits, pipes, pipe lines, service lines, dams, sewer plants and systems, tanks, shops, purification systems, filtration plants and systems, pumping stations, fixtures, engines, boilers, pumps, meters and other equipment, all personal property and all franchises, land, rights of way, privileges, easements, licenses, rights and any other interests in real property owned by the Authority on which any such facilities have been constructed.

“Tapping Fees” shall mean fees charged and imposed by the Authority, from time to time, pursuant to provisions of Section 4B(t) of the Authorities Act.

“Taxable Rate” shall mean, with respect to the Note on and after a Determination of Taxability, (i) from the date hereof through and including June 29, 2033, a fixed rate equal to two and eighty-three hundredths percent (2.83%) per annum and (ii) from June 30, 2033 until the Maturity Date of the Note a variable rate equal to the Wall Street Journal Prime Rate; provided, however, that in no case shall the Taxable Rate exceed three and twenty-five hundredths percent (3.25%) per annum.

“Tax-Exempt Rate” shall mean, with respect to the Note, (i) from the date hereof through and including June 29, 2033, a fixed rate equal to two and twenty-five hundredths percent (2.25%) per annum and (ii) from June 30, 2033 until the Maturity Date of the Note a variable rate equal to seventy-nine percent (79%) of the Wall Street Journal Prime Rate; provided, however, that in no case shall the Tax-Exempt Rate exceed three and twenty-five hundredths percent (3.25%) per annum.

“Township” shall mean the Township of West Cornwall, Lebanon County, Pennsylvania, a political subdivision of the Commonwealth.

“United States” shall mean the United States of America.

“Wall Street Journal Prime Rate” means the “Prime Rate” published in the “Money Rates” section of *The Wall Street Journal* on the applicable date, or the highest “Prime Rate” if more than one is published, as such rate may change from time to time. If *The Wall Street Journal* ceases to be published or goes on strike or is otherwise not published for any period of time or if it ceases to publish a “Prime Rate” then the Bank may use any similar published Prime or Base Rate as designated by the Bank.

“Water System” shall mean all appurtenant facilities and properties which the Authority has acquired or hereafter shall acquire or construct in connection therewith as designated by the Authority, including all property, real, personal and mixed, rights, powers, licenses, easements, rights of way, privileges, franchises and any and all other property or interests in property of whatsoever nature used or useful in connection with such facilities, and together with all additions, extensions, alterations and improvements which may be made or acquired, from time to time. As of any particular time, the “Water System” shall mean all property, real, personal and mixed, rights, powers, licenses, easements, rights of way, privileges, franchises and any and all other property or interests in property of whatsoever nature used or useful in connection with such facilities and Capital Additions (including property in the nature of Capital Additions acquired or constructed from funds wholly or partially contributed or advanced by any Person) acquired, owned, made or constructed by or for the Authority; and the “Water System”, without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, standpipes, reservoirs, wells, flumes, sluices, canals, basins, cribs, machinery, mains, conduits, pipes, pipe lines, service lines, dams, water plants and systems, tanks, shops, purification systems, filtration plants and systems, pumping stations, fixtures, engines, boilers, pumps, meters and other equipment, all personal property and all franchises, land, rights of way, privileges, easements, licenses, rights and any other interests in real property owned by the Authority on which any such facilities have been constructed.

ARTICLE II

Representations and Warranties of the Authority

SECTION 2.01. The Authority makes the following representations and warranties, upon which the Bank may rely, and upon which the Authority understands the Bank is relying in entering into this Loan Agreement, and the Authority covenants and agrees that such representations and warranties shall be deemed to be continuing during the entire life of this Loan Agreement:

A. The Authority duly has been created and is existing under the Authorities Act, is authorized and empowered to undertake the Project and is authorized and empowered to own the Water System and the Sewer System;

B. The Authority duly is authorized and empowered to enter into this Loan Agreement;

C. The Authority duly is authorized and empowered to borrow money in accordance with provisions of this Loan Agreement and to execute and deliver the Note in evidence of the loan of money to the Authority by the Bank under and pursuant to provisions of this Loan Agreement and otherwise to incur the obligations provided for in this Loan Agreement;

D. The Authority, by due and legal action of its Board, has authorized execution and delivery of this Loan Agreement and has authorized execution and delivery of the Note provided for in this Loan Agreement, in evidence of the loan to be made by the Bank hereunder;

E. There is no litigation, pending or threatened, against the Authority, the outcome of which might affect the ability of the Authority to proceed with the Project or which otherwise might affect the validity of the Note or the Loan Agreement or the rights of the Bank in the Collateral;

F. There is no statute, rule, regulation, contract or agreement which is binding upon the Authority, which will be contravened by execution and delivery hereof or by performance of any term, condition, agreement or undertaking of the Authority provided for herein;

G. The Township, by due and legal action of the Board of Supervisors, has charged and imposed water rates, rents and charges against owners of property who shall be served by the Water System and sewer rates, rents and charges against owners of property who shall be served by the Sewer System; and

H. The Authority has caused the Note to be guaranteed by the Township pursuant to the Guaranty Agreement.

ARTICLE III

Amounts and Terms of Borrowing; Disposition of Proceeds of Borrowing

SECTION 3.01. Subject to all terms and conditions of this Loan Agreement including, but not limited to, the conditions precedent set forth in Section 3.05, the Bank agrees to make a term loan to the Authority on the date hereof in the amount of \$1,000,000, and in connection therewith the Authority agrees to authorize and to issue the Note.

SECTION 3.02. On the date hereof, the Authority shall execute and deliver to the Bank the Note. The Note shall:

- A. be dated the date hereof and be payable to the Bank's order in the principal amount of \$1,000,000;
- B. bear interest, payable on December 30, 2022 and on each June 30 and December 30 thereafter, on the unpaid principal amount thereof at the Tax-Exempt Rate; and
- C. be payable as to principal on December 30, 2022 and on each June 30 and December 30 thereafter through and including the Maturity Date, in the amounts set forth on the Note.

Notwithstanding the foregoing, upon a Determination of Taxability, the Note shall bear interest at the Taxable Rate.

SECTION 3.03. The Authority shall have the right, at any time, to prepay the Note in accordance with the terms set forth in such Note. Any such prepayment shall be accompanied by the payment of accrued interest to the date of such prepayment. Any such prepayment shall be made and applied in the manner specified in such Note.

SECTION 3.04. Upon the payment of the Note in full, together with accrued interest thereon and any other costs or charges which are unpaid under this Loan Agreement or the Note as provided herein or therein, the Note shall be cancelled by the Bank and shall be delivered to the Authority; and, upon the payment of the Note in full, together with accrued interest thereon and any other costs or charges which are unpaid under this Loan Agreement or the Note as provided herein or therein, this Loan Agreement shall be terminated and the Note shall be cancelled.

SECTION 3.05. At the time of issuance of the Note, the Bank shall receive the following:

- A. A Certified Resolution authorizing and approving, among other things, the Note and the Loan Agreement;
- B. An opinion of Counsel to the Authority as to, among other things, the due incorporation and existence of the Authority, the power of the Authority to

undertake the Project and the enforceability and binding effect of this Loan Agreement and the Note;

C. An Opinion of Bond Counsel to the Authority as to, among other things, the exemption from federal income taxation of the interest on the Note and the legality, validity, enforceability and binding effect of this Loan Agreement and the Note;

D. A copy of the proceedings of the Township filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Department") in connection with the Township's application for approval of the issuance of \$1,000,000 aggregate principal amount of non-electoral indebtedness, together with a copy of the Department's approval of the incurrence of such indebtedness;

E. A fully executed copy of the Guaranty Agreement;

F. An opinion of Counsel to the Township as to, among other things, the enforceability and binding effect of the Guaranty Agreement;

G. A General Certificate of the Authority;

H. A Non-Arbitrage Certificate of the Authority and such other documents, instruments and statements as shall be reasonably requested by the Bank and Bond Counsel to establish the tax-exempt status of the Note;

I. Form 8038-G; and

J. Such other documents, instruments and statements, including, but not limited to, UCC financing statements, necessary to create, evidence or perfect the pledge of the Collateral referred to in Article VI hereof.

ARTICLE IV

Covenants of the Authority

SECTION 4.01. The Authority covenants and agrees:

A. To pay or to cause to be paid, as and when due and payable, the principal of and the interest on the Note issued pursuant to provisions hereof as appropriate, from the funds available therefor as more fully described in Section 6.01 hereof;

B. To use proceeds from the borrowing from the Bank hereunder, together with such other funds as are available therefor, to pay the costs of the Project and for no other purpose;

C. As long as the Note issued hereunder shall remain outstanding, to furnish the Bank with such reports, statements or audits as the Bank reasonably may require with respect to the Water System and the Sewer System, and to deliver, within 30 days of completion, (i) audited financial statements of the Authority certified without exception or qualification by an independent accounting firm, acceptable to the Bank in its sole discretion; and (ii) the Authority's annual budget;

D. While the Note shall be outstanding under this Loan Agreement, to maintain its corporate existence and its right to own the Water System and the Sewer System;

E. To comply, as appropriate, with all applicable rules, regulations and requirements of the Commonwealth and of the United States, from time to time, so that all available grant funds with respect to the Water System and the Sewer System, if any, will be received by the Authority, to the extent to which the Authority is entitled to receive such funds, and at the time or times when the Authority is entitled to receive such funds;

F. That, at all times: (i) it will maintain the Water System and the Sewer System in good repair and operating condition; (ii) it will continuously operate the same; and (iii) it will make all necessary and proper repairs, renewals, replacements and improvements thereto, in order to maintain adequate service;

G. To maintain adequate insurance upon physical structures constituting part of the Water System and the Sewer System upon which insurance, as a trade practice in operation of water systems and sewer systems, as applicable, normally is carried and satisfactory to the Bank as to form and insurer. Such insurance shall be maintained against fire and such other risks as usually and generally are included in extended coverage endorsements and also against such other risks as the Authority may require and shall contain standard mortgagee and loss payee clauses in favor of the Bank; provided, however, that the foregoing provisions of this Section 4.01G shall not be applicable to the extent that contractors shall carry appropriate insurance during construction of any part of the Water System and the Sewer System complying with the

requirements of this Section 4.01G. All policies of insurance shall be issued by a responsible insurance company or companies duly qualified to do business in the Commonwealth and satisfactory to the Authority and the Bank, shall be nonassessable and shall be for benefit of the Authority and the Bank, as their respective interests may appear, and shall be in amounts not less than 80% of the insurable value of the assets or 100% of the loan amount hereunder, whichever is greater, to the extent obtainable by the Authority;

H. As long as the Note issued hereunder shall remain outstanding, to establish and maintain a deposit relationship with the Bank;

I. As long as the Note issued hereunder shall remain outstanding, the Authority continuously will fix and charge, will maintain and will collect rental rates and other charges for use of the Water System and the Sewer System and for services rendered in connection therewith, in such amounts so that gross receipts, revenues and money of the Authority to be derived in any manner from or in connection with use and operation of the Water System and the Sewer System will be sufficient, in each year, for the payment, when due and payable, of semiannual installments of principal of or interest on the Note, all in accordance with terms, conditions and covenants hereof.

In connection therewith, the Authority covenants to and with the Bank that the Authority shall (a) include in its budget for each Fiscal Year in which installments of principal of or interest on the Note are payable on the Note (beginning with its 2023 Fiscal Year), an amount equal to the aggregate installments of principal of and interest on the Note for such Fiscal Year and (b) appropriate such amounts from the Receipts and Revenues from the Water System and the Receipts and Revenues from the Sewer System for payment to the Bank of its obligations hereunder, and (c) duly and punctually pay or cause to be paid from such Receipts and Revenues from the Water System and such Receipts and Revenues from the Sewer System to the Bank such amounts, at the times and in the manner provided for herein, at the designated office of the Bank, according to the true intent and meaning hereof; and

J. To provide to the Bank such information regarding the Authority's financial status as the Bank may reasonably require from time to time.

SECTION 4.02. The Bank recognizes that the Authority may issue, from time to time, other bonds, notes or evidences of indebtedness secured by a pledge of the Receipts and Revenues from the Water System and/or the Receipts and Revenues from the Sewer System on a parity with the security interest securing the Note (the "Parity Obligations"), so long as there is no existing event of default, upon delivery to the Bank of a certificate of the Consulting Engineers to the effect that (1) if applicable, issuance of the Parity Obligations is for the purpose of financing or refinancing the acquisition or construction of Capital Additions as the case may be, is desirable and/or is required for proper and efficient operation of the Water System and/or the Sewer System, as applicable or, in the case of extensions of service, is reasonable and practicable; and (2) the estimated Receipts and Revenues from the Water System and/or Receipts and Revenues from the Sewer System, as applicable, together with money otherwise estimated to be available to the Authority for the purposes, will be sufficient in each Fiscal Year to pay the

Authority's Administrative Expenses and Operating Expenses and debt service on all parity obligations, after giving effect to issuance of the Parity Obligations and to purchase, payment or reduction of the Note or Parity Obligations to be refunded, if any, as applicable.

ARTICLE V

Defaults

SECTION 5.01. Each of the following events shall constitute an “event of default”, that is to say, if:

A. The Authority shall fail to pay or to cause to be paid, within ten (10) days of the date when due, the principal of or the interest on the Note, as and when the same shall become due and payable; or

B. The Authority shall fail or refuse to comply with any provisions of the Authorities Act; or if the Authority, for any reason, shall be rendered incapable of fulfilling its obligations under the Authorities Act or under this Loan Agreement; or

C. An order or decree of any court shall be entered appointing a receiver or receivers of the Water System, or any part thereof, or of the Receipts and Revenues from the Water System or of the Authority or the Sewer System, or any part thereof, or of the Receipts and Revenues from the Sewer System or of the Authority, with the consent or acquiescence of the Authority, or if such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within 60 days after entry; or

D. The Authority shall default in due and punctual performance of any other of the covenants and agreements contained in the Note or in this Loan Agreement and such default shall continue for 30 days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Bank; or

E. Any representation or warranty of the Authority under this Loan Agreement shall prove to be materially false; or

F. There shall be a default under the Guaranty Agreement.

SECTION 5.02.

A. Upon the occurrence of an event of default as set forth in Section 5.01, then, and in such event, the Bank may, by written notice to the Authority, declare the Note to be due and payable, whereupon the principal amount of the Note, together with accrued interest thereon, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the documents evidencing the same to the contrary notwithstanding.

B. Any other provision of this Loan Agreement to the contrary notwithstanding, if an event of default as described in Section 5.01C hereof shall occur, the unpaid principal amount of the Note and the interest accrued thereon shall

automatically and immediately become due and payable, in all cases without any action whatsoever on the part of the Bank.

C. Upon the happening of any event of default, as set forth in Section 5.01, the Bank shall have the right to enforce, on its own behalf, all rights and remedies of a trustee, as provided for in Section 6 of the Authorities Act, including the right to appointment of a receiver, with such powers and limitations as are provided in the Authorities Act.

ARTICLE VI

Pledge and Assignment

SECTION 6.01. In order to secure payment of the principal of and interest on the Note outstanding hereunder according to its tenor, to secure performance and observance of all covenants and conditions therein and herein contained and to declare terms and conditions upon which the Note shall be secured, and in consideration of mutual covenants herein contained, and of purchase and acceptance of the Note by holders thereof, the Authority, intending to be legally bound, has executed and delivered this Loan Agreement and by these presents does assign, transfer, set over and pledge unto the Bank, its successors and its assigns, forever, as security for obligations to the Bank created hereunder and under the Note, all its right, title and interest in and to the Receipts and Revenues from the Water System and the Receipts and Revenues from the Sewer System.

For the purposes hereof this Loan Agreement hereby is created and declared to be a "Security Agreement" as such term is described and defined in the Uniform Commercial Code, as presently enacted in the Commonwealth.

The Authority hereby authorizes the Bank to file, at the Authority's cost and expense, such financing statements (including, without limitation, UCC financing statements, UCC continuation statements, and UCC amendment statements) without the Authority's signature, for filing in such filing offices as the Bank deems necessary, in its sole discretion, to perfect, or maintain the perfection of, the security interests of the Bank in the assets pledged under this Loan Agreement.

ARTICLE VII

Miscellaneous

SECTION 7.01. All notices, requests and demands shall be given or made as follows:

A. In the case of the Authority:

West Cornwall Township Municipal Authority
73 South Zinn's Mill Road
Lebanon, Pennsylvania 17042
Attention: Chairman

B. In the case of the Bank:

Peoples Security Bank and Trust Company
830 Norman Drive
Lebanon, Pennsylvania 17042
Attention: Mr. Eric T. Long

provided, however, that the foregoing may be changed, from time to time, by either the Authority or the Bank upon prior delivery to the other of substitute instructions.

SECTION 7.02. Neither failure nor delay on the part of the Bank to exercise any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Bank of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any right, power or privilege.

SECTION 7.03. This Loan Agreement and the Note shall be deemed to be contracts made under the laws of the Commonwealth and, for all purposes, shall be construed in accordance with laws of the Commonwealth.

SECTION 7.04. No recourse under or upon any obligation, covenant or agreement contained herein or in the Note, or because of any indebtedness secured hereby or evidenced thereby, shall be had against any past, present or future member, officer or employee of the Authority or any member, officer or employee of any successor of the Authority under any rule of law, statute or constitutional provision, or by enforcement of any assessment, or by any legal or equitable proceeding or otherwise, it expressly being agreed and understood that this Loan Agreement and obligations hereby secured are solely corporate obligations of the Authority and that no personal liability whatsoever shall attach to or shall be incurred by such members, officers or employees of the Authority or any member, officer or employee of any successor of the Authority or any of them, because of incurring of indebtedness authorized hereby, or under or by reason of any obligation, covenant or agreement contained herein or in the Note or implied herefrom or therefrom.

SECTION 7.05. The Authority covenants to and with registered owners of the issue which constitutes the Note that it will make no use of the proceeds of such issue or do or suffer

any other action which, if such use or action had been reasonably expected on the date of issue of the Note would cause the Note to be or become a “private activity bond” or an “arbitrage bond” as these terms are defined in Sections 141 and 148 of the Code and the regulations promulgated thereunder.

SECTION 7.06. If any provision hereof shall be held to be invalid, such invalidity shall not affect any other provision hereof, and the remaining provisions hereof shall be construed and enforced as if such invalid provision had not been contained herein.

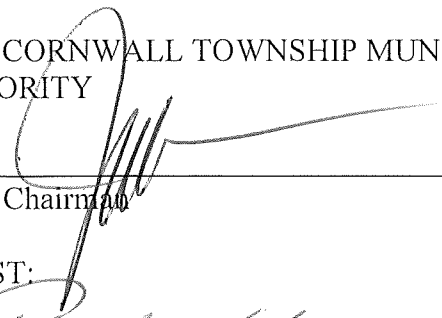
SECTION 7.07. This Loan Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.


SECTION 7.08. It is the intention of the parties hereto to be legally bound by this Loan Agreement.

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IN WITNESS WHEREOF, the Authority has caused this Loan Agreement to be executed in its name and on its behalf by its Chairman and attested by its Secretary, and the Bank has caused this Loan Agreement to be executed in its name and on its behalf by its Authorized Representative, all as of the day and year first above written.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By  _____
Chairman

ATTEST:
 _____
Secretary

(SEAL)

PEOPLES SECURITY BANK AND TRUST
COMPANY

By _____
Vice President

IN WITNESS WHEREOF, the Authority has caused this Loan Agreement to be executed in its name and on its behalf by its Chairman and attested by its Secretary, and the Bank has caused this Loan Agreement to be executed in its name and on its behalf by its Authorized Representative, all as of the day and year first above written.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

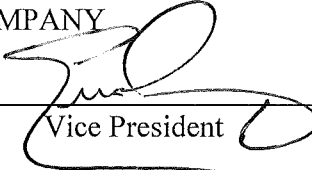
By _____
Chairman

ATTEST:

Secretary

(SEAL)

PEOPLES SECURITY BANK AND TRUST
COMPANY

By  _____
Vice President

Dated Date: May 31, 2022

\$1,000,000

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
Lebanon County, Pennsylvania
Guaranteed Water Revenue Note - Series of 2022

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (the “Authority”), a municipality authority organized and existing under the Pennsylvania Municipality Authorities Act, approved June 19, 2001, as amended and supplemented, promises to pay to the order of PEOPLES SECURITY BANK AND TRUST COMPANY (the “Bank”), at 830 Norman Drive, Lebanon, Pennsylvania 17042, or at such other place as the Bank, from time to time, may designate in writing, the principal amount of One Million Dollars (\$1,000,000), or such lesser amount as shall be shown on the records of the Bank as the unpaid principal balance of this Note, in lawful money of the United States of America, together with interest on the unpaid principal of this Note, on the terms and conditions described below.

The principal balance of this Note shall be payable on December 30, 2022 and on each June 30 and December 30 thereafter through and including December 30, 2042 (the “Maturity Date”), in the amounts set forth on Exhibit “A” attached hereto.

This Note shall bear interest, payable on December 30, 2022 and on each June 30 and December 30 thereafter, on the unpaid principal amount thereof at an interest rate equal to (i) from the date hereof through and including June 29, 2033, a fixed rate equal to two and twenty-five hundredths percent (2.25%) per annum and (ii) from June 30, 2033 until the Maturity Date a variable rate equal to seventy-nine percent (79%) of the Wall Street Journal Prime Rate; provided, however, that in no case shall the interest rate on this Note exceed three and twenty-five hundredths percent (3.25%) per annum. Interest shall be computed on the basis of a 360-day year comprised of twelve (12) 30-day months.

As used herein the term “Wall Street Journal Prime Rate” shall mean the “Prime Rate” published in the “Money Rates” section of *The Wall Street Journal* on the applicable date, or the highest “Prime Rate” if more than one is published, as such rate may change from time to time. If *The Wall Street Journal* ceases to be published or goes on strike or is otherwise not published for any period of time or if it ceases to publish a “Prime Rate” then the Bank may use any similar published Prime or Base Rate as designated by the Bank.

Notwithstanding the foregoing, upon a Determination of Taxability (as defined in the Loan Agreement defined below), this Note shall bear interest at the Taxable Rate (as defined in the Loan Agreement).

The Authority shall not be obligated to pay and the Bank shall not collect interest at a rate in excess of the maximum permitted by law or the maximum that will not subject the Bank to any civil or criminal penalties. If, because of the acceleration of maturity, the payment of interest in advance or any other reason, the Authority is required, under the provisions of the Loan Agreement or otherwise, to pay interest at a rate in excess of such maximum rate, the rate of interest under such provisions shall immediately and automatically be reduced to such

maximum rate, and any payment made in excess of such maximum rate, together with interest thereon at the rate provided herein from the date of such payment, shall be immediately and automatically applied to the reduction of the unpaid principal balance of this Note as of the date on which such excess payment was made. If the amount to be so applied to reduction of the unpaid balance exceeds the unpaid principal balance, the amount of such excess shall be refunded by the Bank to the Authority.

All payments, including, but not limited to, partial prepayments of this Note, shall be applied first to the payment in full of any costs incurred in the collection of any sum due under this Note, including (without limitation) reasonable attorneys' fees, then to the payment in full of any late charges, then to the payment in full of accrued, unpaid interest and finally to the reduction of the unpaid principal balance of this Note.

This Note is the Note referred to in Section 3.02 of the Loan Agreement, dated May 31, 2022, between the Authority and the Bank (as that Loan Agreement may be amended from time to time, referred to herein as the "Loan Agreement"). This Note is issued subject to the terms and conditions of, and is entitled to all the rights, remedies and benefits contained in, the Loan Agreement and all other documents and instruments regarding this Note executed pursuant to the Loan Agreement (collectively the "Loan Documents"). The Loan Agreement is incorporated by reference in this Note.

This Note is further secured by the guaranty of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township") pursuant to the terms of that certain Guaranty Agreement dated the date hereof (the "Guaranty") among the Township, the Authority and the Bank.

This Note may be prepaid by the Authority, in whole or in part, on any date, without payment of any premium or penalty, as permitted by the Loan Agreement. Each partial prepayment of this Note shall be applied as set forth above.

If a regularly scheduled payment of principal or interest on this Note is not paid when due, the Authority will be charged five percent (5.0%) of the unpaid portion of the regularly scheduled payment.

Upon the occurrence of an event of default, as described in the Loan Agreement and so long as the event of default shall continue unwaived by the Bank:

(a) The Bank may exercise any of its rights and remedies set forth in the Loan Agreement and the Loan Documents.

(b) The remedies of the Bank shall be cumulative and concurrent, and may be pursued singly, successively, or together, at its sole discretion, and may be exercised as often as the occasion therefore shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

The Authority waives presentment for payment, demand, notice of dishonor, protest, and notice of protest with regard to this Note, all errors, defects and imperfections in any proceedings instituted by the Bank under the terms of this Note or of the Loan Agreement, and

all benefit that might accrue to the Authority by virtue of any present or future laws exempting any property, real or personal, or any part of the proceeds arising from any sale of any such property, from attachment, levy, or sale under execution, or providing for any stay of execution, exemption from civil process, or extension of time for payment.

The Authority hereby waives all other notices in connection with the delivery, acceptance, performance, default, or enforcement of the payment of this Note and agrees that its liability shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by the Bank, and consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by the Bank with respect to the payment or other provisions of this Note, and to the release of any part of any collateral, with this Note, and to the release of any part of any collateral, with or without substitution.

This Note shall be construed and enforced in accordance with the domestic, internal law, but not the law of conflict of laws, of the Commonwealth of Pennsylvania.

Any provision contained in this Note which is 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, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

The provisions of this Note shall bind and inure to the benefit of the Authority and the Bank and their respective successors and permitted assigns.

This Note does not pledge the credit or taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or any political subdivision thereof other than the Township to the extent provided in the Guaranty; nor shall this Note be deemed an obligation of the Commonwealth or any political subdivision thereof other than the Township to the extent provided in the Guaranty; nor shall the Commonwealth or any political subdivision thereof be liable for payment of the principal of or interest on this Note other than the Township to the extent provided in the Guaranty.

Any notice to the Authority with respect to this Note shall be served sufficiently for all purposes if placed in the United States mail addressed to, or if left upon the premises at, the address of the Authority shown on records of the Bank.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY has caused this Note to be signed in its name and on its behalf by its Chairman or Vice Chairman and its official seal to be affixed hereto, duly attested by its Secretary or Assistant Secretary, all as of the date first above written.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By: _____
Chairman

Attest: _____
Secretary

REGISTRATION RECORD

Date of Registration	Name of Registered Owner	Registrar (Authorized Representative)
May 31, 2022	Peoples Security Bank and Trust Company	

EXHIBIT A

PRINCIPAL PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Amount</u>
12/30/2022	\$17,796.61
06/30/2023	20,184.32
12/30/2023	20,411.40
06/30/2024	20,641.03
12/30/2024	20,873.24
06/30/2025	21,108.06
12/30/2025	21,345.53
06/30/2026	21,585.67
12/30/2026	21,828.50
06/30/2027	22,074.07
12/30/2027	22,322.41
06/30/2028	22,573.54
12/30/2028	22,827.49
06/30/2029	23,084.30
12/30/2029	23,344.00
06/30/2030	23,606.61
12/30/2030	23,872.19
06/30/2031	24,140.75
12/30/2031	24,412.33
06/30/2032	24,686.97
12/30/2032	24,964.70
06/30/2033	25,245.55
12/30/2033	22,994.21
06/30/2034	23,367.87
12/30/2034	23,747.60
06/30/2035	24,133.50
12/30/2035	24,525.67
06/30/2036	24,924.21
12/30/2036	25,329.23
06/30/2037	25,740.83
12/30/2037	26,159.11
06/30/2038	26,584.20
12/30/2038	27,016.19
06/30/2039	27,455.21
12/30/2039	27,901.35
06/30/2040	28,354.75
12/30/2040	28,815.51
06/30/2041	29,283.77
12/30/2041	29,759.63
06/30/2042	30,243.22
12/30/2042	30,734.67

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of the 31st day of May, 2022, by and among TOWNSHIP OF WEST CORNWALL, Lebanon County, Pennsylvania, a political subdivision of the Commonwealth of Pennsylvania, as guarantor (the "Township"), WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY, a body corporate and politic existing under the Municipality Authorities Act, as amended and supplemented, of the Commonwealth of Pennsylvania (the "Authority") and PEOPLES SECURITY BANK AND TRUST COMPANY, a Pennsylvania banking corporation (the "Bank").

WITNESSETH:

WHEREAS, The Authority intends to issue its Guaranteed Water Revenue Note - Series of 2022 in the aggregate principal amount of \$1,000,000 (the "Note") under and pursuant to the provisions of (i) a Resolution of the Authority adopted on April 19, 2022 (the "Resolution"); and (ii) a Loan Agreement dated the date hereof, between the Authority and the Bank (the "Loan Agreement"); and

WHEREAS, The proceeds derived from the issuance and sale of the Note will be applied, together with other funds available or to be available to the Authority for and towards the following project (the "Project"): (i) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the "Water System"); and (ii) payment of the costs and expenses associated with the issuance of the Note; and

WHEREAS, The Board of Supervisors of the Township has determined, among other things, that the undertaking of the Project is in the best interests of the Township and its residents; and

WHEREAS, The Township, as an inducement to the Authority to undertake the Project and to authorize and issue its Note, and as an inducement to the initial and all future owners of the Note to purchase the Note and to thereby achieve interest costs and other savings to the Authority and the residents and taxpayers of the Township and other users of the Authority's water facilities in the Township, desires to enter into this Guaranty Agreement with respect to the Note, as permitted by and in accordance with the terms and conditions of the Debt Act (hereinafter defined); and

WHEREAS, The parties hereto desire to set forth the terms and conditions under and pursuant to which the Note shall be guaranteed by the Township and related matters.

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

ARTICLE I
Definitions

SECTION 1.01. Terms and Phrases. In addition to the terms and phrases which may be elsewhere defined in this Guaranty Agreement, terms and phrases defined in this

Section 1.01, for all purposes of this Guaranty Agreement, as herein defined, shall have the meanings herein specified, unless the context clearly otherwise requires:

“Act” shall mean the Act of the General Assembly of the Commonwealth, known as the Municipality Authorities Act of May 2, 1945, P. L. 382 (the “1945 Act”), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented.

“Board” shall mean, at any given time, the governing body of the Authority.

“Board of Supervisors” shall mean the governing body of the Township.

“Commonwealth” shall mean the Commonwealth of Pennsylvania.

“Debt Act” shall mean the Act of the General Assembly of the Commonwealth, known as the Local Government Unit Debt Act, approved December 19, 1996, Act No. 117, as amended and supplemented, from time to time.

“Debt Service” shall mean, with respect to any Fiscal Year, the amounts required to pay interest on, premium, if any, and principal of the Note during each Fiscal Year.

“Fiscal Year” shall mean the fiscal year of the Township as provided by laws of the Commonwealth.

“Guaranty Agreement” shall mean this agreement and all modifications, alterations, amendments and supplements hereto made and delivered in accordance with the provisions hereof, which phrase sometimes is referred to in this document by use of such words as “hereto,” “hereby,” “herein,” “hereof” or “hereunder.”

“Reimbursement Agreement” shall mean the Reimbursement Agreement dated as of the date hereof between the Township and the Authority and all modifications, amendments, extensions and substitutions therefor.

ARTICLE II
Representations and Warranties of the Township

SECTION 2.01. Representations and Warranties. The Township represents and warrants that:

- A. The Township is a political subdivision of the Commonwealth;
- B. The Township possesses all requisite power and authority under laws of the Commonwealth to enter into and to perform all the covenants and agreements set forth in this Guaranty Agreement;

C. The Township has duly authorized all necessary action on its part to enter into this Guaranty Agreement, pursuant to proper and necessary official action of its Board of Supervisors in accordance with laws of the Commonwealth;

D. The Township, in entering into this Guaranty Agreement, is acting in the public interest by assisting in providing modern, high quality water facilities at the lowest possible cost to the users of such facilities and the citizens and taxpayers of the Township, and by assisting in the preservation and protection of the general health and welfare of inhabitants of the Township and of the Commonwealth;

E. The Township, in entering into this Guaranty Agreement, is incurring lease rental debt pursuant to the terms and conditions of the Debt Act; and the Township has taken all proper proceedings pursuant to the Debt Act and has obtained all approvals required to be obtained in connection with the execution and delivery of this Guaranty Agreement; and

F. The Township does not reasonably expect to pay any amounts under this Guaranty Agreement.

ARTICLE III

Covenants and Agreements of the Authority and the Township

SECTION 3.01. Full and Prompt Payment. The Township hereby guarantees, unconditionally and irrevocably, to the registered owners, from time to time, of the Note, the full and prompt payment of the Debt Service when and as such shall be due and payable, in accordance with the terms and conditions of this Guaranty. Nothing contained in this Agreement shall in any way be construed to imply that the Township shall be or become liable or responsible for any other debt or obligation of the Authority. This is a guaranty of payment and not of collection.

SECTION 3.02. Costs, Fees, Expenses and Charges. Except as may be expressly provided herein or elsewhere, the Township shall not be responsible or liable to the Authority or the Bank for the payment of any other costs, fees, expenses or charges arising in connection with the issuance and sale of the Note, or the enforcement of any rights of the Authority against any other person.

SECTION 3.03. Manner of Payment. All payments required to be made by the Township under this Guaranty Agreement shall be made in lawful money of the United States of America at the designated office of the Bank and at the times specified in the Note for the payment of Debt Service on the Note.

SECTION 3.04. Separate Causes of Action. Each and every default in payment of Debt Service shall give rise to a separate cause of action under this Guaranty Agreement; and separate suits may be instituted pursuant to this Guaranty Agreement, from time to time, as each cause of action shall arise.

SECTION 3.05. Amounts to be Included in Budget. The Township covenants to and with the Bank and the Authority and the registered owners, from time to time, of the Note that the Township shall (a) include in its budget for each Fiscal Year in which Debt Service is payable on the Note (beginning with its 2022 Fiscal Year), an amount equal to the Debt Service on the Note for such Fiscal Year (which Debt Service has been guaranteed by the Township and is payable pursuant to this Guaranty Agreement) and (b) appropriate such amounts from its general revenues for payment to the Bank of its obligations hereunder, and (c) duly and punctually pay or cause to be paid from its sinking fund or any of its revenues or funds to the Bank such amounts, at the times and in the manner provided for herein, at the designated office of the Bank, according to the true intent and meaning hereof. For such budgeting, appropriation and payment, the Township pledges its full faith, credit and taxing power. As provided in the Debt Act, this covenant shall be enforceable specifically against the Township.

At any time when payments are required to be made by the Township hereunder, to the extent that sufficient money shall not be available in the Township's then current budget, and if the Township shall be unable to incur, lawfully, debt in the current Fiscal Year for the purpose of paying such debt service or to issue tax anticipation notes or otherwise to satisfy its obligations hereunder, the Township shall include any amounts so payable in its budget for the next succeeding Fiscal Year and shall appropriate such amounts to the payment of such obligations and duly and punctually shall pay or shall cause to be paid the obligations incurred hereunder in the manner herein stated according to the true intent and meaning hereof, and for such budgeting, appropriation and payment the Township does pledge its full faith, credit and taxing power. As provided in the Debt Act, this covenant shall be enforceable specifically against the Township.

SECTION 3.06. Obligations of Township Absolute and Unconditional. The obligations of the Township under this Guaranty Agreement shall be absolute, irrevocable and unconditional, irrespective of any other agreement or instrument to which the Township shall be a party, and shall remain in full force and effect until all Debt Service during each Fiscal Year in which the Note remains outstanding shall have been paid or shall have been provided for, and such obligations of the Township shall not be affected, modified, diminished, or impaired upon the happening, from time to time, of any event, including, without limitation, any of the following (whether or not with notice to or the consent of the Township in accordance with the provisions hereof) unless such notice or consent is required hereunder:

A. The failure of the Authority otherwise to perform any obligation contained in this Guaranty Agreement or in any other agreement, for any reason whatsoever, including, without limiting the generality of the foregoing, the occurrence of an insufficiency of funds, negligence or willful misconduct on the part of the Authority or its agents, employees or independent contractors, legal action of any nature which shall prohibit the operations of the Authority, labor disputes, war, insurrection, natural catastrophe or laws, rules or regulations of any body, governmental or otherwise, having proper jurisdiction;

B. The compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Authority under the Reimbursement Agreement;

C. The failure of the Authority or the Bank to give notice to the Township of the occurrence of a default under terms and provisions of this Guaranty Agreement, the Loan Agreement or the Reimbursement Agreement;

D. The validity, enforceability or termination of the Loan Agreement or the Reimbursement Agreement;

E. The failure of the Authority to make any payment to the Township under the Reimbursement Agreement or any other agreement;

F. The neglect or failure of the Authority and/or the Bank to exercise or to preserve any rights or rights of action against any party, person or property;

G. The failure of the Authority and/or the Bank to have enforced, on prior appropriate occasions, any right or right of action against any party, person or property;

H. The compromise, settlement, release, alteration, indulgence or any other change or modification of any obligation or liability of the Authority under the Loan Agreement or the Reimbursement Agreement, regardless of the nature of such obligation or liability and regardless of the extent to which such obligation or liability shall have been modified, compromised or otherwise changed;

I. The waiver of the payment, performance or observance by the Authority or the Bank of any obligations, covenants or agreements contained in the Reimbursement Agreement, this Guaranty Agreement or any other agreement to which the Authority is a party;

J. The extension of the time for payment of the Debt Service on the Note or any part thereof owing or payable under this Guaranty Agreement or of the time for performance of any other obligations, covenants or agreements under or arising out of the Loan Agreement, the Reimbursement Agreement, this Guaranty Agreement or any other agreement to which the Authority is a party;

K. The waiver by the Township, or the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement of the Authority set forth in the Loan Agreement, the Reimbursement Agreement or any other agreement to which the Authority is a party;

L. The taking of, or the omission to take, any action referred to in the Loan Agreement, the Reimbursement Agreement, this Guaranty Agreement or any other other document, instrument or agreement executed and delivered in connection with the issuance of the Note;

M. Any failure, omission or delay on the part of the Authority and/or the Bank to enforce, to assert or to exercise any right, power or remedy conferred upon or vested in the Authority and/or the Bank hereunder or under the Loan Agreement or the Reimbursement Agreement or any other document, instrument or agreement executed and delivered in connection with the issuance of the Note, or to enforce, to assert or to exercise any other right or rights on the part of the Authority or the Bank;

N. The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustments or other similar proceedings affecting the Township or the Authority or any of the assets of either, or any allegation or contest of the validity of this Guaranty Agreement in any such proceeding;

O. The release or discharge of the Township, to the extent permitted by law, from performance or observance of any obligation, covenant or agreement contained in this Guaranty Agreement, by operation of law;

P. The default or failure of the Township fully to perform any of its obligations set forth in this Guaranty Agreement;

Q. Any failure by the Authority or the Bank to comply with any of the covenants, agreements or undertakings set forth herein, in the Loan Agreement or any breach by the Authority or the Bank of any representation or warranty set forth herein or in the Loan Agreement; or

R. The voluntary or involuntary repossession or surrender of the Water System.

SECTION 3.07. Obligations of Township Not Affected by Bankruptcy, etc. The obligations of the Township hereunder shall not be affected by any bankruptcy, arrangement of creditors, reorganization or other similar proceedings of the Authority or the Township; and, to the extent applicable, the Township specifically waives any right or benefit which could accrue to it by reason of any such proceeding and agrees that the same shall not affect the liability of the Township hereunder, regardless of the effect that such proceedings may have with respect to the obligations of the Authority.

SECTION 3.08. Obligations of Township Not Subject to Setoff, Counterclaim, etc. The obligations of the Township hereunder shall not be subject to any setoff, counterclaim or defense resulting from any breach or any alleged breach by the Authority of any obligation to the Township, whether said obligation arises under this Guaranty Agreement, the Reimbursement Agreement or from any other transaction between the Authority and the Township, regardless of the nature of such transaction, or otherwise.

SECTION 3.09. Bank Authorized to Proceed. In the event of a default in payment of Debt Service on the Note when and as the same shall become due and payable, whether at the stated maturity thereof or by acceleration, the Bank may proceed hereunder directly against the Township without proceeding against or exhausting any other remedies which it may have against the Authority or its assets.

The Township agrees to pay all costs, fees and expenses, including, to the extent permitted by law, all court costs and reasonable attorney fees which may be incurred by the Bank in enforcing or attempting to enforce this Guaranty Agreement against it, following any default on the part of the Township hereunder, whether the same shall be enforced by suit or otherwise.

SECTION 3.10. Waiver of Notice of Reliance. The Township expressly waives notice, in writing or otherwise, from the registered owners, at any time or from time to time, of any of the Note of their acceptance and reliance upon this Guaranty Agreement.

SECTION 3.11. Enforcement by Third Parties. This Guaranty Agreement is entered into by the Township for the benefit of the Bank and the owners, from time to time, of the Note, all of whom shall be entitled to enforce performance and observance hereof by the Township to the same extent as if they were parties signatory hereto.

SECTION 3.12. Separate or Cumulative Enforcement. Terms of this Guaranty Agreement may be enforced as to any one or more breaches, either separately or cumulatively.

SECTION 3.13. Payment by Township.

(a) If on any date on which Debt Service is due and payable, in accordance with the terms of the Note and the Loan Agreement, the Bank shall not have received from the Authority (or any person on the Authority's behalf) sufficient funds to pay the Debt Service on the Note on such date, the Township under the provisions of this Guaranty Agreement, shall promptly pay to the Bank an amount which, together with other monies available to the Township, will be sufficient to make such Debt Service payment then due on the Note.

(b) To the extent that it makes any payments of Debt Service on the Note, the Township shall become subrogated to all right, title and interest of the person receiving such payments.

SECTION 3.14. Discharge of Obligations. Anything contained in this Guaranty Agreement to the contrary notwithstanding, except as provided herein with respect to expenses incurred in connection with the enforcement hereof, the obligations of the Township hereunder shall be satisfied in full and discharged when (a) the principal and interest on the Note have been paid or provided for as specified in the Note, and (b) the Note shall have been discharged in accordance with its terms.

ARTICLE IV
Miscellaneous

SECTION 4.01. Increased Obligations of Township; Amendment. No amendment, change, modification, alteration or termination of the Note or the Loan Agreement shall be effective which would in any way increase obligations of the Township under this Guaranty Agreement, without obtaining the prior written consent of the Township (such consent to be given by the Township pursuant to an ordinance duly enacted by the Board of Supervisors).

SECTION 4.02. Time When Obligations Arise. Obligations of the Township hereunder shall arise absolutely, irrevocably and unconditionally when the Note shall have been issued, sold and delivered by the Authority.

SECTION 4.03. Authority to Punctually Perform. The Authority and the Bank covenant with the Township that each duly and punctually will perform every covenant and agreement undertaken by the Authority under the Note.

SECTION 4.04. Remedies of Bank. In the event of default by the Township in the punctual discharge of its obligations hereunder, the Bank shall be entitled to exercise such remedies as are provided under the Debt Act, together with any other remedies which otherwise may be provided at law or in equity or by other statutes.

SECTION 4.05. Cumulative Remedies; Waiver. No remedy conferred upon or reserved to the Authority or the Bank hereunder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised, from time to time, and as often as may be deemed expedient. In order to entitle the Authority and/or the Bank to exercise any remedy reserved in this Guaranty Agreement, it shall not be necessary to give any notice, other than such notice as herein expressly may be required. In the event any provision contained in this Guaranty Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification hereof shall be established by conduct, custom or course of dealing, but shall be established solely by an instrument, in writing, duly executed by the appropriate parties. Notwithstanding any other provision hereof to the contrary, no recourse shall be had for the payment of the principal of or interest on the Note, or for any claim based hereon or on the Ordinance of the Township authorizing and approving the execution and delivery of this Guaranty Agreement, against any member, officer or employee, past, present, or future, of the Township or of any successor body, as such, either directly or through the Township or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Guaranty Agreement.

SECTION 4.06. Entire Agreement; Multiple Counterparts. This Guaranty Agreement constitutes the entire agreement, and supersedes all prior agreements, and understandings, both written and oral, among the parties with respect to the subject matter hereof; and this Guaranty Agreement may be executed, simultaneously, in multiple counterparts, each of which counterparts, together, shall constitute but one and the same instrument.

SECTION 4.07. Severability. Provisions of this Guaranty Agreement shall be severable; and in the event of the invalidity or unenforceability of any one or more phrases, sentences, clauses, Articles, Sections or parts, in this Guaranty Agreement contained, such invalidity or unenforceability shall not affect the validity or enforceability of remaining portions of this Guaranty Agreement or any remaining parts thereof.

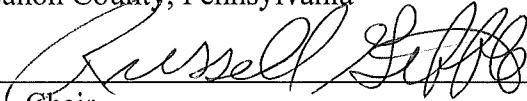
SECTION 4.08. Amendment. This Guaranty Agreement may be amended and/or supplemented, from time to time, by a written document duly signed by the parties hereto; provided, however, that no amendment and/or supplement shall be made which shall diminish or discontinue the obligations of the Township hereunder.

SECTION 4.09. Choice of Law. This Agreement shall be construed in accordance with and shall be governed by laws of the Commonwealth.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, pursuant to proper authorization of their respective governing bodies, have caused this Guaranty Agreement to be executed by its respective duly authorized officer or officers and to be attested by its respective duly authorized officer and its respective official or corporate seal to be affixed to this Guaranty Agreement, all as of the day and year first above written.

TOWNSHIP OF WEST CORNWALL
Lebanon County, Pennsylvania

By: 
Chair

(SEAL)

Attest: 
Secretary

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By _____
Chair

Attest: _____
Secretary

(SEAL)

PEOPLES SECURITY BANK AND TRUST
COMPANY

By _____
Authorized Officer

[Signature page to Guaranty Agreement]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, pursuant to proper authorization of their respective governing bodies, have caused this Guaranty Agreement to be executed by its respective duly authorized officer or officers and to be attested by its respective duly authorized officer and its respective official or corporate seal to be affixed to this Guaranty Agreement, all as of the day and year first above written.

TOWNSHIP OF WEST CORNWALL
Lebanon County, Pennsylvania

By: _____
Chair

(SEAL)

Attest: _____
Secretary

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By: _____
Chair

Attest: _____
Secretary

(SEAL)

PEOPLES SECURITY BANK AND TRUST
COMPANY

By: _____
Authorized Officer

[Signature page to Guaranty Agreement]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, pursuant to proper authorization of their respective governing bodies, have caused this Guaranty Agreement to be executed by its respective duly authorized officer or officers and to be attested by its respective duly authorized officer and its respective official or corporate seal to be affixed to this Guaranty Agreement, all as of the day and year first above written.

TOWNSHIP OF WEST CORNWALL
Lebanon County, Pennsylvania

By: _____
Chair

(SEAL)

Attest: _____
Secretary

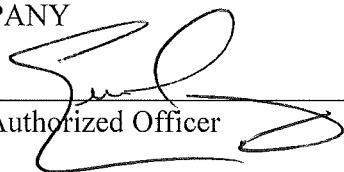
WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By _____
Chair

Attest: _____
Secretary

(SEAL)

PEOPLES SECURITY BANK AND TRUST
COMPANY

By  _____
Authorized Officer

[Signature page to Guaranty Agreement]

REIMBURSEMENT AGREEMENT

THIS REIMBURSEMENT AGREEMENT dated as of May 31, 2022, by and among the TOWNSHIP OF WEST CORNWALL, Lebanon County, Pennsylvania (the “Township”), being a political subdivision of the Commonwealth of Pennsylvania and WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (the “Authority”), a body corporate and politic organized and existing under the Municipality Authorities Act of May 2, 1945, P. L. 382 (the “1945 Act”), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented, of the Commonwealth of Pennsylvania (the “Authorities Act”).

WITNESSETH:

WHEREAS, the capitalized terms used herein which are not defined herein shall have the meaning given them in the Loan Agreement (hereinafter defined) or in the Guaranty (hereinafter defined); and

WHEREAS, the Authority intends to authorize and to issue its Guaranteed Water Revenue Note, Series of 2022 in the aggregate principal amount of \$1,000,000 (the “Note”) pursuant to the terms of (i) a Resolution of the Authority adopted on May 3, 2022 (the “Resolution”); and (ii) a Loan Agreement dated May 31, 2022 (the “Loan Agreement”), between the Authority and Peoples Security Bank and Trust Company (the “Bank”); and

WHEREAS, the proceeds derived from the issuance and sale of the Note will be applied, together with other funds available or to be available to the Authority, for and toward the payment of the following: (i) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the “Water System”); and (ii) the costs associated with the issuance of the Note (the “Project”); and

WHEREAS, The Board of Supervisors of the Township has determined, among other things, that the undertaking of the Project is in the best interests of the Township and its residents; and

WHEREAS, the Township as an inducement to the Authority to authorize and issue the Note, and as an inducement to any and all registered owners of the Note to purchase such Note and to further enhance and ensure the marketability of the Note and thereby achieve interest costs and other savings to the Authority and to the users of the Authority’s facilities, desires to execute and deliver its Guaranty Agreement, dated as of May 31, 2022 (the “Guaranty”) with respect to the payment of Debt Service on the Note all as permitted by and in accordance with the terms and conditions of the Local Government Unit Debt Act (the “Debt Act”) of the Commonwealth of Pennsylvania (the “Commonwealth”) and to enter into this Reimbursement Agreement in connection therewith; and

WHEREAS, the Board of Supervisors of the Township is acting in the public interest by assisting in providing modern, high quality water facilities at the lowest possible cost to the users of such facilities and the citizens and taxpayers of the Township, and by assisting in preserving and protecting the general health and welfare of the inhabitants of the Township and of the Commonwealth.

NOW, THEREFORE, intending to be legally bound hereby, the Township and the Authority hereby agree as follows:

1. Execution and Delivery of Guaranty. Subject to the terms and conditions hereinafter set forth, the Township hereby agrees to execute, attest, seal and deliver to the Authority and the Bank, on or before the date of issuance and delivery of the Note by the Authority, the Guaranty. The Guaranty, substantially in the form approved by the Board of Supervisors of this Township, is incorporated herein by reference.

2. Reimbursement and Other Payments.

(a) The Authority covenants and agrees that it shall pay to the Township, on demand: (i) an amount equal to any amount at any time paid by the Township to the Bank under the Guaranty, plus an additional amount equal to any and all reasonable charges and expenses which the Township may pay or incur in connection with making payments under the Guaranty or enforcing reimbursement hereunder; and (ii) interest on any such amounts from the date which such amounts accrue until payment in full, at an interest rate of 4% per annum.

(b) All payments at any time made by the Authority to the Township hereunder shall be made in lawful currency of the United States of America in immediately available funds in such manner and at such place as the Township may direct.

3. Security. The Authority shall cause the Loan Agreement to contain terms which provide that the Township shall, to the extent it honors its obligations under the Guaranty, be subrogated to the rights of the Bank and the owners of the Note in and to any and all funds and other security held by the Bank for the payment of the Note.

4. Conditions Precedent. As conditions precedent to the obligation of the Township to execute and deliver its Guaranty, the Township shall have received each of the following in form and substance satisfactory to it:

(a) A copy of the Resolution of the Authority authorizing, among other things, the issuance of the Note;

(b) A certificate of duly authorized officers of the Authority stating that (i) the representations and warranties of the Authority set forth in this Reimbursement Agreement and in the Guaranty are true, correct and complete as of the date of issuance of the Note; (ii) no event of default under this Reimbursement Agreement or the Loan Agreement has occurred and is continuing, or would result from the issuance and sale of the Note and no event has occurred and is continuing which, with the giving of notice or lapse of time or both, would constitute an event of default under this Reimbursement Agreement, the Guaranty or the Loan Agreement; and (iii) such other matters as the Township may reasonably request;

(c) An opinion of counsel to the Authority regarding: (i) the due existence of the Authority; (ii) the power of the Authority to enter into and perform its obligations under this Reimbursement Agreement, the Loan Agreement, the Note, and all other agreements, documents, instruments or collateral security documents executed and delivered by or on behalf of the Authority at the closing of the sale of the Note; and (iii) the due validity,

binding effect and enforceability of this Reimbursement Agreement, the Loan Agreement, the Note, and all other agreements, documents, instruments and collateral security documents, subject, however, in each case, to laws and equitable principles affecting the enforcement of creditors' rights generally;

(d) An opinion of counsel to the Township regarding: (i) the due existence of the Township; (ii) the valid incumbency of the officers of the Township; and (iii) the legal, valid and binding enactment of the Ordinance approving the Guaranty and this Reimbursement Agreement and authorizing and directing, among other things, the execution, attestation and delivery thereof by proper officers of the Township;

(e) Executed copies of this Reimbursement Agreement, the Guaranty, the Loan Agreement and all related documentation delivered in connection with the issuance of the Note; and

(f) The approval of the Department of Community and Economic Development, as required by the Debt Act, with respect to the execution and delivery of the Guaranty and the incurrence of lease rental debt by the Township.

5. Obligations Absolute. The obligations of the Authority under this Reimbursement Agreement shall be absolute, unconditional and irrevocable, and shall be fully performed strictly in accordance with the terms and conditions of this Reimbursement Agreement, under all circumstances whatsoever, including, without limitation, the following: (i) any lack of validity or enforceability of the Guaranty, the Note or any other agreement or document relating thereto; (ii) any amendment or waiver of or any consent to or departure from the terms and conditions of the Guaranty, the Note or any documents relating thereto; or (iii) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Bank (or any person or entities for whom the Bank may be acting), the Township or any other person or entity, whether in connection with this Reimbursement Agreement, the transactions described herein or any unrelated transaction.

6. Representations and Warranties. The Authority hereby represents and warrants as follows:

(a) The Authority is a municipality authority duly organized and validly existing under the Authorities Act. Each of the individuals executing and delivering this Reimbursement Agreement, the Guaranty, the Loan Agreement, the Note and all related documents and instruments possesses full power and authority to execute and deliver such documents and such execution and delivery does not contravene the terms or provisions of any document, agreement or instrument to which the Authority or any of its properties or assets is or may be bound;

(b) The execution, delivery and performance by the Authority of this Reimbursement Agreement, the Guaranty, the Note, the Loan Agreement and related documents and instruments has been duly authorized by all necessary action, do not contravene the provisions of the Articles of Incorporation or By-Laws of the Authority or of any other agreement or instrument binding on or affecting the Authority or any of its assets or properties, and does not result in or require the creation of any lien, security interest or other charge or

encumbrance (other than pursuant to this Reimbursement Agreement, the Guaranty, or any other collateral security document or instrument executed and delivered at the closing held this day) upon or with respect to any of the Authority assets or properties;

(c) No authorization, approval or other consent or action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Authority of this Reimbursement Agreement, the Guaranty, the Loan Agreement, the Note or any related document or instrument, except such as have been obtained;

(d) This Reimbursement Agreement, the Guaranty, the Loan Agreement, the Note and any related document or instrument, executed and delivered by or on behalf of the Authority in connection with the issuance of the Note, constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, subject, however, to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditors' rights generally; and

(e) There is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving the Authority and, to the best of the knowledge of the Authority, there is no threatened action or proceeding against the Authority before any court, governmental agency or arbitrator which, in any case, may materially and adversely affect the financial condition or operations of the Authority or any other material contingent liability of any kind (which has not heretofore been disclosed to the Township).

7. Covenants of the Authority. So long as the Guaranty shall remain in full force and effect, or any amount is due and owing to the Township under the provisions of this Reimbursement Agreement, the Authority covenants and agrees that it shall, unless the Township shall have otherwise consented in writing:

(a) Preservation of Existence. Preserve and maintain its due existence, and its right to do business and its good standing in the Commonwealth, and will maintain (and obtain) all licenses, permits and other authorizations necessary, proper or desirable for the ownership and operation of its water system.

(b) Compliance with Laws, Etc. Comply in all material respects with all applicable laws, rules, regulations and orders of any governmental authority the non-compliance with which would materially and adversely affect its operations or condition.

(c) Keeping of Books. Keep proper, accurate and complete books of record and account, in which full and correct entries shall be made of financial transactions and the assets and operations of the Authority.

(d) Guaranty Agreement. Observe, in all respects, its obligations under the Guaranty.

(e) Sufficient Rates, Charges and Fees. Fix, charge and collect rates, charges and other fees upon the users of the water system which will be sufficient during such

Fiscal Year to pay Debt Service on the Note in each Fiscal Year and to pay all administrative costs of the Authority.

(f) Repayment of Amounts Advanced. At any time after the Township shall have paid to the Bank such amount or amounts as at that time shall be required to pay Debt Service on the Note in accordance with the provisions of the Guaranty or shall have paid any costs, fees or expenses guaranteed thereby, to repay to the Township the amount or amounts actually advanced by the Township, together with interest on such amounts, all in accordance with the terms of this Reimbursement Agreement.

8. Defaults and Remedies. Each of the following shall constitute an event of default hereunder ("Event of Default") unless waived by the Township hereunder:

(a) Failure by the Authority to make any payment of Debt Service when due and payable;

(b) Failure by the Authority to perform or comply with any of the other terms or conditions contained in this Reimbursement Agreement, the Loan Agreement, the Note or the Guaranty or any other document, instrument or agreement of the Authority to the Township, and continuance of such failure uncured for 30 days after Authority has knowledge that such failure has occurred, or such longer period to which the Township may agree in the case of a default not curable by the exercise of due diligence within such 30 day period, provided that the Authority shall have commenced to cure such default within such 30 day period and shall complete such cure as quickly as reasonably possible with the exercise of due diligence;

(c) Any of the representations or warranties of the Authority set forth in this Reimbursement Agreement, the Loan Agreement or the Guaranty or in any other certificate, document, statement, instrument or agreement furnished to the Township pursuant to the terms hereof or the Guaranty proves to have been materially false when made or the failure by the Authority to comply with the covenants made by the Authority in Section 7 hereof;

(d) Any material provision of this Reimbursement Agreement, the Loan Agreement or the Note shall at any time for any reason cease to be valid and binding on the Authority, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Authority or any governmental agency or authority, or the Authority shall deny that it has any or further liability or obligation under this Reimbursement Agreement, the Loan Agreement, the Note or any other document, instrument or agreement executed and delivered in connection with the Note;

(e) The Authority shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like for its property, or (ii) admit in writing its inability to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under the United States Bankruptcy Code (or any successor to such code) or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency law or file an answer admitting the material allegations of a petition filed against such corporation in any bankruptcy, reorganization or insolvency proceeding, or to take any action for the purpose of effecting any of the foregoing, or

(vi) if without the application, approval or consent of the Authority, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking an order for relief or an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like or of all or any substantial part of the assets of the Authority or other like relief in respect thereof under any bankruptcy or insolvency law, and, if such proceeding is being contested in good faith, the same shall (A) result in the entry of an order for relief or any such adjudication or appointment or (B) remain undismissed and unstayed for a period of 60 days. If an Event of Default has occurred and is continuing the Township may exercise, or cause to be exercised, any and all such remedies as it may have at law or in equity.

9. Amendments. No amendment, waiver or consent of any provision of this Reimbursement Agreement shall in any event be effective unless the same shall be in writing and executed by the Township, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

10. Waiver; Remedies Cumulative. No failure on the part of the Township to exercise, and no delay in exercising, any right hereunder or elsewhere shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or elsewhere preclude any other or further exercise thereof or the exercise of any other right.

11. Continuing Obligation. This Reimbursement Agreement and the Guaranty are continuing obligations and shall: (i) be binding upon the Authority and the Township and their respective successors and assigns; and (ii) inure to the benefit of and be enforceable by the Authority and the Township and their respective successors and assigns; provided that the Authority may not assign all or any part of this Agreement without the prior written consent of the Township.

12. Indemnification. The Authority hereby indemnifies and holds harmless the Township from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Township may incur (or which may be claimed against the Township by any person or entity whatsoever) by reason of or in connection with the execution and delivery of, or payment or failure to pay under, the Guaranty; provided the Authority shall not be required to indemnify the Township for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by: (a) the willful misconduct or gross negligence of the Township; or (b) the Township's willful failure to pay under the Guaranty. Nothing in this Section is intended to limit the Authority's reimbursement obligation contained in paragraph (a) of Section 2 hereof.

13. No Recourse. No recourse under or upon any obligation, covenant or agreement contained herein, in the Loan Agreement or in the Note, or because of any indebtedness secured hereby shall be had against any past, present or future member, officer or employee of the Authority or the Township or of any successor of the Authority or the Township under any rule of law, statute or constitutional provision, or by enforcement of any assessment or by any legal or equitable proceeding or otherwise, it expressly being agreed and understood that the obligations of the Authority hereunder, and under the Note and elsewhere are solely corporate obligations of the Authority and that no personal liability whatsoever shall attach to or

shall be incurred by such members, officers or employees of the Authority or of any successor of the Authority, or any of them, because of such indebtedness or by reason of any obligation, covenant or agreement contained herein, in the Note or elsewhere, or implied therefrom.

14. Conflicts. Insofar as possible the provisions of this Reimbursement Agreement shall be deemed complementary to the terms of the Guaranty but in the event of conflict the terms hereof shall control to the extent such are enforceable under applicable law, provided, however, that nothing herein contained shall limit or alter the Township's obligations to the Bank under the Guaranty.

15. Severability. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent that it is not prohibited or unenforceable, nor invalidate the other provisions hereof, all of which shall be liberally construed in favor of the Township in order to effect the provisions of this Reimbursement Agreement.

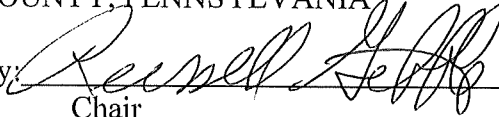
16. Governing Law. This Reimbursement Agreement shall be governed by, and construed in accordance with, the domestic internal laws (but not the law of conflicts of law) of the Commonwealth.

17. Headings. Section headings in this Reimbursement Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Township have each caused this Reimbursement Agreement to be duly executed by its duly authorized officers, and its seal affixed hereon, and this Reimbursement Agreement delivered in its name as of the date first above written.

TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA

By: 
Chair

Attest: 
Secretary

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

By: _____
Chair

Attest: _____
Secretary

IN WITNESS WHEREOF, the Authority and the Township have each caused this Reimbursement Agreement to be duly executed by its duly authorized officers, and its seal affixed hereon, and this Reimbursement Agreement delivered in its name as of the date first above written.

TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA

By: _____
Chair

Attest: _____
Secretary

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

By: _____
Chair

Attest: _____
Secretary

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border-left: 1px solid black; border-top: 1px solid black; width: 40%; height: 40%;"></div> <div style="border-right: 1px solid black; border-top: 1px solid black; width: 40%; height: 40%;"></div> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 20px;"> <div style="border-left: 1px solid black; border-bottom: 1px solid black; width: 40%; height: 40%;"></div> <div style="border-right: 1px solid black; border-bottom: 1px solid black; width: 40%; height: 40%;"></div> </div>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME				
OR	1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	
		ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS		CITY		STATE
		POSTAL CODE		COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	
		ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS		CITY		STATE
		POSTAL CODE		COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR	3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	
		ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS		CITY		STATE
		POSTAL CODE		COUNTRY

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check <u>only</u> if applicable and check <u>only</u> one box:	6b. Check <u>only</u> if applicable and check <u>only</u> one box:
<input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmitting Utility	<input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all Instructions, especially Instruction 1; use of the correct name for the Debtor is crucial.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

Send completed form and any attachments to the filing office, with the required fee.

ITEM INSTRUCTIONS

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in item A and item B. These items are optional.

C. Complete item C if filer desires an acknowledgment sent to them. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form the Acknowledgment Copy or a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor's name.** Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1 -- either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. **Organization Debtor Name.** "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is **not** an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. **Individual Debtor Name.** "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. in place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. **Additional Debtor's name.** If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.

3. **Secured Party's name.** Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. **Collateral.** Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

Note: If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. **Alternative Designation.** If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. **Optional Filer Reference Data.** This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.

Stevens & Lee

111 N. Sixth Street
P.O. Box 679
Reading, PA 19603
(610) 478-2000
www.stevenslee.com

T: (610) 478-2168
F: (610) 988-0825
peter.edelman@stevenslee.com

May 9, 2022

BY EMAIL

Susie Blanton, Esquire
Office of Chief Counsel
Commonwealth of Pennsylvania
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225

Re: Township of West Cornwall, Lebanon County, Pennsylvania \$1,000,000 Lease Rental
Indebtedness

Dear Ms. Blanton:

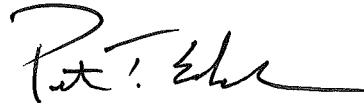
We are serving as Bond Counsel to the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), in the above-referenced matter. Attached herewith for filing in accordance with the provisions of Section 8111 of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania are the proceedings in connection with the proposed issuance of the Township's \$1,000,000 Lease Rental Indebtedness.

A check in the amount of \$81.25 payable to the Department of Community and Economic Development, Commonwealth of Pennsylvania, as payment of the filing fee for this issue will sent via Federal Express to the Department.

Please contact the undersigned if you have any questions or comments or require any additional information.

Very truly yours,

STEVENS & LEE



Peter T. Edelman

PTE:slga
Enclosures

Allentown • Bergen County • Bala Cynwyd • Cleveland • Fort Lauderdale • Harrisburg • Lancaster • New York
Philadelphia • Princeton • Reading • Rochester • Scranton • Valley Forge • Wilkes-Barre • Wilmington
A PROFESSIONAL CORPORATION

TOWNSHIP OF WEST CORNWALL
LEBANON COUNTY, PENNSYLVANIA

APPLICATION FOR APPROVAL

In the Matter of the Proposed Incurrence of
Indebtedness in
Accordance with the Provisions of the
Local Government Unit Debt Act

TO: Department of Community and Economic Development
Office of Chief Counsel
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120

RE:

Township of West Cornwall, Lebanon County, Pennsylvania
Lease Rental Debt in the Aggregate Principal Amount of \$1,000,000.

Application is hereby made pursuant to Section 8111(a) the Local Government Unit Debt Act, as amended (the "Act"), for approval of the proceedings taken by the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), to incur lease rental debt in the aggregate principal amount of \$1,000,000 and to evidence the same by the execution and delivery of a Guaranty Agreement of the Township.

The complete transcript of the proceedings which are herewith submitted in support of the "Application for Approval" consists of a copy of each of the following:

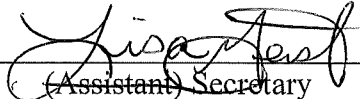
- (i) This Application for Approval;
- (ii) Proof of Publication of the Preenactment Notice;
- (iii) Proof of Publication of the Postenactment Notice;
- (iv) Certified Copy of the Ordinance;
- (v) Debt Statement/Borrowing Base Certificate;
- (vi) Section 8110(b) Certificate; and
- (vii) Report on Self-Liquidating Debt.

Please return one (1) copy of your Approval at your earliest convenience to Peter T. Edelman, Esquire, 111 North Sixth Street, P.O. Box 679, Reading, Pennsylvania 19603-0679, Bond Counsel to the Township (Email: peter.edelman@stevenslee.com).

Thank you very much for your cooperation.

Very truly yours,

TOWNSHIP OF WEST CORNWALL,
Lebanon County, Pennsylvania

By:  _____
(Assistant) Secretary

TOWNSHIP OF WEST CORNWALL
LEBANON COUNTY, PENNSYLVANIA

ORDINANCE NO.: 2022-4-19

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA, AUTHORIZING AND APPROVING A PROJECT OF THE AUTHORITY (HEREINAFTER DEFINED); AUTHORIZING AND DIRECTING THE INCURRENCE OF LEASE RENTAL DEBT BY THE TOWNSHIP, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, 53 PA.C.S. CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "DEBT ACT"); DETERMINING THAT SUCH DEBT SHALL BE INCURRED UNDER THE DEBT ACT AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTY AGREEMENT OF THE TOWNSHIP SECURING PAYMENT OF THE DEBT SERVICE WITH RESPECT TO A GUARANTEED WATER REVENUE NOTE, TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000) (THE "NOTE"), TO BE ISSUED BY THE WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (THE "AUTHORITY") TO FINANCE A PROJECT OF THE AUTHORITY CONSISTING OF: (1) THE ACQUISITION OF A WATER TREATMENT, STORAGE AND DISTRIBUTION SYSTEM; AND (2) THE PAYMENT OF THE COSTS ASSOCIATED WITH THE ISSUANCE OF THE NOTE; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SUCH DEBT IS TO BE INCURRED; APPROVING THE ACCEPTANCE BY THE AUTHORITY OF A COMMITMENT FOR THE PURCHASE OF THE NOTE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE REQUIRED BY SECTION 8110 OF THE DEBT ACT; (B) TO THE EXTENT FEASIBLE, TO CAUSE TO BE PREPARED AND FILED, STATEMENTS AND REPORTS REQUIRED BY SECTION 8026 OF THE DEBT ACT WHICH ARE NECESSARY TO QUALIFY ALL OF SUCH LEASE RENTAL DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMITS AS SELF-LIQUIDATING DEBT; AND (C) TO EXECUTE, TO ATTEST, TO SEAL AND TO DELIVER, A GUARANTY AGREEMENT; APPROVING THE FORM OF THE GUARANTY AGREEMENT; SPECIFYING THE AMOUNT OF THE GUARANTY OBLIGATION OF THE TOWNSHIP PURSUANT TO SUCH GUARANTY AGREEMENT AND THE SOURCES OF PAYMENT OF SUCH GUARANTY OBLIGATIONS; AUTHORIZING THE PROPER OFFICERS OF THE TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION AND DELIVERY OF THE GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR

THE REPEAL OF ALL INCONSISTENT ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS.

WHEREAS, the Township of West Cornwall, Lebanon County, Pennsylvania (the “Township”), is a political subdivision of the Commonwealth of Pennsylvania (the “Commonwealth”) and is a “local government unit” under provisions of the Act of the General Assembly of the Commonwealth, 53 Pa.C.S. Chapters 80-82, as amended, reenacted and supplemented, from time to time, known as the Local Government Unit Debt Act (the “Debt Act”); and

WHEREAS, the West Cornwall Township Municipal Authority (the “Authority”) was created by the Township and is a body politic and corporate organized and existing under the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the “1945 Act”), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented, from time to time, of the Commonwealth; and

WHEREAS, the Authority has determined to undertake a project consisting of (i) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the “Water System”); and (ii) the payment of the costs of issuance of the Note (hereinafter defined); and

WHEREAS, the Authority has accepted a commitment letter (the “Commitment Letter”) from Peoples Security Bank and Trust Company (hereinafter referred to as the “Lender”) for the purchase of the Note; and

WHEREAS, to evidence its obligations to repay the loan to the Lender, the Authority has determined to issue its Guaranteed Water Revenue Note in the maximum aggregate principal amount of \$1,000,000 (the “Note”); and

WHEREAS, the Board of Supervisors of the Township has determined that the Project is in the best interests of the Township and its residents and desires to approve the Project and to request the Authority to undertake the Project; and

WHEREAS, the Township, as an inducement to the Authority to undertake the Project and to authorize and to issue the Note, and as an inducement to the Lender to purchase the Note, and to thereby achieve interest cost and other savings to the Authority and to the residents and taxpayers of the Township and other users of the Authority’s Water System, desires to enter into (i) a Guaranty Agreement (the “Guaranty Agreement”) with the Authority and the Lender, all as permitted by and in accordance with the terms and conditions of the Debt Act and (ii) a Reimbursement Agreement with the Authority (the “Reimbursement Agreement”); and

WHEREAS, the Note will be secured in part by the Township’s guarantee of a maximum aggregate principal amount of \$1,000,000, plus interest on the Note, pursuant to the terms of the Guaranty Agreement; and

WHEREAS, the Township desires to formally approve the Project and the financing thereof by the Authority, to authorize the incurrence of lease rental debt under the Debt Act, and

to approve the execution and delivery of the Guaranty Agreement and the Reimbursement Agreement.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of the Township, as follows:

1. The Township hereby authorizes and approves the Project and requests the Authority to undertake the Project. The Township ratifies and confirms all action heretofore taken by the Authority in connection with the Project. The Township authorizes and approves the issuance of the Note by the Authority and determines to incur lease rental debt in the maximum aggregate principal amount of \$1,000,000 by the execution and delivery of the Guaranty Agreement.

2. The lease rental debt authorized to be incurred hereby is for the purpose of financing the Project. The realistic estimated useful life of the projects to be financed by the Note is at least thirty years.

The Township hereby finds and certifies that realistic cost estimates have been obtained by the Authority and provided to the Township for the costs of the Project from financial analysts, registered architects, professional engineers or other persons qualified by experience to provide such estimates.

3. The debt to be evidenced by the Guaranty Agreement shall be lease rental debt of the Township.

4. The Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Board of Supervisors of the Township are hereby authorized and directed to prepare, to certify, to acknowledge and to file the debt statement and the borrowing base certificate, as appropriate, required by Section 8110 of the Debt Act and to take any and all other action necessary at any time or from time to time in connection with carrying out the intent of this Ordinance or necessary to comply with the Debt Act.

5. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Board of Supervisors of the Township are hereby authorized and directed to execute, attest, seal and deliver the Guaranty Agreement and the Reimbursement Agreement, respectively, in substantially the forms previously delivered to the Township with such insertions, deletions and amendments as the officers of the Township executing such document and the Solicitor to the Township shall deem necessary. The execution, attestation and delivery of the Guaranty Agreement and the Reimbursement Agreement by appropriate officers of the Township shall constitute conclusive evidence of such approval.

6. In the event that the Township is obligated to make payments due under the Guaranty Agreement, the maximum amounts required to be paid thereunder, from the general revenues of the Township, are set forth as Exhibit "A" hereto. Exhibit "A" is incorporated herein by reference with the same force and effect as if fully set forth in the text hereof. If at any time the Township is required to make any payment under the Guaranty Agreement, proper officers of the Township are hereby authorized and directed to do so.

7. The Township covenants to and with the owners of the Note, that the Township (a) shall include the amounts payable with respect to the Guaranty Agreement for each fiscal year in which such sums are payable in its budget for that year, (b) shall appropriate such amounts from its general revenues for the payment of such payment, and (c) shall duly and punctually pay or cause to be paid from any of its revenues or funds the amount payable in respect of the Guaranty Agreement, at the dates and place and in the manner stated in such Guaranty Agreement, and according to the true intent and meaning thereof. The Township pledges its full faith, credit and taxing power for such budgeting, appropriation and payment in respect to the Guaranty Agreement. This covenant shall be specifically enforceable in accordance with the Debt Act.

8. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Board of Supervisors of the Township are authorized and directed, if necessary or desirable, to cause to be prepared and filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania, appropriate statements required by Section 8026 of the Debt Act which are necessary to qualify the lease rental debt of the Township, which is subject to exclusion of self-liquidating debt, for exclusion from the appropriate debt limits as self-liquidating debt.

9. The proper officers of the Township are hereby authorized and directed to execute, attest and deliver any and all necessary or appropriate documents and to do any and all necessary or appropriate things in connection with the transactions hereby contemplated.

10. All ordinances and resolutions or parts thereof, insofar as the same are inconsistent herewith, are repealed hereby.

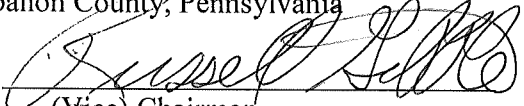
11. This Ordinance shall become effective in accordance with the provisions of the Act.

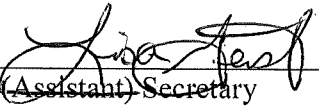
12. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of the Township that the remainder of the Ordinance shall remain in full force and effect.

[The remainder of this page intentionally left blank.]

DULY ENACTED AND ORDAINED, this 19th day of April, 2022, by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, in lawful session duly assembled.

TOWNSHIP OF WEST CORNWALL
Lebanon County, Pennsylvania

By: 
(Vice) Chairman

Attest: 
(Assistant) Secretary

(SEAL)

EXHIBIT

“A” Maximum Lease Rental Obligations

EXHIBIT "A"

MAXIMUM LEASE RENTAL OBLIGATIONS

BOND DEBT SERVICE

**West Cornwall Township Municipal Authority
Revenue Note, Series of 2022 - People's Security Bank**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>	<i>Bond Balance</i>	<i>Total Bond Value</i>
05/25/2022						1,000,000.00	1,000,000.00
12/30/2022	17,796.61	2.250%	13,437.50	31,234.11	31,234.11	982,203.39	982,203.39
06/30/2023	20,184.32	2.250%	11,049.79	31,234.11		962,019.07	962,019.07
12/30/2023	20,411.40	2.250%	10,822.71	31,234.11	62,468.22	941,607.67	941,607.67
06/30/2024	20,641.03	2.250%	10,593.09	31,234.12		920,966.64	920,966.64
12/30/2024	20,873.24	2.250%	10,360.87	31,234.11	62,468.23	900,093.40	900,093.40
06/30/2025	21,108.06	2.250%	10,126.05	31,234.11		878,985.34	878,985.34
12/30/2025	21,345.53	2.250%	9,888.59	31,234.12	62,468.23	857,639.81	857,639.81
06/30/2026	21,585.67	2.250%	9,648.45	31,234.12		836,054.14	836,054.14
12/30/2026	21,828.50	2.250%	9,405.61	31,234.11	62,468.23	814,225.64	814,225.64
06/30/2027	22,074.07	2.250%	9,160.04	31,234.11		792,151.57	792,151.57
12/30/2027	22,322.41	2.250%	8,911.71	31,234.12	62,468.23	769,829.16	769,829.16
06/30/2028	22,573.54	2.250%	8,660.58	31,234.12		747,255.62	747,255.62
12/30/2028	22,827.49	2.250%	8,406.63	31,234.12	62,468.24	724,428.13	724,428.13
06/30/2029	23,084.30	2.250%	8,149.82	31,234.12		701,343.83	701,343.83
12/30/2029	23,344.00	2.250%	7,890.12	31,234.12	62,468.24	677,999.83	677,999.83
06/30/2030	23,606.61	2.250%	7,627.50	31,234.11		654,393.22	654,393.22
12/30/2030	23,872.19	2.250%	7,361.92	31,234.11	62,468.22	630,521.03	630,521.03
06/30/2031	24,140.75	2.250%	7,093.36	31,234.11		606,380.28	606,380.28
12/30/2031	24,412.33	2.250%	6,821.78	31,234.11	62,468.22	581,967.95	581,967.95
06/30/2032	24,686.97	2.250%	6,547.14	31,234.11		557,280.98	557,280.98
12/30/2032	24,964.70	2.250%	6,269.41	31,234.11	62,468.22	532,316.28	532,316.28
06/30/2033	25,245.55	2.250%	5,988.56	31,234.11		507,070.73	507,070.73
12/30/2033	22,994.21	3.250%	8,239.90	31,234.11	62,468.22	484,076.52	484,076.52
06/30/2034	23,367.87	3.250%	7,866.24	31,234.11		460,708.65	460,708.65
12/30/2034	23,747.60	3.250%	7,486.52	31,234.12	62,468.23	436,961.05	436,961.05
06/30/2035	24,133.50	3.250%	7,100.62	31,234.12		412,827.55	412,827.55
12/30/2035	24,525.67	3.250%	6,708.45	31,234.12	62,468.24	388,301.88	388,301.88
06/30/2036	24,924.21	3.250%	6,309.91	31,234.12		363,377.67	363,377.67
12/30/2036	25,329.23	3.250%	5,904.89	31,234.12	62,468.24	338,048.44	338,048.44
06/30/2037	25,740.83	3.250%	5,493.29	31,234.12		312,307.61	312,307.61
12/30/2037	26,159.11	3.250%	5,075.00	31,234.11	62,468.23	286,148.50	286,148.50
06/30/2038	26,584.20	3.250%	4,649.91	31,234.11		259,564.30	259,564.30
12/30/2038	27,016.19	3.250%	4,217.92	31,234.11	62,468.22	232,548.11	232,548.11
06/30/2039	27,455.21	3.250%	3,778.91	31,234.12		205,092.90	205,092.90
12/30/2039	27,901.35	3.250%	3,332.76	31,234.11	62,468.23	177,191.55	177,191.55
06/30/2040	28,354.75	3.250%	2,879.36	31,234.11		148,836.80	148,836.80
12/30/2040	28,815.51	3.250%	2,418.60	31,234.11	62,468.22	120,021.29	120,021.29
06/30/2041	29,283.77	3.250%	1,950.35	31,234.12		90,737.52	90,737.52
12/30/2041	29,759.63	3.250%	1,474.48	31,234.11	62,468.23	60,977.89	60,977.89
06/30/2042	30,243.22	3.250%	990.89	31,234.11		30,734.67	30,734.67
12/30/2042	30,734.67	3.250%	499.44	31,234.11	62,468.22		
	1,000,000.00		280,598.67	1,280,598.67	1,280,598.67		

Lebanon Daily News

PART OF THE USA TODAY NETWORK

Publication Cost: \$602.16

Ad No: 0005213454

of Affidavits 1

Customer No: 1427303

STEVENS & LEE

PO BOX 679

READING, PA 19603-0679

This is not an invoice

Affidavit of Publication

Proof of Publication State of Pennsylvania

The Lebanon Daily News is the name of the newspapers(s) of general circulation published continuously for more than six months at its principle place of business, 718 Poplar Street, Lebanon, PA.

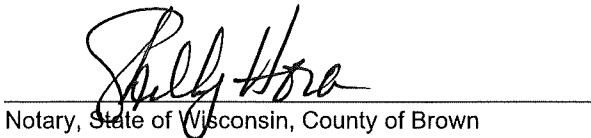
The printed copy of the advertisement hereto attached is a true copy, exactly as printed and published, of an advertisement printed in the regular issues of the said The Lebanon Daily News published in the editions dated on the following dates, viz:

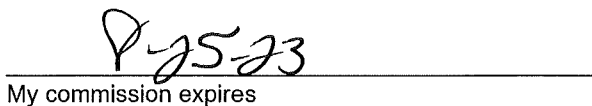
Editions Dated: 04/13/2022

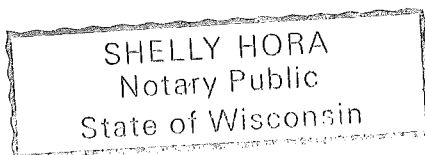
I, being first duly sworn upon oath depose and say that I am a legal clerk and employee of The Lebanon Daily News and have personal knowledge of the publication of the advertisement mentioned in the foregoing statement as to the time, place and character of publications are true, and that the affiant is not interested in the subject matter of the above mentioned advertisement.



Subscribed and sworn to before on April 13, 2022:


Notary, State of Wisconsin, County of Brown


My commission expires



**NOTICE TO THE TAXPAYERS AND RESIDENTS OF THE
TOWNSHIP
OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA**

NOTICE IS HEREBY GIVEN that the Board of Supervisors (the "Board of Supervisors") of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township") proposes to enact at a meeting to be held on Tuesday, April 19, 2022, at 5:30 p.m., prevailing time, in the Township Offices, 73 South Zinn's Mill Road, Lebanon, PA 17042, an ordinance (the "Ordinance") authorizing, among other things, the incurrence of lease rental indebtedness of the Township. The caption and summary of the Ordinance to be considered by the Board of Supervisors at such meeting is as follows:

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA, AUTHORIZING AND APPROVING A PROJECT OF THE AUTHORITY (HEREINAFTER DEFINED); AUTHORIZING AND DIRECTING THE INCURRENCE OF LEASE RENTAL DEBT BY THE TOWNSHIP, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) PURSUANT TO THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, 53 PA.C.S. CHAPTERS 80-82, AS AMENDED, KNOWN AS THE LOCAL GOVERNMENT UNIT DEBT ACT (THE "DEBT ACT"); DETERMINING THAT SUCH DEBT SHALL BE INCURRED UNDER THE DEBT ACT AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTY AGREEMENT OF THE TOWNSHIP SECURING PAYMENT OF THE DEBT SERVICE WITH RESPECT TO A GUARANTEED WATER REVENUE NOTE, TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000) (THE "NOTE"), TO BE ISSUED BY THE WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (THE "AUTHORITY") TO FINANCE A PROJECT OF THE AUTHORITY CONSISTING OF: (1) THE ACQUISITION OF A WATER TREATMENT, STORAGE AND DISTRIBUTION SYSTEM; AND (2) THE PAYMENT OF THE COSTS ASSOCIATED WITH THE ISSUANCE OF THE NOTE; BRIEFLY DESCRIBING THE PROJECT FOR WHICH SUCH DEBT IS TO BE INCURRED; APPROVING THE ACCEPTANCE BY THE AUTHORITY OF A COMMITMENT FOR THE PURCHASE OF THE NOTE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE TOWNSHIP: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT AND BORROWING BASE CERTIFICATE REQUIRED BY SECTION 8110 OF THE DEBT ACT; (B) TO THE EXTENT FEASIBLE, TO CAUSE TO BE PREPARED AND FILED, STATEMENTS AND REPORTS REQUIRED BY SECTION 8026 OF THE DEBT ACT WHICH ARE NECESSARY TO QUALIFY ALL OF SUCH LEASE RENTAL DEBT FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMITS AS SELF-LIQUIDATING DEBT; AND (C) TO EXECUTE, TO ATTEST, TO SEAL AND TO DELIVER, A GUARANTY AGREEMENT; APPROVING THE FORM OF THE GUARANTY AGREEMENT; SPECIFYING THE AMOUNT OF THE GUARANTY OBLIGATION OF THE TOWNSHIP PURSUANT TO SUCH GUARANTY AGREEMENT AND THE SOURCES OF PAYMENT OF SUCH GUARANTY OBLIGATIONS; AUTHORIZING THE PROPER OFFICERS OF THE TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SUCH PROJECT AND THE EXECUTION AND DELIVERY OF THE GUARANTY AGREEMENT; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE; AND PROVIDING FOR THE REPEAL OF ALL INCONSISTENT ORDINANCES OR RESOLUTIONS OR PARTS OF ORDINANCES OR RESOLUTIONS.

A copy of the proposed text of the Ordinance described above may be examined or inspected by any resident at the office of the Secretary of the Township in the Township Municipal Building, 73 S. Zinn's Mill Road, Lebanon, Pennsylvania 17042, on any business day, between the hours of 9:00 a.m. and 3:00 p.m., prevailing time. The Ordinance currently on file will be completed by the insertion of certain information and will be amended prior to enactment by the Board of Supervisors in any manner as the Board of Supervisors of the Township may deem appropriate.

THE ORDINANCE CURRENTLY ON FILE, AMONG OTHER THINGS, ESTIMATES THAT THE AMOUNT OF LEASE RENTAL INDEBTEDNESS TO BE AUTHORIZED WILL BE ONE MILLION DOLLARS (\$1,000,000); HOWEVER, SUCH AMOUNT MAY BE INCREASED OR DECREASED PRIOR TO FINAL ENACTMENT.

If the Ordinance is enacted, a notice of enactment, including a summary of the omitted details (including the amount of the lease rental indebtedness to be incurred, a range of lease rental payments and a summary of any other amendments made prior to final enactment) will be advertised after enactment and posted in accordance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as re-enacted, amended and supplemented.

This Notice is published in compliance with the Act of December 19, 1996, Act No. 177, as amended.

BOARD OF SUPERVISORS OF THE TOWNSHIP OF WEST CORNWALL,
LEBANON COUNTY, PENNSYLVANIA

Lebanon Daily News

PART OF THE USA TODAY NETWORK

STEVENS & LEE
PO BOX 679

READING, PA 19603-0679

Publication Cost: \$219.44

Ad No: 0005223846

of Affidavits 1

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Affidavit of Publication

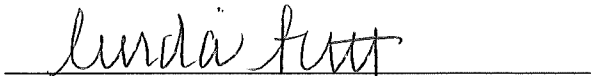
Proof of Publication State of Pennsylvania

The **Lebanon Daily News** is the name of the newspapers(s) of general circulation published continuously for more than six months at its principle place of business, 718 Poplar Street, Lebanon, PA.

The printed copy of the advertisement hereto attached is a true copy, exactly as printed and published, of an advertisement printed in the regular issues of the said The Lebanon Daily News published in the editions dated on the following dates, viz:

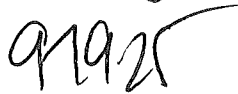
Editions Dated: 04/20/2022

I, being first duly sworn upon oath depose and say that I am a legal clerk and employee of The Lebanon Daily News and have personal knowledge of the publication of the advertisement mentioned in the foregoing statement as to the time, place and character of publications are true, and that the affiant is not interested in the subject matter of the above mentioned advertisement.



Subscribed and sworn to before on April 20, 2022:


Notary, State of Wisconsin, County of Brown



My commission expires

VICKY FELTY
Notary Public
State of Wisconsin

**LEGAL NOTICE TO THE TAXPAYERS AND RESIDENTS OF THE
TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY,
PENNSYLVANIA**

NOTICE IS HEREBY GIVEN that the Board of Supervisors (the "Board of Supervisors") of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township") at a meeting of the Board of Supervisors held on April 19, 2022, finally enacted an ordinance (the "Ordinance"), authorizing, among other things, the incurrence of lease rental debt of the Township in the aggregate principal amount of \$1,000,000 evidenced by a certain Guaranty Agreement (the "Guaranty Agreement").

NOTICE IS ALSO GIVEN that the Ordinance was amended during final passage to reflect the aggregate principal amount of the lease rental debt to be incurred and to reflect the maximum payments which may be required to be paid under the Guaranty Agreement.

NOTICE IS FURTHER GIVEN that the maximum annual payments that may be required to be made by the Township pursuant to the Guaranty Agreement range from a low of \$31,234.11 to a high of \$62,468.24. Such range of payments represents the maximum annual payments that may be required to be paid pursuant to the Guaranty Agreement.

The final text of the Ordinance as enacted may be examined by any citizen in the Office of the Secretary of the Township at 73 S. Zinn's Mill Road, Lebanon, Pennsylvania on any business day between the hours of 9:00 a.m. and 3:00 p.m., prevailing time.

This notice is published in compliance with the act of December 19, 1996, Act No. 177, as re-enacted, amended and supplemented, known as the Local Government Unit Debt Act.

BOARD OF SUPERVISORS OF THE TOWNSHIP OF WEST CORNWALL,
Lebanon County, Pennsylvania

REPORT ON SELF-LIQUIDATING DEBT

TOWNSHIP OF WEST CORNWALL,
LEBANON COUNTY, PENNSYLVANIA

Prepared for
Township of West Cornwall,
Lebanon County, Pennsylvania

Prepared by
Jeffrey D. Steckbeck, P.E.
Steckbeck Engineering & Surveying, Inc
279 N. Zinns Mill Road
Lebanon, PA 17042



May 9, 2022

May 9, 2022

Township of West Cornwall
Lebanon County, Pennsylvania
73 South Zinns Mill Road
Lebanon, Pennsylvania 17042

Re: Township of West Cornwall, Lebanon County, Pennsylvania
Report on Exclusion of Self-Liquidating Debt

Gentlemen:

This report is submitted pursuant to Section 8026 of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Act") in connection with the application of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township") for exclusion of \$1,000,000 in self-liquidating debt evidenced by the Township's Guaranty Agreement, executed concurrently with the issuance by the West Cornwall Township Municipal Authority (the "Authority") of its Guaranteed Water Revenue Note, Series of 2022 in the aggregate principal amount of \$1,000,000 (the "2022 Note").

In compliance with the requirements of the Act, we offer the following information:

- (1) The Authority is issuing the 2022 Note in the maximum aggregate principal amount of \$1,000,000. Proceeds of the 2022 Note will be used to finance a project of the Authority that consists of: (i) purchase of the assets of the Quentin Water Company (QWC) simultaneously to the establishment of a Water System component of the Authority's business operations; and (ii) the payment of the costs and expenses associated with the issuance of the 2022 Note. A breakdown of sources and uses of funds is set forth on Exhibit "A" attached hereto.
- (2) The maximum amount of the annual debt service for each year during the life of the 2022 Note is set forth on Exhibit "B" attached hereto.
- (3) The estimated net revenues of the Water System of the Authority for each year of the remaining life of the 2022 Note will be sufficient to pay the annual debt service on the 2022 Note. If adjustments are necessary, the water rates will be increased. Estimated annual revenues and expenses of the Water System based on information developed by the Authority and the Township are set forth on Exhibit "C" attached hereto.
- (4) The estimated net revenues of the Water System have been computed from our best estimate of the gross revenues to be obtained from the rentals, rates, tolls and charges, and interest to be received on reserve accounts, established by ordinance or from payments under bulk services or other contracts with other local government units or authorities, for the use of the project, by deducting from such

gross revenues, in each year, the total estimated costs of operation and maintenance of the Water System chargeable against such revenues.

- (5) We also certify that we are qualified to act with regard to the type of project being financed. Our firm was organized in 1990 and since that time has had extensive experience in connection with the financial affairs of sewer systems.

IN WITNESS WHEREOF, I hereunto set my hand this 9th day of May, 2022.

STECKBECK ENGINEERING & SURVEYING, INC.

J. D. Steckbeck

By: _____
Jeffrey D. Steckbeck, P.E.
Pennsylvania P.E. No. 039285-E



EXHIBIT "A"

Sources and Uses of Funds

SOURCES

People's Security Bank & Trust	\$1,000,000.00
Grant – America Rescue Fund ***	<u>\$ 50,000.00</u>
TOTAL SOURCES	\$1,050,000.00

*** Donated from West Cornwall Township Board of Supervisors

USES

Initial Payment to the Quentin Water Company	\$1,000,000.00
Professional Fees and Loan Costs	<u>\$ 30,000.00</u>
TOTAL USES	\$1,030,000.00

EXHIBIT "B"

Debt Service Schedule

<u>Year</u>	<u>Amount</u>
2022	\$31,234
2023	62,469
2024	62,469
2025	62,469
2026	62,469
2027	62,469
2028	62,469
2029	62,469
2030	62,469
2031	62,469
2032	62,469
2033	62,469
2034	62,469
2035	62,469
2036	62,469
2037	62,469
2038	62,469
2039	62,469
2040	62,469
2041	62,469
2042	62,469

EXHIBIT "C"

PROJECTED REVENUES AND EXPENDITURES (SEWER SYSTEM)
FOR YEAR ENDED DECEMBER 31

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
BEGINNING CASH BALANCE	\$20,000	\$20,000	\$20,000	\$13,281
REVENUE				
Operating Revenue ⁽¹⁾	\$98,159	\$196,819	\$196,819	\$196,819
Tapping Fee Income	\$0	\$0	0	\$80,000
Other Income	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	98,159	\$196,819	\$196,819	\$276,819
EXPENDITURES				
Operating Expenses	\$66,925	\$134,350	\$141,068	\$150,000
Debt Service	\$31,234	\$62,469	\$62,469	\$62,469
Other Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$98,159	\$196,819	\$203,537	\$212,469
EXCESS REVENUE (EXPENDITURES)	\$0	\$0	<\$6,718>	\$64,350
ENDING CASH BALANCE	\$20,000	\$20,000	\$13,281	\$77,631

- (1) 2022 is anticipated to be one-half year of operations, expenses, and revenue. Appropriate future rate adjustments may be required to produce net revenues which will be sufficient to pay debt service in each year for the life of the 2022 Note.

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
BEGINNING CASH BALANCE	\$77,631	\$137,162	\$188,693	\$232,224
REVENUE				
Operating Revenue ⁽¹⁾	\$200,000	\$200,000	\$200,000	\$200,000
Tapping Fee Income	\$80,000	\$80,000	\$80,000	\$80,000
Other Income	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$280,000	\$280,000	\$280,000	\$280,000
EXPENDITURES				
Operating Expenses	\$158,000	\$166,000	\$174,000	\$182,000
Debt Service	\$62,469	\$62,469	\$62,469	\$62,469
Other Expenditures	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL EXPENDITURES	\$220,469	\$228,469	\$236,469	\$244,469
EXCESS REVENUE (EXPENDITURES)	\$59,531	\$51,531	\$43,531	\$35,531
ENDING CASH BALANCE	\$137,162	\$188,693	\$232,224	\$267,755

	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>
BEGINNING CASH BALANCE	\$267,755	\$305,286	\$332,817	\$350,348
REVENUE				
Operating Revenue ⁽¹⁾	\$210,000	\$210,000	\$210,000	\$210,000
Tapping Fee Income	\$80,000	\$80,000	\$80,000	\$80,000
Other Income	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$290,000	\$290,000	\$290,000	\$290,000
EXPENDITURES				
Operating Expenses	\$190,000	\$200,000	\$210,000	\$220,000
Debt Service	\$62,469	\$62,469	\$62,469	\$62,469
Other Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$252,469	\$262,469	\$272,469	\$282,469
EXCESS REVENUE (EXPENDITURES)	\$37,531	\$27,531	\$17,531	7,531
ENDING CASH BALANCE	\$305,286	\$332,817	\$350,348	\$357,879

	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>
BEGINNING CASH BALANCE	\$357,879	\$365,410	\$367,941	\$370,472
REVENUE				
Operating Revenue ⁽¹⁾	\$220,000	\$225,000	\$230,000	\$240,000
Tapping Fee Income	\$80,000	\$80,000	\$85,000	\$85,000
Other Income	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$300,000	\$305,000	\$315,000	\$325,000
EXPENDITURES				
Operating Expenses	\$230,000	\$240,000	\$250,000	\$260,000
Debt Service	\$62,469	\$62,469	\$62,469	\$62,469
Other Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$292,469	\$302,469	\$312,469	\$322,469
EXCESS REVENUE (EXPENDITURES)	\$7,531	\$2,531	\$2,531	\$2,531
ENDING CASH BALANCE	\$365,410	\$367,941	\$370,472	\$373,003

	<u>2038</u>	<u>2039</u>	<u>2040</u>	<u>2041</u>
BEGINNING CASH BALANCE	\$373,003	\$375,534	\$378,065	\$380,596
REVENUE				
Operating Revenue ⁽¹⁾	\$250,000	\$260,000	\$270,000	\$280,000
Tapping Fee Income	\$85,000	\$85,000	\$85,000	\$85,000
Other Income	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUE	\$335,000	\$345,000	\$355,000	\$365,000
EXPENDITURES				
Operating Expenses	\$270,000	\$280,000	\$290,000	\$300,000
Debt Service	\$62,469	\$62,469	\$62,469	\$62,469
Other Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$332,469	\$342,469	\$352,469	\$362,469
EXCESS REVENUE (EXPENDITURES)	\$2,531	\$2,531	\$2,531	\$2,531
ENDING CASH BALANCE	\$375,534	\$378,065	\$380,596	\$383,127

	<u>2042</u>
BEGINNING CASH BALANCE	\$383,127
REVENUE	
Operating Revenue ⁽¹⁾	\$290,000
Tapping Fee Income	\$90,000
Other Income	<u>\$0</u>
TOTAL REVENUE	\$380,000
EXPENDITURES	
Operating Expenses	\$315,000
Debt Service	\$62,469
Other Expenditures	<u>\$0</u>
TOTAL EXPENDITURES	\$377,469
EXCESS REVENUE (EXPENDITURES)	\$2,531
ENDING CASH BALANCE	\$385,658

DEBT STATEMENT PURSUANT TO
LOCAL GOVERNMENT UNIT DEBT ACT

Local Government Unit - Township of West Cornwall
Lebanon County, Pennsylvania

Statement as of April 19, 2022

	<u>Electoral</u>	<u>Nonelectoral</u>	<u>Lease Rental</u>
I. GROSS INCURRED DEBT			
A. Bonds outstanding			\$ 65,714.28 (2017)
List and identify	\$ _____	\$ _____	\$1,000,000.00 (2022)
by year of issue	\$ _____	\$ _____	\$1,000,000.00 (2022) ¹
B. Notes outstanding			
(List and identify	\$ _____	\$374,999.94 (2014)	\$ _____
by year of issue)	\$ _____	\$ _____	\$ _____
	\$ _____		\$ _____
TOTAL	\$ -0-	\$ -0-	\$2,065,714.28
II. CREDITS AND EXCLUSIONS			
<u>Less:</u> (where applicable)			
1. Sinking funds, reserve accounts, bond proceeds	\$ _____	\$ _____	\$ _____
2. Current unpaid appropriations	\$ _____	\$ _____	\$ _____
3. Uncollected special assessments	\$ _____	\$ _____	\$ _____
4. Delinquent taxes and liens	\$ _____	\$ _____	\$ _____
5. Surplus cash	\$ _____	\$ _____	\$ _____
6. Solvent debts due	\$ _____	\$ _____	\$ _____
7. Indemnifying insurance	\$ _____	\$ _____	\$ _____
8. Self-liquidating and Self-Sustaining Debt (excluded under Sections 8024, 8025 and 8026)	\$ _____	\$ _____	\$2,000,000.00 ²
	=====	=====	=====
TOTAL NET INDEBTEDNESS	\$ -0-	\$374,999.94	\$ 65,714.28


¹ New lease rental indebtedness which is the subject of this set of debt proceedings.

² Assumes that \$1,000,000 of the new lease rental indebtedness, which is the subject of this set of debt proceedings, will be approved as self-liquidating debt.

III.	The aggregate principal amount of bonds or notes being issued or evidencing lease rental debt:	\$1,000,000
IV.	The principal amount of bonds or notes which will no longer be deemed to be outstanding pursuant to Section 8110(b) after settlement of the issue (Refunding issues only)	\$ -0-
	The borrowing base as shown by appended borrowing base certificate	\$1,066,653
	Applicable debt limitations	
	(a) nonelectoral (250%) of the borrowing base	\$2,666,633
	(b) nonelectoral plus lease rental (350%) of borrowing base	\$3,733,286

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned, being the Chairman of the Board of Supervisors of the Township of West Cornwall and being authorized to prepare, certify and file the foregoing debt statement, has hereunto set his hand of the Township this 19th day of April, 2022.


Chairman

(SEAL)

COMMONWEALTH OF PENNSYLVANIA

:

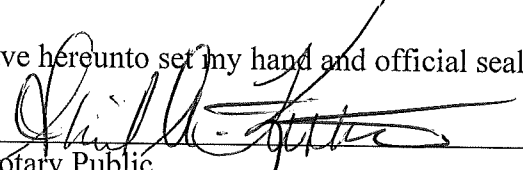
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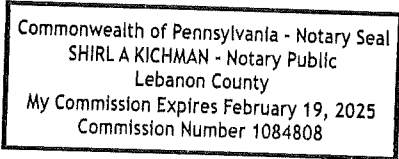
COUNTY OF LEBANON

:

On this 19th day of April, 2022, before me, a Notary Public, the undersigned officer, personally appeared RUSSELL GIBBLE, who acknowledged himself to be the Chairman of the Board of Supervisors of the TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Township by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.


Notary Public



BORROWING BASE CERTIFICATE

Township of West Cornwall,
Lebanon County, Pennsylvania

Prepared as of April 19, 2022

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(c)(16) of the Local Government Unit Debt Act. The following method may be used:

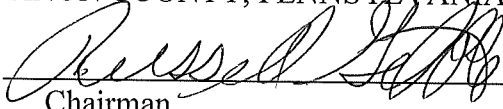
	<u>FISCAL YEAR</u>		
	(ending December 31)		
	<u>2019</u>	<u>2020</u>	<u>2021*</u>
Net Revenues	\$960,998	\$1,107,889	\$1,131,072
TOTAL NET REVENUES			\$3,199,959
BORROWING BASE (Total Net Revenues divided by 3)			\$1,066,653

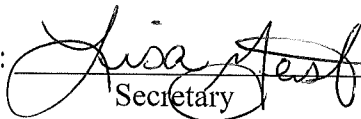
*Unaudited

IN WITNESS WHEREOF, the undersigned, being respectively, the Chairman and Secretary of the Township of West Cornwall, Lebanon County, Pennsylvania, and being authorized to prepare, certify and file the foregoing borrowing base certificate, have hereunto set our hands and affixed the seal of the Township this 19th day of April, 2022.

TOWNSHIP OF WEST CORNWALL,
LEBANON COUNTY, PENNSYLVANIA

(SEAL)

By:  _____
Chairman

Attest:  _____
Secretary

TOWNSHIP OF WEST CORNWALL,
LEBANON COUNTY, PENNSYLVANIA

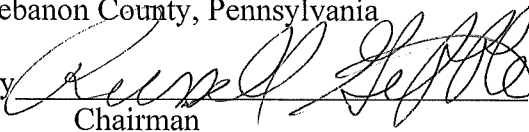
8110(b) CERTIFICATE

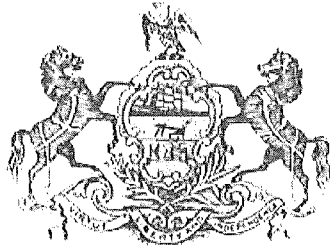
The undersigned Chairman of the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), does hereby certify pursuant to Section 8110(b) of the Local Government Unit Debt Act (the "Act") that with respect to the Township's outstanding nonelectoral indebtedness that previously has been excluded as self-liquidating, no decrease in the amounts originally excluded are required by a change in circumstances other than decreases resulting from the payment of bonds or notes.

Dated this 19th day of April, 2022.

TOWNSHIP OF WEST CORNWALL
Lebanon County, Pennsylvania

By


Chairman



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

CERTIFICATE OF APPROVAL
LOCAL GOVERNMENT UNIT DEBT ACT

DATE:	May 25, 2022
LOCAL GOVERNMENT UNIT:	West Cornwall Township
COUNTY:	Lebanon
APPROVAL NUMBER:	LRA 220525-03
AMOUNT:	\$1,000,000.00
APPROVAL NUMBER:	E 220525-03
AMOUNT:	\$1,000,000.00

A handwritten signature in cursive script, reading "James R. Blanton".

For Secretary of Community and Economic Development

Stevens & Lee

111 N. Sixth Street
P.O. Box 679
Reading, PA 19603
(610) 478-2000
www.stevenslee.com

May 31, 2022

Peoples Security Bank and Trust Company
830 Norman Drive
Lebanon, PA 17042

Re: West Cornwall Township Municipal Authority
Guaranteed Water Revenue Note, Series of 2022

We have acted as Bond Counsel in connection with the issuance by the West Cornwall Township Municipal Authority (the "Authority") of its Guaranteed Water Revenue Note, Series of 2022, dated May 31, 2022 (the "Note"), in the aggregate principal amount of \$1,000,000.

The Note is being issued pursuant to the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented ("Act 22" and together with the 1945 Act, collectively, the "Act"), and a resolution of the Board of the Authority adopted on May 3, 2022 (the "Resolution"). The Note is being issued under and pursuant to the provisions of a Loan Agreement dated May 31, 2022 (the "Loan Agreement"), between the Authority and Peoples Security Bank and Trust Company, as purchaser of the Note (the "Bank").

Proceeds of the Note, together with certain other funds of the Authority, will be used to finance a project (the "Project") which consists generally of the following: (i) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the "Water System"); and (ii) the payment of the costs associated with the issuance of the Note.

In connection with the issuance of the Note, the Authority has entered into (i) a Guaranty Agreement, dated as of May 31, 2022 (the "Guaranty Agreement") with the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), as guarantor, and the Bank; and (ii) a Reimbursement Agreement, dated as of May 31, 2022 (the "Reimbursement Agreement") with the Township.

In our capacity as Bond Counsel, we have reviewed the following:

- (a) Copies of the relevant provisions of the Constitution of the Commonwealth of Pennsylvania, the Act, the Debt Act (as hereinafter defined), Section 103 and

Stevens & Lee

May 31, 2022

Page 2

Sections 141 through 150 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”);

- (b) A certified copy of the By-Laws and Articles of Incorporation of the Authority;
- (c) A copy of the Resolution;
- (d) The executed Loan Agreement;
- (e) The executed Guaranty Agreement;
- (f) The executed Reimbursement Agreement;
- (g) A specimen copy of the Note;
- (h) A copy of the General Certificate of the Authority;
- (i) A copy of the Nonarbitrage Certificate of the Authority;
- (j) The information return of the Authority on Form 8038-G;
- (k) A copy of the Certificate of the Bank dated May 31, 2022, in its capacity as purchaser of the Note;
- (l) A copy of the proposal of the Bank for the purchase of the Note;
- (m) A copy of the proceedings of the Township filed with the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the “Department”) under the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the “Debt Act”);
- (n) A copy of the Certificate of the Department approving the incurrence of lease rental indebtedness by the Township in the principal amount of \$1,000,000;
- (o) Copies of the other documents, instruments, certificates, agreements and opinions (including, without limitation, the opinion of Henry & Beaver, Lebanon, Pennsylvania, solicitor to the Authority and the opinion of Anthony J. Fitzgibbons, Esquire, Lebanon, Pennsylvania, solicitor to the Township (collectively, the “Solicitors’ Opinions”)) executed and delivered at, or in connection with, the closing held this day.

Stevens & Lee

May 31, 2022

Page 3

Based and in reliance upon the foregoing, our attendance at the closing held this day and subject to the caveats, qualifications, exceptions and assumptions set forth herein, it is our opinion, as of the date hereof under existing law that:

1. The Authority has been duly incorporated and is validly existing under the laws of the Commonwealth of Pennsylvania and has full power and authority to issue and sell the Note.
2. The proceedings authorizing adoption of the Resolution, authorizing issuance, execution, authentication and delivery of the Note and authorizing the sale of the Note to the Bank are valid and legally sufficient.
3. The Loan Agreement, the Guaranty Agreement and the Reimbursement Agreement have been duly authorized, executed and delivered by and on behalf of the Authority and constitute the valid and legally binding obligations of the Authority.
4. The Guaranty Agreement and the Reimbursement Agreement have been duly authorized, executed and delivered by the Township and constitute the valid and legally binding obligations of the Township enforceable against the Township in accordance with their terms.
5. The Note has been duly authorized and issued by the Authority, constitutes a valid and legally binding obligation of the Authority and is entitled to the benefit and security of the Loan Agreement and, to the extent provided therein, the Guaranty Agreement.
6. The Township has duly guaranteed the payment of the principal of and interest on the Note, to the extent provided in the Guaranty Agreement, and for such payment has pledged its full faith, credit and taxing power, which is unlimited as to rate or amount.
7. Under the laws of the Commonwealth of Pennsylvania, the Note and interest on the Note shall be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied directly on the Note or the interest thereon. Under the laws of the Commonwealth of Pennsylvania, profits, gains or income derived from the sale, exchange or other disposition of the Note are subject to State and local taxation within the Commonwealth of Pennsylvania.

Stevens & Lee

May 31, 2022

Page 4

8. Interest on the Note is not includable in gross income for federal income tax purposes under Section 103(a) of the Code.
9. The Note is a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Code, and, therefore, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80% of that portion of such financial institution's interest expense allocable to interest on the Note in accordance with Section 291(a)(3) of the Code.
10. Under the Code, interest on the Note does not constitute an item of tax preference under Section 57 of the Code and thus is not subject to alternative minimum tax on individuals for federal income tax purposes.

In connection with providing the foregoing opinions, we call to your attention the following:

- A. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other documents, agreements, instruments, opinions, reports and certificates furnished to us at or in connection with the issuance of the Note (including, without limitation, certificates, agreements and representations by the Authority as to the expected use of the proceeds of the Note and as to continuing compliance with Section 148 and 141 of the Code to assure that the Note does not become an "arbitrage bond" or a "private activity bond" and its expectations with respect to the issuance of additional tax exempt obligations within this calendar year) without undertaking to verify the same by independent investigation. We have also relied upon the accuracy of the representations and warranties and the continuing performance of the covenants and agreements of the Authority set forth in the Loan Agreement and the various certificates and other agreements delivered at or in connection with the closing held this day. We have also assumed the genuineness of the signatures appearing upon all the certificates, documents and instruments executed and delivered at closing.
- B. In providing the opinions set forth in paragraphs 1, 2, 3 and 4 above, we have relied, without independent investigation, on the Solicitors' Opinions.
- C. In providing the opinion set forth in paragraph 8, above, we have assumed continuing compliance by the Authority with the requirements of the Code and the applicable regulations thereunder which must be met subsequent to the issuance of the Note in order that the interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such

Stevens & Lee

May 31, 2022

Page 5

requirements could cause the interest on the Note to be included in gross income retroactive to the date of issuance of the Note.

- D. In providing the opinion set forth in paragraph 9 above, we have assumed continuing compliance by the Authority with the requirements of the Code and the applicable regulations thereunder that must be met subsequent to the issuance of the Note in order that the Note continues to constitute a qualified tax-exempt obligation. Failure to comply with such requirements could cause the Note to cease to constitute a qualified tax-exempt obligation with the result that no deduction would be allowed for that portion of a financial institution's interest expense allocable to interest on the Note retroactive to the date of issuance of the Note.
- E. In providing the opinions set forth in paragraph 10 above, we have assumed continuing compliance by the Authority with requirements of the Code and applicable regulations thereunder which must be met subsequent to the issuance of the Note in order that the interest thereon not constitute an item of tax preference under Section 57 of the Code. Failure to comply with such requirements could cause the interest on the Note to constitute an item of tax preference under Section 57 of the Code retroactive to the date of issuance of the Note.
- F. In connection with the opinions set forth in paragraphs 3, 4 and 5 above, we call to your attention that enforceability of the documents referred to therein may be limited by: (a) the availability or unavailability of equitable remedies including, but not limited to, specific performance and injunctive relief; (b) the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws or equitable principles generally affecting creditors' rights or remedies; and (c) the effect of certain laws and judicial decisions limiting on constitutional or public policy grounds any provisions set forth in such documents purporting to waive rights of due process and legal procedure.
- G. Except as specifically set forth herein, we express no opinion regarding other federal income tax consequences arising with respect to the Note and the effects, if any, of certain other provisions of the Code which could result in collateral federal income tax consequences to certain investors as a result of adjustments in the computation of tax liability dependent on tax-exempt interest.
- H. The Note is an obligation of the Authority and payment thereof is not supported by a pledge of the full faith, credit or taxing power of the Commonwealth of

Stevens & Lee

May 31, 2022

Page 6

Pennsylvania or any political subdivision thereof, other than the Township to the extent provided in the Guaranty Agreement. The Authority has no taxing power.

- I. We have not been engaged to verify, nor have we independently verified, nor do we express any opinion to the registered owners of the Note with respect to, the accuracy, completeness or truthfulness of any statements, certifications, information or financial statements used in connection with the offer and sale of the Note or otherwise delivered by officials of the Authority. We express no opinion herein with respect to whether the Authority or the Township, in connection with the sale of the Note, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made not misleading.

- J. The opinions expressed herein are based on an analysis of existing laws, regulations, rulings, and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement as Bond Counsel has concluded with the issuance of the Note and we disclaim any obligation to update this letter.

STEVENS & LEE, P.C.

Stevens & Lee, P.C.



Henry & Beaver^{LLP}
ATTORNEYS AT LAW

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*Certified in Civil Trial Advocacy by the
National Board of Trial Advocacy

May 31, 2022

Peoples Security Bank and Trust Company
830 Norman Drive
Lebanon, PA 17042

Stevens & Lee, P.C.
111 North Sixth Street
Reading, Pennsylvania 19601

**Re: West Cornwall Township Municipal Authority
Guaranteed Water Revenue Note, Series of 2022**

We are the Solicitor to the West Cornwall Township Municipal Authority (the “Authority”) and have acted as counsel to the Authority in connection with the issuance by the Authority of its Guaranteed Water Revenue Note, Series of 2022 (the “Note”) in the original principal amount of \$1,000,000. In connection with providing this opinion, we have reviewed such laws, public documents, certificates, documents, instruments and statements as we have deemed necessary to provide the opinions hereinafter set forth.

Reference is made to Loan Agreement dated May 31, 2022 (the “Loan Agreement”), between the Authority and Peoples Security Bank and Trust Company, as purchaser of the Note (the “Bank”), pursuant to which the Note was issued. All capitalized terms and phrases used herein shall have the meanings provided in the Loan Agreement and in the Authority’s General Certificate dated this date and delivered in connection with the issuance of the Note.

Proceeds of the Note, together with certain other funds of the Authority, will be used to finance a project (the “Project”) which consists generally of the following: (i) the acquisition of an existing water treatment, storage and distribution system serving, among others, the

Page 2
May 31, 2022

inhabitants of the Township (the “Water System”); and (ii) the payment of the costs associated with the issuance of the Note.

In connection with the issuance of the Note, the Authority has entered into (i) a Guaranty Agreement, dated as of May 31, 2022 (the “Guaranty Agreement”) with the Township of West Cornwall, Lebanon County, Pennsylvania (the “Township”), as guarantor, and the Bank; and (ii) a Reimbursement Agreement, dated as of May 31, 2022 (the “Reimbursement Agreement”) with the Township.

Based upon such review as we have deemed necessary, we are of the opinion that:

1. The Authority has been duly incorporated and is a validly existing municipality authority under the laws of the Commonwealth of Pennsylvania. The Authority’s term of existence extends to at least December 31, 2042.
2. The Authority has and at all relevant times has had corporate power and lawful authority to undertake the Project and to own, hold and operate the Water System and has obtained, from all governmental agencies having jurisdiction, all necessary authorizations in connection with the transactions contemplated by the Loan Agreement.
3. The Authority’s proceedings authorizing the execution and delivery of the Loan Agreement, the Guaranty Agreement and the Reimbursement Agreement and the execution and delivery of the Note and the sale thereof to the Bank are valid and legally sufficient.
4. The Resolution of the Authority adopted on May 3, 2022 (the “Resolution”), which was heretofore adopted by the Board of the Authority in connection with the Project, was duly adopted by the Authority and is in full force and effect as of the date hereof.
5. Each of the documents, instruments and certificates executed by the Authority in connection with the issuance and sale of the Note (including, without limitation, the Loan Agreement, the Guaranty Agreement and the Reimbursement Agreement) constitutes the legal, valid and binding obligation of the Authority, enforceable in accordance with its respective terms except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors’ rights generally or by general principles of equity.
6. The persons whose names appear on the general certificate of the Authority delivered at the closing held this day are the duly appointed or elected and qualified officers and members of the Authority.
7. The Note is a valid and binding obligation of the Authority and is entitled to the benefit and security of the Loan Agreement, to the extent provided therein.

Page 3
May 31, 2022

8. There is no action, suit, proceeding or investigation pending or threatened relating to the Loan Agreement, the Guaranty Agreement or the Reimbursement Agreement or which would have a material adverse impact on the financial condition of the Authority or the security for the Note.

Very truly yours,

A handwritten signature in black ink, appearing to read "Amy B. Leonard". The signature is fluid and cursive, with the first name "Amy" and last name "Leonard" clearly distinguishable.

AMY B. LEONARD
HENRY & BEAVER, LLP



279 North Zinn's Mill Road
Suite D
Lebanon, PA 17042

Anthony J. Fitzgibbons, Esquire

Telephone: (717) 279-8313
Fax: (717) 272-0918

May 31, 2022

Peoples Security Bank and Trust Company
One Penn Square, P.O. Box 4887
Lebanon, PA 17604

Stevens & Lee, P.C.
111 North Sixth Street
Reading, Pennsylvania 19601

Re: West Cornwall Township Municipal Authority
Guaranteed Water Revenue Note, Series of 2022

Gentlemen:

I am the solicitor to the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), and, as such, am familiar with the affairs of the Township as they relate to the matters referred to herein. I am delivering this opinion to you in connection with the closing held this day for the issuance and sale by the West Cornwall Township Municipal Authority (the "Authority") of its Guaranteed Water Revenue Note, Series of 2022 (the "Note").

Payment of debt service on the Note is secured by, among other things, a Guaranty Agreement, dated May 31, 2022 (the "Guaranty Agreement"), authorized by the provisions of an ordinance (the "Ordinance") of the Board of Supervisors of the Township duly enacted on April 19, 2022. Pursuant to the Guaranty Agreement, the Township unconditionally guarantees payment of the principal of, and interest on, the Note. Concurrently with the execution and delivery of the Guaranty Agreement, the Authority and the Township are executing a Reimbursement Agreement dated May 31, 2022 (the "Reimbursement Agreement").

All capitalized terms and phrases used herein which are not otherwise defined have the meanings set forth in the Loan Agreement dated May 31, 2022 (the "Loan Agreement"), between the Authority and Peoples Security Bank and Trust Company, as purchaser of the Note (the "Bank"), pursuant to which the Note was issued, or in the General Certificate of the Authority and the General Certificate of the Township executed and delivered on this day.

Based upon such review as I have deemed necessary, I am of the opinion that:

1. The Township is a duly organized political subdivision validly existing under the Constitution and laws of the Commonwealth of Pennsylvania.
2. At the closing with respect to the Bonds held this day, there were delivered documents and proceedings of the Township which were contained in the Township's application for approval filed with the Department of Community and Economic Development under the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Debt Act"). Included in such proceedings is the Ordinance of the Township authorizing the incurring of the lease rental indebtedness to be evidenced by the Guaranty Agreement, and authorizing, approving and directing the execution and delivery of the Guaranty Agreement and the Reimbursement Agreement. The Ordinance was duly enacted in accordance with all requirements of law at a duly noticed and validly held public meeting of the Board of Supervisors of the Township, and the Ordinance is in full force and effect on the date hereof. All of the documents contained in the proceedings of the Township filed with the Department of Community and Economic Development, including, without limitation, the debt statement and borrowing base certificate, were prepared by duly authorized officials of the Township in accordance with all requirements of law and rules of procedure of the Township.
3. The Guaranty Agreement and the Reimbursement Agreement have been duly executed, sealed and delivered in the name of and on behalf of the Township by its duly authorized officials and constitute valid and legally binding obligations of the Township,

enforceable against the Township in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws or equitable principles now or hereafter affecting the enforcement of creditors' rights generally and general principles of equity.

4. The Guaranty Agreement constitutes a pledge of the full faith, credit and the taxing power (unlimited as to rate or amount, upon all taxable real property within the corporate limits of the Township) of the Township.

5. As of the completion of the aforesaid closing, I have made such investigation as I have deemed appropriate and, based thereon, know of no litigation pending or threatened against the Township contesting the validity of the Guaranty Agreement or the Reimbursement Agreement or the incurring of lease rental indebtedness by the Township or which questions the validity of any action taken by the Board of Supervisors of the Township or any official of the Township in connection with the authorization, execution and delivery of the Guaranty Agreement or the Reimbursement Agreement or otherwise affecting the validity of the Guaranty Agreement or the Reimbursement Agreement or the ability of the Township to perform its obligations thereunder.

Very truly yours,

By: 

Anthony J. Fitzgibbons, Esquire

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

GENERAL CERTIFICATE

THIS CERTIFICATE is being made and delivered in connection with the issuance by the West Cornwall Township Municipal Authority (the “Authority”) of the 2022 Note (defined below) to finance the 2022 Project (defined below). As used in this certificate the following terms have the indicated meaning:

“**BOARD**” shall mean the governing body of the Authority.

“**GUARANTY AGREEMENT**” shall mean the Guaranty Agreement, dated May 31, 2022, among the Township, as guarantor, the Authority and Peoples Security Bank and Trust Company.

“**LOAN AGREEMENT**” shall mean the Loan Agreement dated May 31, 2022, between the Authority and Peoples Security Bank and Trust Company, as purchaser of the 2022 Note.

“**REIMBURSEMENT AGREEMENT**” shall mean the Reimbursement Agreement dated May 31, 2022, between the Authority and the Township.

“**TOWNSHIP**” shall mean the Township of West Cornwall, Lebanon County, Pennsylvania.

“**2022 NOTE**” shall mean Authority’s Guaranteed Water Revenue Note, Series of 2022, dated May 31, 2022, authorized for issuance pursuant to the Resolution of the Board, in the aggregate principal amount of \$1,000,000.

“**2022 PROJECT**” shall mean (a) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the “Water System”); and (b) the payment of the costs of issuing the 2022 Note.

We, the undersigned, duly authorized officers of the Authority, being the officers of the Authority responsible for the issuance of the 2022 Note, do hereby certify as follows:

1. The Authority is a municipality authority organized and existing under the Municipality Authorities Act of May 2, 1945, P.L. 382 (the “1945 Act”), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. Section 5601 et seq., as amended and supplemented (together with the 1945 Act, collectively, the “Act”). No steps or proceedings have been taken, or are being contemplated, to change the structure of or dissolve the Authority. The Authority’s existence will continue, at all times, through at least December 31, 2042.

2. Pursuant to the provisions of the Act, the Authority is governed by a Board; the members of the Board and the office held by each such member are set forth on Exhibit “A” attached hereto and, if a signature is set opposite the name of any such Board member, such signature is the genuine specimen of such member’s signature.

3. The individuals named on Exhibit "A" constitute all the members of the Board; each of such individuals was and is duly appointed, elected, qualified and acting as such member or officer at all times relevant to this transaction; and each of such individuals indicated as an officer of the Authority was and is duly elected, qualified and acting as such officer, at all times relevant to this transaction.

4. Attached hereto as Exhibit "B" is a certified, true, correct and complete copy of the Articles of Incorporation of the Authority. Such articles have at all times relevant to this transaction been, and on the date hereof are, in full force and effect. Attached hereto as Exhibit "C" is the Subsistence Certificate of the Authority, issued by the Commonwealth of Pennsylvania. Attached hereto as Exhibit "D" is a true, correct and complete copy of the By-Laws of the Authority, as amended and supplemented to date.

5. Attached hereto as Exhibit "E" is a true, correct and complete copy of the resolution (the "Resolution") of the Authority which was adopted on May 3, 2022, and which authorized and approved the financing of the 2022 Project, the issuance of the 2022 Note and the structure of the transaction. The Resolution further provides authorization and direction for the execution, attestation and delivery of the Loan Agreement, the 2022 Note, the Guaranty Agreement, the Reimbursement Agreement and the other documents and instruments necessary and appropriate to effect the financing, and otherwise approving the actions of various officials to effect the financing. The Resolution was adopted at a duly called and held public meeting of the Authority at which a quorum was present and acted throughout. The Resolution was adopted in accordance with all requirements of law and procedure, has not been repealed, amended or modified since its adoption, and is in full force and effect on the date hereof.

6. The Loan Agreement was duly executed, acknowledged and delivered in the name and on behalf of the Authority by its duly authorized officers; the signatures of such officers thereon are their respective genuine signatures; the seal thereunto affixed is the genuine corporate and common seal of the Authority; and said Loan Agreement is in substantially the same form as the form approved by the Board in the Resolution.

7. To the best knowledge of the undersigned officers, there is no event of default existing under the Loan Agreement and no condition, event, act or omission has occurred which, with the giving of notice or the lapse of time, or both, would constitute an event of default under the Loan Agreement.

8. The Guaranty Agreement was duly executed, acknowledged and delivered in the name and on behalf of the Authority by its duly authorized officers; the signatures of such officers thereon are their respective genuine signatures; the seal thereunto affixed is the genuine corporate and common seal of the Authority; and said Guaranty Agreement is in substantially the same form as the form approved by the Board in the Resolution.

9. To the best knowledge of the undersigned officers, there is no event of default existing under the Guaranty Agreement and no condition, event, act or omission has occurred which, with the giving of notice or the lapse of time, or both, would constitute an event of default under the Guaranty Agreement.

10. The Reimbursement Agreement was duly executed, acknowledged and delivered in the name and on behalf of the Authority by its duly authorized officers; the signatures of such officers thereon are their respective genuine signatures; the seal thereunto affixed is the genuine corporate and common seal of the Authority; and said Reimbursement Agreement is in substantially the same form as the form approved by the Board in the Resolution.

11. To the best knowledge of the undersigned officers, there is no event of default existing under the Reimbursement Agreement and no condition, event, act or omission has occurred which, with the giving of notice or the lapse of time, or both, would constitute an event of default under the Reimbursement Agreement.

12. Each of the other documents, instruments, agreements and certificates delivered in the name and on behalf of the Authority at or prior to the closing held this day was executed on behalf of the Authority by its duly authorized officers, and the execution and delivery of each such document, instrument, agreement and certificate has been duly authorized by the Authority by all necessary and proper action of the Board by the Authority.

13. The 2022 Note delivered at the closing held this day was duly executed in the name and on behalf of the Authority by the Chair and Secretary of the Authority; the seal of the Authority imprinted on the 2022 Note is the true and correct impression of the corporate and common seal of the Authority; the 2022 Note so delivered on this day is in substantially the same form as was approved by the Board in the Resolution.

14. To the knowledge of the undersigned, no litigation is pending or threatened (a) to restrain or enjoin the issuance or delivery of the 2022 Note, the application of the proceeds thereof, or the payment, collection or application of revenues pursuant to the Loan Agreement; (b) in any way contesting or affecting any authority for, or the validity of, the 2022 Note, the Loan Agreement, the Guaranty Agreement, the Reimbursement Agreement, the application of the proceeds of the 2022 Note, or the payment, collection or application of revenues pursuant to the Loan Agreement; (c) in any way contesting the right and power of the Authority to act in connection with the financing of the 2022 Project; (d) contesting the right of the members or officials of the Authority to hold and exercise their respective positions, (e) contesting the due organization and valid existence of the Authority, or (f) attempting to limit, enjoin or otherwise restrict or prevent the Authority from functioning and collecting revenues and other income, pledged or to be pledged to pay the principal of and interest on the 2022 Note, or the pledge thereof.

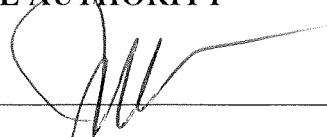
15. The Authority will not take, permit to be taken or omit to take any action, which action or omission will, in any way, cause the proceeds of the 2022 Note to be applied in a manner contrary to the manner contemplated in the Resolution and the Loan Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned duly authorized officers of the Authority have executed this certificate this 31st day of May, 2022.

**WEST CORNWALL TOWNSHIP
MUNICIPAL AUTHORITY**

(SEAL)

By  _____
Chair

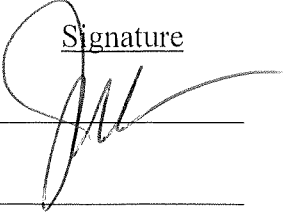
Attest:  _____
Secretary

EXHIBITS

- “A” Members and Officers of the Board
- “B” Authority Articles of Incorporation
- “C” Authority Subsistence Certificate
- “D” By-Laws
- “E” Resolution

EXHIBIT A

Members and Officers of the Board

<u>Member</u>	<u>Office</u>	<u>Signature</u>
James Shoemaker	Chair	
William Mathews	Vice Chair	_____
Dennis Tulli	Treasurer	_____
Robert Kolb	Secretary	
Martin Daigle	Assistant Treasurer	_____
Glen Yanos	Assistant Secretary	_____
Joseph Foltz	Member	_____

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

03/18/2021

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

I, Veronica Degraffenreid, Acting Secretary of the Commonwealth of Pennsylvania, do hereby certify that the foregoing and annexed is a true and correct copy of

Creation Filing filed on Sep 13, 1990 - Pages (5)
Amendment filed on Oct 24, 1990 - Pages (2)
Amendment filed on Sep 30, 2010 - Pages (14)

which appear of record in this department.



IN TESTIMONY WHEREOF, I have hereunto set
my hand and caused the Seal of the Secretary's
Office to be affixed, the day and year above written

A handwritten signature in black ink, reading "Veronica W. Degraffenreid".

Acting Secretary of the Commonwealth

Certification Number: TSC210318090382-1

Verify this certificate online at <http://www.corporations.pa.gov/orders/verify>

Filed in the Department of
State on SEP 13 1940

90431143

Christopher A. Lewis
Secretary of the Commonwealth

ARTICLES OF INCORPORATION

1605173

TO THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA:

In compliance with requirements of the Act of Assembly approved May 2, 1945, P.L. 382, as amended and supplemented, known as the "Municipality Authorities Act of 1945", and pursuant to an Ordinance duly enacted by the municipal authorities of the Township of West Cornwall, Lebanon County, Pennsylvania, expressing the intention and desire of the municipal authorities of said municipality to organize an Authority under provisions of said Act, said municipality certifies:

1. The name of the Authority is "West Cornwall Township Municipal Authority".
2. The Authority is formed under provisions of the Act of Assembly approved May 2, 1945, P.L. 382, as amended and supplemented, known as the "Municipality Authorities Act of 1945".
3. No other Authority has been organized under provisions of the Act of Assembly approved May 2, 1945, P.L. 382, as amended and supplemented, known as the "Municipality Authorities Act of 1945", or under provisions of the Act of Assembly approved June 28, 1935, P.L. 463, as amended and supplemented, and is in existence in or for the incorporating municipality.
4. The name of said incorporating municipality is: Township of West Cornwall Lebanon County, Pennsylvania.
5. The offices, names and addresses of the municipal authorities of said incorporating municipality are:

90431144

<u>Office</u>	<u>Name</u>	<u>Address</u>
Chairman of the Board of Supervisors and Member	Edward S. Miller	10 Park Street Mt. Gretna, PA 17064
Vice Chairman of the Board of Supervisors and Member	Fred C. Sherk	38 N. Cornwall Road Lebanon, PA 17042
Member of Board of Supervisors	Russell L. Gibble	43 S. Zinns Mill Road Quentin, PA 17083

6. The Authority shall have not less than five (5) or more than seven (7) members of the Board. The names, addresses and terms of office of first members of the Board of the Authority, each of whom is a citizen of said incorporating municipality, are as follows:

<u>Name</u>	<u>Address</u>	<u>Term of Office</u>
Joe Wentzel	33 Birch Avenue Mt. Gretna, PA 17064	1 Year
Monroe Buffermeyer	Quentin, PA 17083	1 Year
Earl Hartlieb	Quentin, PA 17083	2 Years
John Yoder	26 Birch Avenue Mt. Gretna, PA 17064	3 Years
Robert Mumma	300 Starner Road Lebanon, PA 17042	4 Years
Clair Enck	Quentin, PA 17083	5 Years

7. The Township of West Cornwall retains the right which exists under the "Municipalities Authorities Act of 1945", as amended to approve any pla of the Authority.

IN WITNESS WHEREOF, the Township of West Cornwall, Lebanon County, Pennsylvania, causes these Articles of Incorporation to

90431145

be executed by the Chairman of the Board of Supervisors and to be attested by the Secretary of the Board of Supervisors and the seal of such Township to be affixed hereunto, this 10th day of September, 1990.

ATTEST:

TOWNSHIP OF WEST CORNWALL,
Lebanon County, Pennsylvania

Carol M. Pugh
Secretary of the Board of
Supervisors

By: Edward S. Miller
Chairman of the Board of
Supervisors

90431146

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF LEBANON)

SS:

On the 10th day of September, 1990, before me, the undersigned officer, personally appeared Edward S. Miller and Carol McLaughlin, whose official positions in the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), are Chairman of the Board of Supervisors and Secretary of the Board of Supervisors, respectively, who in due form of law acknowledged the foregoing to be the act and deed of the Township, for purposes therein specified.

WITNESS my hand and official seal the day and year aforesaid.

Patricia L. Gerst
Notary Public

NOTARIAL SEAL
PATRICIA L. GERST, Notary Public
Lebanon, Lebanon County, Pa.
My Commission Expires Dec. 6, 1993

90431147
Commonwealth of Pennsylvania
Department of State



Office of the
Secretary of the Commonwealth
To All to Whom These Presents Shall Come, Greeting:

Whereas, In and by the provisions of the Municipality Authorities Act approved May 2, 1945, P. L. 382, as amended, the Secretary of the Commonwealth is authorized and required to issue a

CERTIFICATE OF INCORPORATION

evidencing the incorporation of an authority under the provisions of said Act, and

Whereas, The stipulations and conditions of said Act have been fully complied with by the Municipal Authorities of the Township of West Cornwall, Lebanon County,

Commonwealth of Pennsylvania desiring the organization of
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

Therefore, Know Ye, That subject to the Constitution of this Commonwealth, and under the authority of Act No. 164, approved the second day of May, Anno Domini one thousand nine hundred and forty-five, P. L. 382, as amended, I DO BY THESE PRESENTS, which I have caused to be sealed with the Great Seal of the Commonwealth, declare and certify the creation, erection and incorporation of

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

into a body politic and corporate in deed and in law by the name chosen hereinbefore specified, now to become operative with authority to transact business, and which shall exist for a term of fifty years unless sooner dissolved according to law.

Such corporation shall have and enjoy and shall be subject to all the powers, duties, requirements, and restrictions, specified and enjoined in and by the above Act of Assembly and all other applicable laws of this Commonwealth.

Given under my Hand and the Great Seal of the Commonwealth, at the City of Harrisburg, this 13th day of September in the year of our Lord one thousand nine hundred and ninety and of the Commonwealth the two hundred fifteenth.

Christopher A. Lewis

Christopher A. Linn
Secretary of the Commonwealth

9052 718

1605173 - 003

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

CERTIFICATION

TO: The Secretary of the Commonwealth of Pennsylvania

In accordance with the requirements of Section 3D of the Municipality Authorities Act of 1945, approved May 2, 1945, P.L. 382, as amended and supplemented, I, the undersigned Secretary of the West Cornwall Township Municipal Authority (the "Authority") certify that:

1. The names and addresses of the officers of the

Authority are:

<u>Name</u>	<u>Address</u>	<u>Term of Office</u>
Clair Enck, Chairman	Box 115 Quentin, PA 17083	5 Years
Monroe Buffenmeyer, Vice-Chairman	Box 17 Quentin, PA 17083	1 Year
Joe Wentzel, Secretary	33 Birch Avenue Mt. Gretna, PA 17064	1 Year
John Yoder, Assistant Secretary	26 Birch Avenue Mt. Gretna, PA 17064	3 Years
Robert Mumma, Treasurer	Box 65 Quentin, PA 17083	4 Years
Earl Hartlieb, Assistant Treasurer	Box 6 Quentin, PA 17083	2 Years
Steve J. Ogurcak, Member	Box 42 Quentin, PA 17083	2 Years

9052 719

2. The principal office of the Authority is:

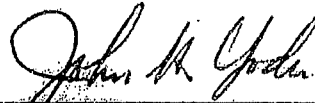
Street Address:

West Cornwall Township Municipal Authority
73 South Zinns Mill Road
Quentin, Pennsylvania 17083

Mailing Address:

73 South Zinns Mill Road
Lebanon, Pennsylvania 17042

IN WITNESS WHEREOF, I set my hand and the official seal of
the Authority, this 16th day of October, 1990.



ASSISTANT Secretary

(SEAL)

ARTICLES OF AMENDMENT

TO: THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA

In compliance with requirements of the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented (the "Authorities Act"), and pursuant to a resolution duly adopted by the Board of the West Cornwall Township Municipal Authority (the "Authority"), proposing an amendment to the Articles of Incorporation of the Authority, which proposed amendment has been submitted to and approved by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, the governing authority of the municipality composing the Authority, by Ordinance duly enacted, the Authority hereby does file these Articles of Amendment to its Articles of Incorporation and hereby does certify:

1. The name of the Authority is "West Cornwall Township Municipal Authority"; and the registered office of the Authority is located at 73 South Zinns Mill Road, Lebanon, Lebanon County, Pennsylvania 17042.

2. The Authority was duly formed under the provisions of the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented, pursuant to appropriate action of the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, the original Articles of Incorporation of the Authority having been approved and filed in the Department of State of the Commonwealth on September 13, 1990.

3. A copy of the Ordinance enacted by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, said Board of Supervisors being the governing authority of the municipality composing the Authority, duly certified by the Chair or Vice Chair of the Board of Supervisors and Secretary or Assistant Secretary of said Township, adopting and approving the amendment herein set forth, are attached hereto and thereby are made a part of these Articles of Amendment.

4. The amendment proposed by the Board of the Authority and adopted and approved by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, as aforesaid, shall amend the Articles of Incorporation in order to increase the term of existence of the Authority by adding a new paragraph 8 to the Articles of Incorporation, such new paragraph 8 to read as follows:

"8. The term of existence of said Authority shall be for a period of fifty years from the date of approval of these Articles of Amendment to the Articles of Incorporation."

Commonwealth of Pennsylvania
ARTICLES OF AMENDMENT-MISCELLANEOUS 18 Page(s)



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2010

PA. E

IN WITNESS WHEREOF, West Cornwall Township Municipal Authority has caused these Articles of Amendment to be executed by its Chairman or Vice Chairman and its official seal to be affixed hereto and attested by its Secretary or Assistant Secretary, all as of the 10th day of August, 2010.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By Glenn D. Yanos
Glenn D. Yanos, Chairman

ATTEST:

Robert Kolb
Robert Kolb, Secretary

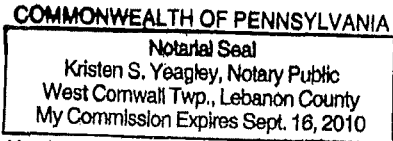
(SEAL)

COMMONWEALTH OF PENNSYLVANIA :
:SS.
COUNTY OF LEBANON :

On the 10th day of August, 2010, before me, the undersigned officer, a Notary Public, personally appeared Glenn D. Yanos and Robert Kolb, who, in due form of law acknowledged themselves to be Chairman and Secretary, respectively, of the WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (the "Authority"), and who, in due form of law, further acknowledged the foregoing to be the act and deed of the Authority for purposes therein specified.

WITNESS my hand and official seal the day and year aforesaid.

Kristen S. Yeagley
Notary Public



(SEAL) Member, Pennsylvania Association of Notaries

My Commission Expires: Sept. 16, 2010

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

Lebanon County, Pennsylvania

RESOLUTION

WHEREAS, WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (the "Authority") is a municipality authority, incorporated, organized and existing under provisions of the "Municipality Authorities Act" of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented, of the Commonwealth of Pennsylvania (the "Authorities Act"), this Authority having been incorporated on September 13, 1990 pursuant to appropriate action of the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"); and

WHEREAS, this Authority desires to amend its Articles of Incorporation so as to increase its term of existence, which amendment is authorized and permitted by the Authorities Act.

NOW, THEREFORE, BE IT RESOLVED, by the Board of West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania, and it hereby is resolved by the Authority of the same, as follows:

1. This Authority proposes that in order to increase the term of its existence, a new paragraph 8 shall be added to the Articles of Incorporation, which new paragraph 8 shall read as follows:

"8. The term of existence of said Authority shall be for a period of fifty years from the date of approval of these Articles of Amendment to the Articles of Incorporation."

2. This Authority proposes that Articles of Amendment to its Articles of Incorporation, in substantially the form set forth on Exhibit "A" hereto, which is incorporated herein by this reference, shall be filed with the Secretary of the Commonwealth of Pennsylvania.

3. The Chair or Vice Chair and Secretary or Assistant Secretary, as appropriate, of this Authority hereby are authorized and directed to certify a copy of this Resolution and to submit such certified copy of this Resolution to the Board of Supervisors of the Township, said Board of Supervisors being the governing authority of the municipality composing this Authority, as required by the Authorities Act; and proper officers of this Authority hereby are authorized and directed to do all things and to take all action which may be necessary in order to have the Board of Supervisors of the Township act upon said proposed amendment, as the same is contained in this Resolution.

4. If the Board of Supervisors of the Township shall duly adopt and approve the amendment of the Articles of Incorporation of this Authority, as proposed in this Resolution,

the Chair or Vice Chair and Secretary or Assistant Secretary of this Authority hereby are authorized and directed to execute and verify Articles of Amendment, substantially in the form set forth on Exhibit "A" to this Resolution, and the Secretary or Assistant Secretary of this Authority hereby is authorized and directed to affix thereto and attest thereon the official seal of this Authority.

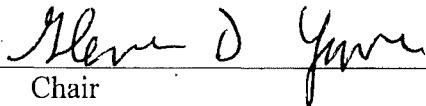
5. If the Board of Supervisors of the Township shall duly adopt and approve the amendment of the Articles of Incorporation of this Authority, as proposed in this Resolution, the Chair or Vice Chair and Secretary or Assistant Secretary of this Authority hereby are authorized and directed to advertise, in the manner specified in and required by the Authorities Act, the intention of this Authority to file Articles of Amendment with the Secretary of the Commonwealth of Pennsylvania.

6. If the Board of Supervisors of the Township shall duly adopt and approve the amendment of the Articles of Incorporation of this Authority, as proposed in this Resolution, the Chair or Vice Chair and Secretary or Assistant Secretary of this Authority hereby are authorized and directed to cause the Articles of Amendment, together with the necessary proofs of publication, to be filed with the Secretary of the Commonwealth of Pennsylvania, and to do all other acts and things necessary or appropriate in order to secure approval of the Articles of Amendment, including payment of filing fees and charges required in connection therewith.

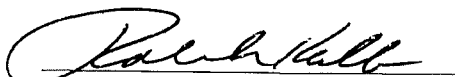
7. All resolutions or parts of resolutions, insofar as such shall be inconsistent herewith, shall be and the same expressly are repealed.

DULY ADOPTED by the Board of the West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania, this 4th day of August, 2010, in lawful session duly assembled.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY,
Lebanon County, Pennsylvania

By 
Chair

ATTEST:


Secretary

(SEAL)

EXHIBIT "A"

ARTICLES OF AMENDMENT

TO: THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA

In compliance with requirements of the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented (the "Authorities Act"), and pursuant to a resolution duly adopted by the Board of the West Cornwall Township Municipal Authority (the "Authority"), proposing an amendment to the Articles of Incorporation of the Authority, which proposed amendment has been submitted to and approved by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, the governing authority of the municipality composing the Authority, by Ordinance duly enacted, the Authority hereby does file these Articles of Amendment to its Articles of Incorporation and hereby does certify:

1. The name of the Authority is "West Cornwall Township Municipal Authority"; and the registered office of the Authority is located at 73 South Zinns Mill Road, Lebanon, Lebanon County, Pennsylvania 17042.
2. The Authority was duly formed under the provisions of the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented, pursuant to appropriate action of the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, the original Articles of Incorporation of the Authority having been approved and filed in the Department of State of the Commonwealth on September 13, 1990.
3. A copy of the Ordinance enacted by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, said Board of Supervisors being the governing authority of the municipality composing the Authority, duly certified by the Chair or Vice Chair of the Board of Supervisors and Secretary or Assistant Secretary of said Township, adopting and approving the amendment herein set forth, are attached hereto and thereby are made a part of these Articles of Amendment.
4. The amendment proposed by the Board of the Authority and adopted and approved by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, as aforesaid, shall amend the Articles of Incorporation in order to increase the term of existence of the Authority by adding a new paragraph 8 to the Articles of Incorporation, such new paragraph 8 to read as follows:

"8. The term of existence of said Authority shall be for a period of fifty years from the date of approval of these Articles of Amendment to the Articles of Incorporation."

IN WITNESS WHEREOF, West Cornwall Township Municipal Authority has caused these Articles of Amendment to be executed by its Chair or Vice Chair and its official seal to be affixed hereto and attested by its Secretary or Assistant Secretary, all as of the ____ day of August, 2010.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By _____
Chair

ATTEST:

Secretary

(SEAL)

COMMONWEALTH OF PENNSYLVANIA :
 :ss.
COUNTY OF LEBANON :

On the _____ day of August, 2010, before me, the undersigned officer, a Notary Public, personally appeared _____ and _____, who, in due form of law acknowledged themselves to be Chair and Secretary, respectively, of the WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY (the "Authority"), and who, in due form of law, further acknowledged the foregoing to be the act and deed of the Authority for purposes therein specified.

WITNESS my hand and official seal the day and year aforesaid.

Notary Public

My Commission Expires:

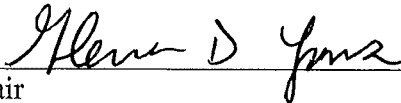
(SEAL)

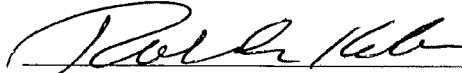
CERTIFICATE

We, the undersigned, Chair and Secretary, respectively, of the West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania (the "Authority"), hereby certify that the foregoing Resolution is a full, true and correct copy of a Resolution duly adopted by majority vote of the Board of the Authority at a meeting of said Board duly convened and held according to law on August 4, 2010; that said Resolution was adopted by an aye and nay vote; that said Resolution and the vote thereon have been duly recorded in the minutes of said meeting; and that said Resolution remains in full force and effect, without alteration, amendment, modification or repeal, as of the date of this Certificate.

We further certify that the Board of the Authority met the advance notice requirements of all laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, we hereunto affix our hands and the Secretary affixes the official seal of the West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania, this 4th day of August, 2010.


Chair


Secretary

(SEAL)

TOWNSHIP OF WEST CORNWALL

Lebanon County, Pennsylvania

ORDINANCE NO. 122

AN ORDINANCE

OF THE BOARD OF SUPERVISORS OF THE TOWNSHIP OF WEST CORNWALL, LEBANON COUNTY, PENNSYLVANIA, ADOPTING AND APPROVING AN AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY, AS PROPOSED BY RESOLUTION OF THE BOARD OF SAID AUTHORITY; SETTING FORTH THE PROPOSED AMENDMENT; AUTHORIZING SAID AUTHORITY AND PROPER OFFICERS THEREOF TO EXECUTE, VERIFY AND FILE APPROPRIATE ARTICLES OF AMENDMENT; AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT HEREWITH.

WHEREAS, the TOWNSHIP OF WEST CORNWALL, Lebanon County, Pennsylvania (the "Township"), by appropriate action heretofore caused to be incorporated the West Cornwall Township Municipal Authority (the "Authority"), under provisions of the "Municipality Authorities Act" of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented, of the Commonwealth of Pennsylvania (the "Authorities Act"); and

WHEREAS, the Authority presently is organized and existing under provisions of said Authorities Act; and

WHEREAS, the Authority, by Resolution duly adopted, has proposed that its Articles of Incorporation shall be amended so as to increase its term of existence, which amendment is authorized and permitted by the Authorities Act; and

WHEREAS, the Authority has caused to be submitted to the Board of Supervisors of this Township a copy of the Resolution adopted by the Board of the Authority, duly certified by the Chair or Vice Chair and Secretary or Assistant Secretary of the Authority, as appropriate, wherein said amendment is proposed which Resolution contains the language of said proposed amendment; and

WHEREAS, the Authorities Act provides, among other things, that the Board of Supervisors of this Township, being the governing authority of the municipality composing the Authority, shall adopt or reject said proposed amendment by ordinance.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, as follows:

SECTION 1. The Board of Supervisors of this Township hereby adopts and approves the amendment to the Articles of Incorporation of the Authority as proposed by a Resolution duly adopted by the Board of the Authority, a copy of which Resolution, duly certified by the Chair or Vice Chair and Secretary or Assistant Secretary, as appropriate, of the Authority, has been submitted to the Board of Supervisors of this Township.

SECTION 2. The amendment to the Articles of Incorporation of the Authority, which hereby is adopted and approved, shall amend the Articles of Incorporation in order to increase the term of existence of the Authority by adding a new paragraph 8 to the Article of Incorporation, which new paragraph 8 shall read as follows:

“8. The term of existence of said Authority shall be for a period of fifty years from the date of approval of these Articles of Amendment to the Articles of Incorporation.”

SECTION 3. Proper officers of the Authority hereby are authorized to execute, verify and file appropriate Articles of Amendment with the Secretary of the Commonwealth of Pennsylvania and to take all other action and to do all other things which may be necessary in order to accomplish the amendment of the Articles of Incorporation of the Authority in the manner herein adopted and approved.


SECTION 4. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same hereby expressly are repealed.

DULY ENACTED AND ORDAINED by the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania, in lawful session duly assembled, this 9th day of August, 2010.

TOWNSHIP OF WEST CORNWALL,
Lebanon County, Pennsylvania

By 
Chair, Board of Supervisors

ATTEST:


Secretary

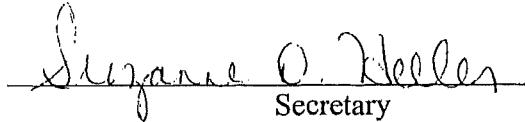
(SEAL)

CERTIFICATE

I, the undersigned, Secretary of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), certify that: the foregoing is a true and correct copy of an Ordinance of the Board of Supervisors of the Township which duly was enacted by affirmative vote of a majority of the members of the Board of Supervisors of the Township at a meeting held on August 9, 2010; said Ordinance duly has been recorded in the Ordinance Book of the Township; said Ordinance duly has been published as required by law; and said Ordinance remains in effect, unaltered and unamended, as of the date of this Certificate.

I further certify that the Board of Supervisors of the Township met the advance notice requirements of all laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Township, this 9th day of August, 2010.


Secretary

(SEAL)

Proof of Publication
State of Pennsylvania

AD # 0001048751-01

Lebanon Daily News is the name of the daily newspaper(s) of general circulation published continuously for more than six months at its principal place of business, 718 Poplar Street, Lebanon, PA.

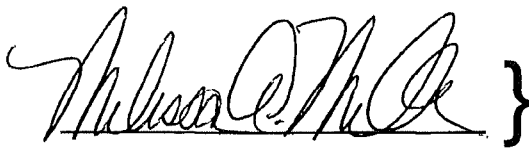
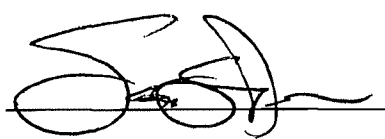
The printed copy of the advertisement hereto attached is a true copy, exactly as printed and published, of an advertisement printed in the regular issues of the said **Lebanon Daily News** published on the following dates, viz:

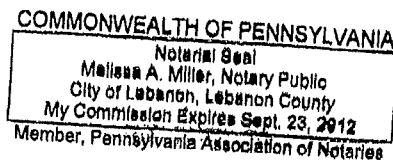
9/15/2010

**COMMONWEALTH OF PENNSYLVANIA
COUNTY OF LEBANON**

Before me, a Notary Public, personally came Scott S. Downs who being duly sworn deposes and says that he is the Publisher of Lebanon Daily News and his personal knowledge of the publication of the advertisement mentioned in the foregoing statement as to the time, place and character of publications are true, and that the affiant is not interested in the subject matter of the above mentioned advertisement.

Sworn and subscribed to before me, on
this 15 day of September 2010

 } 
Notary Public



The charge for the following publication of above mentioned advertisement and the expense of the affidavit.

Advertisement Cost	\$168.90
Affidavit Fee	8.00
Total Cost	\$176.90

NOTICE
 NOTICE HEREBY IS GIVEN that the Board of the West Cornwall Township Municipal Authority (the "Authority"), a Pennsylvania municipality authority having its registered office at 73 South Zinns Mill Road, Lebanon, Lebanon County, Pennsylvania 17042, has adopted a resolution proposing an amendment to its Articles of Incorporation; the Authority has submitted the proposed amendment to the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), the governing authority of the municipality composing the Authority; the Board of Supervisors of the Township, in accordance duly enacted, has adopted and approved the amendment to the Articles of Incorporation of the Authority; the Authority intends to file Articles of Amendment to its Articles of Incorporation with the Secretary of the Commonwealth of Pennsylvania on September 30, 2010; such Articles of Amendment are to be filed under provisions of the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 15, 2001, 53 Pa.C.S.A. §5601 et seq., as amended and supplemented (the "Authority Act"); and the nature and character of such proposed amendment is to amend the Articles of Incorporation in order to increase the term of the existence of the Authority by adding a new paragraph 8 to the Articles of Incorporation, which new paragraph 8 shall read as follows:
 "8. The term of existence of said Authority shall be for a period of fifty years from the date of approval of these Articles of Amendment to the Articles of Incorporation."
 WEST CORNWALL TOWNSHIP
 MUNICIPAL AUTHORITY
 9/15

Proof of Publication Notice in Lebanon County Legal Journal

(Under Act No. 587. Approved May 16, 1929)

State of Pennsylvania }
County of Lebanon }

ss:

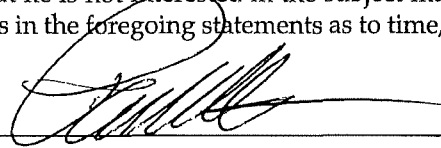
Paul W. Kilgore one of the Editors of the Lebanon County Legal Journal, of the County and State aforesaid: being duly sworn, according to law, deposes and says that the Lebanon County Legal Journal, a legal periodical published in the City of Lebanon in the County and State aforesaid, was established July 31, 1946 and designated by the local courts as the official legal periodical for the publication of all legal notices, and has since July 31, 1946, been regularly issued weekly in said County, and that the printed notice or publication attached hereto is exactly the same as was printed in the regular editions and issues of the said Lebanon County Legal Journal

on the following dates, viz: September 15, 2010

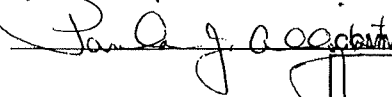
Affiant further deposes that he is authorized to verify this statement by the Lebanon County Legal Journal, a legal periodical of general circulation, and that he is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statements as to time, place and character of publication are true.

NOTICE

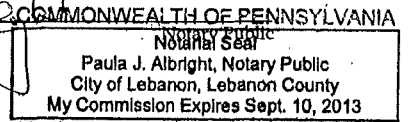
NOTICE IS HEREBY GIVEN that the Board of the West Cornwall Township Municipal Authority (the "Authority"), a Pennsylvania municipality authority having its registered office at 73 South Zinns Mill Road, Lebanon, Lebanon County, Pennsylvania 17042, has adopted a resolution proposing an amendment to its Articles of Incorporation; the Authority has submitted the proposed amendment to the Board of Supervisors of the Township of West Cornwall, Lebanon County, Pennsylvania (the "Township"), the governing authority of the municipality composing the Authority; the Board of Supervisors of the Township, by Ordinance duly enacted, has adopted and approved the amendment to the Articles of Incorporation of the Authority; the Authority intends to file Articles of Amendments to its Articles of Incorporation with the Secretary of the Commonwealth of Pennsylvania on September 30, 2010; such Articles of Amendments are to be filed under provisions of the Pennsylvania Municipality Authorities Act of May 2, 1945, P.L. 382 (the "1945 Act"), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented (the "Authorities Act"); and the nature and character of such proposed amendment is to amend the Articles of



Sworn to and subscribed before me this 21st
day of September, 2010



My Commission Expires:



Statement of Advertising Costs: Member, Pennsylvania Association of Notaries

Notice: WEST CORNWALL TOWNSHIP
MUNICIPAL AUTHORITY

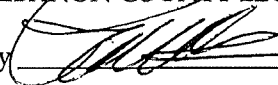
ON COUNTY LEGAL JOURNAL, Dr.

ion attached hereto on the above stated dates \$ 64.50
Notary fee \$ 5.00
\$ 69.50

er's Receipt for Advertising Costs

al, a legal periodical, hereby acknowledges receipt of the aforesaid
ifies that the same have been duly paid.

LEBANON COUNTY LEGAL JOURNAL

By 

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

05/23/2022

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY THAT,

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

is duly registered as a Pennsylvania Municipal Authority under the laws of the Commonwealth of Pennsylvania and remains subsisting so far as the records of this office show, as of the date herein.

I DO FURTHER CERTIFY THAT this Subsistence Certificate shall not imply that all fees, taxes and penalties owed to the Commonwealth of Pennsylvania are paid.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written

Leigh M. Chapman

Acting Secretary of the Commonwealth

Certification Number: TSC220523121307-1

Verify this certificate online at <http://www.corporations.pa.gov/orders/verify>

BY-LAWS
OF
WEST CORNWALL TOWNSHIP AUTHORITY

ARTICLE I
THE BOARD

SECTION 1. Number and Term of Office

The business and property of the Authority shall be managed and controlled by the Board. The Board shall be composed of members who shall be appointed for such terms, and the vacancies therein shall be filled, as shall be provided by law and the Articles of Incorporation of the Authority.

SECTION 2. Place of Meeting.

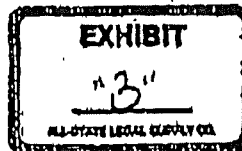
The Board may hold its meetings, have an office and keep the records, books and accounts of the Authority (except as otherwise may be provided by law) at such place or places in Lebanon County, Pennsylvania, as the Board, by resolution, from time to time, may determine.

SECTION 3. Regular Meetings.

Regular meetings of the Board shall be held on the first and third Tuesday of each month at 7:00 o'clock p.m., prevailing time, if not a legal holiday. If such meeting date, at any time, shall fall on a legal holiday, then the meeting shall be held on the next succeeding business day which is not a legal holiday. No notice shall be required for any such regular meeting of the Board.

SECTION 4. Special Meetings.

Special meetings of the Board shall be held whenever called by the Chairman or by not less than three members of the Board for the time being in office. Calls for special meetings shall be in writing, shall be served upon the Secretary and shall specify the purpose or purposes of the special meeting.



The Secretary shall give notice of the time, place and purpose of each special meeting, by mailing the same at least three days before the meeting, to each member of the Board; but such notice may be waived by any member. At any meeting at which every member of the Board shall be present, even though without notice, any business of the Authority may be transacted.

SECTION 5. Quorum and Transactions of Business.

A majority of the Board for the time being in office shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting, from time to time, until a quorum shall be present. All action of the Board may be taken by vote of the majority of the members present at any meeting, except that the election of officers, agents and employes of the Authority and the fixing of their compensation, and the acquisition, purchase, leasing, sale, transfer or disposition of any projects, franchises, property, real, personal or mixed, tangible or intangible, or any interest therein, shall be by a majority of the entire Board for the time being in office, and except, further, that the alteration, amendment or repeal of these By-Laws shall be as provided in Article IV hereof. In the case of any equality of votes, the Chairman, Vice President or Chairman pro tem, whichever then may be presiding, shall have a second or deciding vote.

Any member of the Board not present at a meeting, at which action is taken by a majority of the members of the quorum, may register his affirmation of the action so taken or his disaffirmance thereof by filing a writing to that effect with the Secretary within ten (10) days of the date on which such action was taken.

The Chairman shall preside at all meetings. In his absence, the Vice Chairman shall preside. In the absence of the Chairman and the Vice Chairman, the Board shall elect a Chairman pro tem.

SECTION 6. Order of Business.

The order of business at any regular meeting of the Board shall be as follows:

1. Approval of the minutes of the previous meeting
2. Treasurer's Report
3. Correspondence to the Authority
4. Old business
5. New business
6. Questions or comments from the public
7. Payment of bills
8. Adjournment

SECTION 7. Powers and Duties of the Board.

The members of the Board shall have the general management and control of the business and affairs of the Authority and shall exercise all powers that may be exercised or performed by the Authority under existing laws, the Articles of Incorporation and the By-Laws. ~~Without prejudice to the general powers conferred by the preceding sentence and any other powers conferred by or duties imposed by these By-Laws,~~ the Board shall have the following powers and duties, namely:

A. Appointment of Agents. To appoint and, in its discretion, to remove or to retain such officers, agents or servants not otherwise elected or appointed permanently or temporarily, as it shall deem fit and proper, and to prescribe their duties and to determine their compensations, and to require security in such instances and in such amounts as it shall deem fit, and to confer, by resolution, upon any appointed officer of the Authority the power to choose, remove or suspend any officers, agents or servants so appointed who may be under his or her supervision;

B. Execution of Instruments. To determine by resolution, except as otherwise provided by existing laws or these By-Laws, who shall be authorized, in behalf of the Authority, to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and other documents;

C. Delegation of Powers. To delegate any of the powers of the Board in the current business of the Authority to any officer or agent, or to appoint any person or persons to be the agent or agents of the Authority, with such powers (including the power to sub-delegate) and upon such terms as the Board shall see fit;

D. Committees. To delegate, from time to time, to suitable committees, any duties that are required to be executed during the intervals between the meetings of the Board; and such committees shall report to the Board when and as required;

E. Election of Officers. To elect a Chairman, a Vice Chairman, a Secretary, a Treasurer and an Assistant Secretary and Assistant Treasurer, and to define their duties and to limit the authority of all officers and agent so this Authority in any way they deem advisable; provided, however, that such shall not be contrary to the laws of the Commonwealth of Pennsylvania or the express provisions of the Article of Incorporation of the Authority or these By-Laws;

F. Designation of Depositories. The Board shall designate the trust company or trust companies, bank or banks, in

which shall be deposited, from time to time; the money or securities of the Authority;

G. Budget. The Board, annually, at no later than the last regular meeting in the calendar year, shall establish a budget for the ensuing calendar year;

H. Reports. The Board, annually, before the first meeting in each year, shall prepare, in writing, a report of the ~~business and activities of the Authority for the calendar year~~ immediately preceding such meeting and shall submit copies of such report to the proper municipal authorities; and.

I. Rule and Regulations. The Board, from time to time, by resolution, may adopt such rules and regulations for the use of the facilities of the Authority as the Board may deem proper.

SECTION 8. Resignations of Board Members.

Any member of the Board may resign at any time. Such resignation shall be in writing and shall take effect at the time specified therein, if a time shall be specified. If no time shall be specified, the resignation shall take effect as of the time of its receipt by the Secretary who shall receive such resignation and shall note the day, hour and minute of its reception. The acceptance of a resignation shall not be necessary to make it effective. The Secretary promptly shall notify the proper municipal authorities of the resignation of any member of the Board.

ARTICLE II

OFFICERS

SECTION 1. Officers.

The officers of the Authority shall be a Chairman, a Vice Chairman, a Treasurer, a Secretary, and an Assistant Secretary and an Assistant Treasurer and such other officers as, from time to time, shall be provided for by the Board. Such officers shall be elected at the last regular meeting of the Board held in each year and shall hold office for one year, beginning from the first day of January next succeeding and until their respective successors shall have been duly elected and qualified; provided, however, that all officers, agents and employees of the Authority shall be subject to removal at any time by the affirmative vote

of a majority of the whole Board or otherwise, as may be provided or permitted by law.

SECTION 2. Powers and Duties of Chairman.

The Chairman shall be the chief executive officer of the Authority. He shall preside at all meetings of the Board. He shall have general charge and supervision of the business of the Authority. He shall sign and execute all authorized bonds, contracts, notes, evidences of indebtedness or other obligations in the name of the Authority. He shall sign all warrants or orders, in the name of the Authority, for the payment of money as shall be directed by the Board. He shall make such reports, from time to time, of the affairs of the Authority as the Board may require and shall present a report of the preceding year's business to the Board at their annual meeting in each year. He shall do and perform such other duties, as from time to time, may be assigned to him by the Board.

SECTION 3. Powers and Duties of Vice Chairman.

The Vice Chairman shall possess the power and shall perform the duties of the Chairman in his absence or disability. He shall do and perform such other duties as, from time to time, may be assigned to him by the Board.

SECTION 4. Powers and Duties of Secretary.

The Secretary shall keep the minutes of all meetings of the Board. He shall attend to the giving and serving of all notices of the Authority. He shall sign, with the Chairman, in the name of the Authority, all contracts, bonds, notes, evidences of indebtedness or other obligations authorized by the Board and, when so ordered by the Board, he shall affix the seal of the Authority thereto. He shall have charge of such books, records and accounts as the Board may direct, all of which, at all reasonable application to the Secretary. In general, he shall perform all of the duties incident to the office of the Secretary, subject only to the control of the Board, and shall do and perform such other duties as, from time to time, may be assigned to him by the Board. The Secretary for the time being in office shall deliver all books, records and accounts of the Authority in his possession to his successor immediately upon the qualification of such successor, or to the Board when so required by the Board.

SECTION 5. Powers and Duties of the Treasurer.

The Treasurer shall receive and shall have charge of all money, bills, notes, bonds and similar property belonging to the Authority, except as otherwise shall be directed by the Board, and shall have the power to issue receipts and acknowledgments

for the payment of money and the delivery of checks, drafts, notes, acceptances or other evidences of indebtedness to the Authority, except as otherwise shall be directed by the Board. He shall have the duty and the power of opening and keeping special accounts with such bank or banks, trust company or trust companies as, from time to time, by resolution, may be designated by the Board, and, to the extent that such accounts are not insured, to require such security from any such bank or trust company as may be directed by the Board or may be required by law. When necessary or proper, he shall endorse, in behalf of the Authority, for collection, checks, notes, and other obligations and shall deposit the same to the credit of the Authority in the bank or banks or trust company or trust companies which shall have been designated by the Board, as aforesaid. Jointly, with such other officer as may be designated by by-law or by resolution of the Board, he shall sign all checks made by the Authority and shall pay out and dispose of the same under the direction of the Board. He shall sign all interest bearing coupons attached to authorized bonds of the Authority, by facsimile signature. Whenever required by the Board, he shall render to it a statement of his accounts. He shall enter, regularly, in books of the Authority, to be kept by him for the purpose, full and accurate account of all money received and disbursed by him on account of the Authority. He shall exhibit, at all reasonable times, his books, records and accounts to any member of the Board upon application; and he shall perform all acts incident to the position of Treasurer, subject, however, to the control of the Board. He shall give a bond with sufficient corporate surety in such amount as may be determined by resolution of the Authority the costs of which shall be paid by the Authority, conditioned for the faithful performance of his duties as Treasurer. The Treasurer for the time being in office shall transfer and deliver all money, securities, books, records and papers of the Authority, which shall be in his custody or possession, to his successor immediately upon the qualification of such successor. He shall permit all books, records and accounts of the Authority kept by him and in his custody or possession to be examined, from time to time, by such auditor or auditors as the Board shall direct.

SECTION 6. Power and Duties of the Assistant Secretary and of the Assistant Treasurer.

The Assistant Secretary and the Assistant Treasurer shall possess the power and may perform the duties of the Secretary and of the Treasurer, as appropriate, in case of their absence or disability, and shall do and perform such other duties as, from time to time, may be assignee to him by the Board.

SECTION 7. Solicitor.

The Authority's Solicitor shall be the chief consulting officer of the Authority in all legal matters and, subject to the control of the Board, shall have general control of matters of legal import concerning the Authority.

ARTICLE III

CHECKS, NOTES, ETC.

SECTION 1. Methods of Paying, Endorsing, Authorizing, etc.

Payment shall be made by drafts, checks or other orders, all of which shall be signed by such officers of the Board as the Board, by resolution, shall provide. Payments shall be made only pursuant to warrants or orders signed by the Chairman or Vice Chairman in the name of the Authority, as directed by the Board, or pursuant to resolution of the Board. Bills receivable, drafts and other evidences of indebtedness to the Authority shall be endorsed for the purpose of discount or collection by the Treasurer or such other officer or officers of the Authority as the Board, from time to time, by resolution, shall designate. No bonds, bills or notes shall be executed by or on behalf of the Authority unless the Board, by resolution, shall authorized the same.

ARTICLE IV

AMENDMENT OF BY-LAWS

SECTION 1. Method of Alteration, Amendment or Repeal of By-Laws.

The By-Laws of the Authority shall be subject to alteration, amendment or repeal by a majority vote of the whole Board then serving at any regular or special meeting of the Board; provided, however, that notice of such proposed alteration, amendment or repeal shall have been given, in writing, to each member at least ten (10) days prior to the regular or special meeting at which action thereon is to be taken, or without any such notice by unanimous vote at any meeting of the Board when all of the members are present.

ARTICLE V
MISCELLANEOUS

SECTION 1. Corporate Seal.

The corporate seal of the Authority shall consist of two concentric circles between which the name of the Authority and the word "Pennsylvania" shall be inscribed, and within the smaller circle the words "Incorporated 1950" shall be inscribed.

SECTION 2. Rates and Charges.

The Board may fix, alter, charge and collect reasonable rentals, rates and other charges for the use of the facilities of, or for the services rendered by, the Authority or projects thereof, for the purpose of providing money for the payment of the expenses of the Authority and for the construction, improvement, repair, maintenance and operation of its facilities and properties, the payment of the principal of and interest on its obligations and the fulfillment of terms and provisions of any agreements made with the purchasers or holders of any such obligations, as the Board, from time to time, by resolution, shall determine.

SECTION 3. Annual Examination of Records.

The financial records, books and accounts of the Authority shall be kept on a calendar year basis. The financial records, books and accounts of the Authority shall be examined, annually, during the month of April, by a certified public accountant who shall be designated by resolution of the Board. The annual examination shall cover the immediately preceding calendar year.

WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY

RESOLUTION NO. 5-3-2022

WHEREAS, the West Cornwall Township Municipal Authority (the “Authority”) has been incorporated under and is governed by the Pennsylvania Municipality Authorities Act of May 2, 1945, P. L. 382 (the “1945 Act”), which 1945 Act is codified and continued by Act No. 22, approved on June 19, 2001, 53 Pa.C.S.A. §5601 *et seq.*, as amended and supplemented (the “Act”); and

WHEREAS, the Authority, by virtue of the Act, has power and authority, among other things, to acquire, hold, construct, improve, maintain, operate, own and lease, either in the capacity of lessor or lessee, a water storage, treatment and distribution system (the “Water System”); and

WHEREAS, the Authority, in accordance with its powers, desires to undertake a project (the “Project”) consisting of, among other things, (a) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the “Water System”); and (b) the payment of the costs of issuing the Note (hereinafter defined); and

WHEREAS, in order to finance a portion of the costs of the Project, the Authority desires to authorize, execute and deliver its Guaranteed Water Revenue Note in a principal amount of not to exceed \$1,000,000 (the “Note”); and

WHEREAS, the Authority has accepted a commitment letter (the “Commitment Letter”) from Peoples Security Bank and Trust Company (hereinafter referred to as the “Lender”) for the purchase of the Note; and

WHEREAS, to finance the costs of the Project, the Authority desires to authorize, execute and deliver (a) the Note to the Lender to evidence the Authority’s obligation to repay the Lender moneys advanced by the Lender pursuant to the provisions of the Note to finance the Project; and (b) a loan agreement to be entered into by the Lender and the Authority and dated the date of execution and delivery of the Note (the “Loan Agreement”); and

WHEREAS, the Authority’s obligations to repay the loan as evidenced by the Note will be guaranteed by the Township of West Cornwall, Lebanon County, Pennsylvania (the “Township”) pursuant to the terms of a Guaranty Agreement among the Township, the Authority and the Lender (the “Guaranty Agreement”); and

WHEREAS, this Authority and the Township have determined to enter into a Reimbursement Agreement (the “Reimbursement Agreement”) whereunder this Authority has determined to, among other things, reimburse the Township for payments made under the Guaranty Agreement; and

WHEREAS, the Authority desires to authorize and approve such action as shall be necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Board of this Authority, as follows:

1. This Board hereby ratifies and confirms the terms of the Commitment Letter and authorizes the proper officers of the Authority to take any and all action which may be necessary, on behalf of the Authority, to complete the Project.

2. The Chair and Secretary or in their absence, any other member or officer of the Authority are authorized, empowered and directed, to execute, acknowledge, attest and/or deliver, as appropriate, any and all such documents, agreements, certificates and instruments as may be necessary, proper or desirable, in the discretion of such member or officer to issue the Note and to accomplish the requirements and transactions contemplated in the Commitment Letter, all of which shall be subject to the review and approval (as to both form and substance) by the Authority's Solicitor. The execution and delivery of such documents, instruments, agreements and certificates will constitute conclusive evidence of their authorization, delivery and acceptance. This Board hereby expresses its intent that the Authority's proper officers, subject to review and approval by the Authority's Solicitor, shall have full power and authority to take all actions and do all things necessary and desirable to issue the Note and to accomplish the requirements and transactions contemplated in the Commitment Letter.

Specifically, in addition to any and all other documents, agreements, certificates and instruments as may be necessary, proper or desirable, all of which are hereby approved, the Authority approves the execution, acknowledgment, attestation and/or delivery, as appropriate, of the following: (a) the Loan Agreement; (b) the Guaranty Agreement; (c) the Reimbursement Agreement; (d) the Nonarbitrage Certificate and Compliance Agreement; (e) the General Certificate of the Authority; (f) the Note; (g) the Information Return on IRS Form 8038-G; and (h) the UCC Financing Statements.

3. The Authority hereby authorizes, empowers and directs its proper officers and/or members, as identified in Section 2 above, to take any and all action and to execute and deliver any documents, instruments, agreements, and certificates necessary or desirable to accomplish the transactions contemplated in the Commitment Letter.

4. In accordance with the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), this Authority hereby finds, determines and designates the Note as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for the purposes of Section 265(b) of the Code. This Authority determines that it and all entities with which it is aggregated under Section 265(b)(3)(E) of the Code have not issued, and do not reasonably expect to issue, tax-exempt obligations (other than private activity bonds which are not qualified 501(c)(3) bonds under Sections 145 and/or 256(b)(3)(B)(ii)(I) of the Code) which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the calendar year 2022. This Authority also determines that it will not engage in any action or inaction which will or may cause the Note to fail or cease to constitute a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

5. The Authority hereby authorizes and approves the payment of all expenses incurred in connection with the issuance of the Note and the transactions contemplated in the Commitment Letter, which expenses may be paid from amounts advanced by the Lender to the Authority pursuant to the Loan Agreement.

6. This Board approves, ratifies and confirms all action heretofore taken, by the officers, employees, representatives and other authorized persons, in the name or on behalf of the Authority in connection with the undertakings herein contemplated.

7. This Resolution shall become effective immediately.

8. In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, such invalidity shall not effect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of this Board that such remainder shall be and shall remain in full force and effect.

9. All resolutions or parts of resolutions, insofar as the same shall be inconsistent herewith, shall be and the same expressly are hereby repealed.

DULY ADOPTED, this 3rd day of May, 2022, by the Board of the West Cornwall Township Municipal Authority, in lawful session duly assembled.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By William R. Matteson
Vice Chair

Attest: Rachel Korb
Secretary



\$1,000,000
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
GUARANTEED WATER REVENUE NOTE
SERIES OF 2022

NONARBITRAGE CERTIFICATE

The undersigned duly authorized officers of West Cornwall Township Municipal Authority (the “Authority”), being the officers responsible for issuing the Authority’s Guaranteed Water Revenue Note, Series of 2022 (the “2022 Note”), dated May 31, 2022, in the principal amount of \$1,000,000, do hereby certify, as of this 31st day of May, 2022, as follows:

1. Issuance of the 2022 Note.

(a) The 2022 Note is authorized and being issued and delivered on this date pursuant to (i) the provisions of certain resolutions (the “Resolutions”) of the Authority duly adopted on May 3, 2022, (ii) the terms of the Municipality Authorities Act of the Commonwealth of Pennsylvania, 53 Pa. C.S. §5601, et. seq., Act 22 of 2001, effective June 19, 2001, which codifies and amends the Municipality Authorities Act of 1945, amended and supplemented (the “Act”); and (iii) the provisions of a Loan Agreement dated May 31, 2022 (the “Loan Agreement”), by and between the Authority and Peoples Security Bank and Trust Company, as purchaser of the Note (the “Bank”). The date on which the Authority legally obligated itself to sell the 2022 Note was April 5, 2022 (the “Sale Date”).

(b) The 2022 Note is being purchased by the Bank pursuant to the provisions of the Bank’s proposal dated February 8, 2022.

(c) The 2022 Note is also secured by a guaranty of the Township of West Cornwall, Lebanon County, Pennsylvania (the “Township”) pursuant to the terms of that certain Guaranty Agreement dated May 31, 2022 (the “Guaranty”) among the Township, the Purchaser and the Authority for the benefit of the Purchaser. The Township’s obligations are unsecured but the Township has pledged its full faith and credit to the payment of any sums due pursuant to the Guaranty.

2. Purpose of Issuance. The Authority’s 2022 Note is being issued to finance a project (the “Project”) of the Authority consisting of the following:

(a) the acquisition of an existing water treatment, storage and distribution system serving, among others, the inhabitants of the Township (the “Water System”); and

(b) the payment of the costs of issuing the 2022 Note.

3. Issue Price; No Over Issuance; and Weighted Average Maturity.

(a) The issue price of the 2022 Note is \$1,000,000.00 (representing \$1,000,000.00 aggregate principal amount of the 2022 Note, less original issue discount of \$0.00), as more fully set forth in the Certificate of the Purchaser of even date. The pre-issuance accrued interest thereon is \$0.00.

(b) The estimated total cost of the project to be financed by the 2022 Note, including issuing expenses but excluding earnings on proceeds of the 2022 Note, will not be less than \$1,000,000.00.

(c) There are no funds that would have been used for the purposes for which the proceeds of the 2022 Note will be used if proceeds of the 2022 Note were not to be used for those purposes. The 2022 Note is not being issued earlier than necessary and will not remain outstanding longer than necessary. The amount of the 2022 Note does not exceed the amount necessary to accomplish its governmental purpose.

(d) The maximum weighted average maturity of the 2022 Note (11.2759 years) does not exceed the average remaining reasonably expected economic lives of the projects financed by the 2022 Note (36 years), as determined as provided in Section 147(b) of the Code.

4. Use of Proceeds.

(a) The Authority has covenanted with the registered owners of the 2022 Note that it will not make any use of the proceeds of the 2022 Note or do or suffer any other action which if such use or action had been reasonably expected on the date of issuance of the 2022 Note, would cause the 2022 Note to be an “arbitrage bond” as such phrase is defined in Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and the regulations applicable thereto or a “private activity bond” as such phrase is defined in Section 141 of the Code and the regulations applicable thereto. The Authority has further covenanted to comply with Sections 148 and 141 of the Code and with the regulations thereunder throughout the term of the 2022 Note.

(b) Except as permitted by Sections 5(j) and 7, all gross proceeds of the 2022 Note will be invested at a yield not exceeding the yield on the 2022 Note. All gross proceeds will be invested in accordance with Section 9 hereof. All issuance costs will be paid on the date of issue of the 2022 Note.

(c) The Authority has no funds that would have been used for the governmental purposes for which the proceeds of the 2022 Note will be used if the proceeds of the 2022 Note were not to be used for these purposes.

5. Issuance of Tax-Exempt Obligations. The Authority represents as follows:

(a) The 2022 Note does not constitute a “private activity bond” within the meaning of Section 141(a) of the Code, because (i) none of the proceeds of, or facilities to be financed with the proceeds of, the 2022 Note will be used for any private business use; and (ii) neither the payment of the principal of, nor the interest on, any of the 2022 Note is, will be, or has been directly or indirectly (A) secured by an interest in (1) property used or to be used for a private business use, or (2) payments in respect of such property; or (B) to be derived from payments (whether or not to the Authority) in respect of property, or borrowed money, used or to be used for a private business use. All property to be financed by the 2022 Note will be available and in fact will be reasonably available for use on the same basis by natural persons not engaged in a trade or business as nongovernmental persons in their trades or businesses. No

nongovernmental person will have a special legal entitlement to use any property financed by the 2022 Note under an arrangement with the Authority or anyone else. For the purpose of the preceding sentence, the following arrangements provide special legal entitlements to use property financed by the 2022 Note: (1) ownership; (2) lease; (3) management or service contract; (4) output contract; (5) research agreement; and (6) any arrangement for beneficial use that is comparable to one of the five special legal entitlements listed previously (such as an arrangement that conveys priority rights to use or capacity of any such property). No proceeds of the 2022 Note will be used to finance loans within the meaning of and/or for purposes of Section(s) 141(c) and/or 149(f)(5) of the Code or nongovernmental output property as defined in and for purposes of Section 141(d) of the Code.

(b) The Authority is applying approximately \$50,000 to the acquisition of the Water System. Such sum does not represent the proceeds of any tax advantaged bond as such term is defined for purposed of Treasury Regulations Section 1.150-1(b). Such sum shall first be allocated to any private use of the Water System that may arise, to the extent thereof.

(c) The Authority has not sold or issued and will not sell or issue other bonds or obligations that have been or will be sold or issued less than fifteen (15) days before or after the 2022 Note is issued or sold, sold pursuant to the same plan of financing and paid (or have substantially the same claim for payment) out of substantially the same source of funds as the 2022 Note.

(d) No proceeds of the 2022 Note and no other funds will be used to finance a debt service reserve fund within the meaning of Section 148(d) of the Code and no such fund will be established.

(e) The Authority will comply with the information reporting requirements contained in Section 149(e) of the Code by the timely filing of Form 8038-G with respect to the 2022 Note.

(f) The 2022 Note is not and will not be “federally guaranteed,” within the meaning of Section 149(b)(2) of the Code.

(g) The 2022 Note is in registered form within the meaning of Section 149(e) of the Code.

(h) None of the proceeds of the 2022 Note will be used to refund any debt or to finance working capital expenditures.

(i) Except to the extent otherwise permitted in Section 5(j) or 7(c), all gross proceeds of the 2022 Note will be invested at a yield not exceeding the yield on the 2022 Note after any applicable temporary period. All gross proceeds will be invested in accordance with Section 9.

(j) Whenever it is stated in this Certificate that gross proceeds must be invested at a yield not exceeding the yield on the 2022 Note and in accordance with Section 8,

the Authority may invest such gross proceeds in tax-exempt bonds that are not specified private activity bonds.

(k) For each Nonpurpose Investment acquired with or allocated to gross proceeds of the 2022 Note, the Authority shall record or cause to be recorded its purchase date or allocation date, its purchase price (reduced by broker's or dealer's commissions or other administrative expenses, unless such commissions or expenses constitute qualified administrative expenses, as defined in Regulation Sections 1.148-5(e)(2)(i), which shall also be separately stated), or, if not acquired directly with gross proceeds, its fair market value on the allocation date, accrued interest due on its purchase date or allocation date, its face amount, its coupon or interest rate, its yield-to-maturity, the frequency of its interest payments, its disposition price (not reduced by any broker's or dealer's commission or discount, unless such commissions or expenses constitute qualified administrative expenses, as defined in Regulation Section 1.148-5(e)(2)(i), accrued interest due on its disposition date and its disposition date. The Authority shall record or cause to be recorded the date and amount of all expenditures made with the gross proceeds of the 2022 Note. For purposes of this subsection (k), the term "Nonpurpose Investment" shall mean any investment in which Gross Proceeds of the 2022 Note are invested and which is not acquired to carry out the governmental purposes of the 2022 Note. The Authority will retain these records until six years after the 2022 Note has been retired.

(l) No proceeds of the 2022 Note will be used for working capital. The Authority will not use proceeds of the 2022 Note to reimburse any prior expenditures.

(m) Pending application for the payment of costs to be financed with proceeds of the 2022 Note, net sale and investment proceeds of the 2022 Note may be used to acquire obligations which may, dependent on market conditions, constitute higher yielding investments within the meaning of Section 148 of the Code. In connection therewith, the Authority does hereby represent and/or reasonably expects, as follows with respect to proceeds of the 2022 Note:

A. The Authority will incur a substantially binding obligation to a third party to expend an amount in excess of five percent (5%) of the net sale proceeds of the 2022 Note on capital projects that constitute a governmental purpose of the 2022 Note within six (6) months of the date of issuance of the 2022 Note;

B. Completion of the capital projects and allocation of net sale proceeds of the 2022 Note to expenditures will proceed with due diligence; and

C. At least eighty-five percent (85%) of the net sale proceeds of the 2022 Note will be expended on capital projects within three years after the date of issuance of the 2022 Note.

The Authority represents that it will obtain all permits and approvals, if any, which are necessary or required for the undertaking of the projects to be financed by the 2022 Note prior to commencing each component part of the project. The Authority expects that the receipt of such permits and approvals and the commencement of such projects will proceed in the ordinary course. If any proceeds of the 2022 Note are advanced by the Purchaser and

remain unspent when the projects to be financed thereby are completed, the Authority has represented that it will consult nationally recognized bond counsel regarding the use of such funds. Investment proceeds of the 2022 Note may be invested at an unrestricted yield until the later of one (1) year from the date of receipt or May 31, 2025. Net sale proceeds of the 2022 Note may be invested at an unrestricted yield through May 31, 2025. The Authority may also invest the lesser of five percent (5%) of the sale proceeds of the 2022 Note or \$100,000 at an unrestricted yield.

6. Basis for Expectations. The facts and estimates which are the basis of the Authority's expectations set forth herein are based upon representations of Authority officials responsible for the Project.

7. Funds for the Payment of Debt Service.

(a) Pursuant to the provisions of the Loan Agreement and the 2022 Note, the Authority is obligated to make regularly scheduled payments of principal and interest to the Bank, in amounts sufficient to provide for the payment of debt service on the 2022 Note when due (the "Sinking Fund"). The Authority reasonably expects that any amount set aside other than those received as general revenues by the Authority for the payment of debt service on the 2022 Note, and any amount received from the investment of such amounts so set aside, will be completely expended by the Authority within a one-year period after the date of the receipt thereof.

(b) The Authority represents and reasonably expects that no amounts, other than amounts transferred to the Bank, will be used or available to pay principal and interest on the 2022 Note. There is no amount held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders of the 2022 Note or a guarantor of the 2022 Note.

(c) The Authority reasonably expects that there will be no other funds or accounts that will be used or will be available for use directly or indirectly to pay principal, premium, if any, and/or interest on the 2022 Note. The Authority has not created or established and does not expect to create or establish any other sinking fund, reserve fund, replacement fund, debt service fund or other similar fund reasonably expected to be used, or to be available to pay, if needed, debt service on the 2022 Note. No amount in any account or fund of the Authority is reserved or pledged for the payment of debt service on the 2022 Note, and it is not expected that any other such account or fund will be so used, and there is no reasonable assurance that any portion of any other account or fund will be available to pay debt service on the 2022 Note if needed. As of the date hereof, the Authority does not reasonably expect to receive from any federal, state, individual, or other source any gift, bequest, grant, reimbursement, or other amount with respect to the project to be financed with proceeds of the 2022 Note, which gift, bequest, grant, reimbursement, or amount (A) has not been considered in determining the principal amount of the 2022 Note and (B) will be reserved or pledged, contrary to the provisions of the arbitrage regulations promulgated under Sections 103(b)(2) and 148 of the Code, as collateral or security for the payment of debt service on the 2022 Note. If the Authority receives a contribution or amount described in the preceding sentence, it will use such amount to pay debt service on the 2022 Note and will invest those funds at a yield not exceeding the yield on the

2022 Note and in accordance with Section 8 of this Certificate. For the purpose of the preceding sentence, an amount will be deemed described in the second preceding sentence if there is a nexus between the amount and the 2022 Note. For the purpose of the preceding sentence, a nexus between the amount and the 2022 Note will be deemed to exist if (1) such amount or earnings thereon is used as a sinking fund for the 2022 Note; or (2) such amount or earnings thereon is directly or indirectly pledged to secure the 2022 Note.

8. **Rebate and Exemption from Rebate.**

(a) Earnings on proceeds of the 2022 Note are subject to rebate unless the Authority meets one of the exceptions set forth below.

(b) Earnings on gross proceeds (as defined in Regulation Section 1.148-7(d)(3)) of the 2022 Note required to be spent in accordance with the eighteen-month spending exception set forth herein may be disregarded in computing the Rebate Amount if the rebate requirement is met for all amounts not required to be spent in accordance with the eighteen (18) month expenditure schedule and if such gross proceeds are allocated to expenditures for the governmental purpose of the 2022 Note in accordance with the following schedule (the 18-month expenditure schedule) measured from the issue date: (i) at least fifteen percent (15%) within six (6) months (the first spending period); (ii) at least sixty percent (60%) within twelve (12) months (the second spending period); and (iii) one hundred percent (100%) within eighteen (18) months (the third spending period). The Authority will not fail to satisfy the spending requirements for the third spending period as a result of a reasonable retainage (as defined in Regulation Section 1.148-7(d)(2)) if the reasonable retainage is allocated to expenditures within thirty (30) months of the issue date or as a result of a failure to expend an amount not exceeding the lesser of three percent (3%) of the issue price of the 2022 Note or \$250,000 provided due diligence is exercised to complete the project.

(c) The Authority shall have no obligation to pay the Internal Revenue Service rebate amounts based on arbitrage earned on the gross proceeds (as defined in Section 148(f)(4)(B) of the Code and Section 1.148-7(c) of the Regulations) of the 2022 Note if (1) all such gross proceeds are expended for the governmental purposes of the 2022 Note not later than the day which is six (6) months after the date of issue of the 2022 Note; or (2) (a) all such gross proceeds are expended for the governmental purposes thereof not later than the day which is six (6) months after the date of issue of the 2022 Note, as applicable, except for an amount not exceeding five percent (5%) of the proceeds of the 2022 Note; and (b) all such gross proceeds are expended for the governmental purposes of the 2022 Note no later than the day which is one (1) year after the date of issue of the 2022 Note.

(d) The “Rebate Amount” with respect to the 2022 Note is an amount equal to the excess of (1) the Future Value as of a computation date of all Nonpurpose Receipts with respect to the funds described in Subsection 8(a) above from the date of receipt over (2) the Future Value, as of the same computation date, of all Nonpurpose Payments with respect to the funds described in Subsection 8(a) above from the date of payment.

(e) For the purposes of computing the Future Values of all Nonpurpose Receipts and Payments, the Authority shall cause an independent certified public accountant or

other person recognized as expert in calculating rebate under the Code (hereinafter referred to as the "Accountant") that such Receipts and Payments constitute all items described in Regulation Section 1.148-3(d) and that the Future Value is the yield computed in accordance with Regulation Section 1.148-4. In computing the Rebate Amount and the time and manner of paying the Rebate Amount, the Authority and the Accountant shall comply with all requirements of the Code, Regulations issued in June, 1993, as amended, the Proposed Regulations published in 1996, the Regulations published in 1997 and any other applicable final, proposed, temporary, or other Regulations published by the United States Treasury or Internal Revenue Service.

(f) The Authority shall instruct the Accountant to maintain records of the determinations of the Rebate Amount for a period of six years after the date of retirement of the 2022 Note. A copy of each determination of the Rebate Amount shall be sent to the Authority at the time of each determination.

(g) The Authority hereby selects a Bond Year ending May 31 of each year. The Authority shall make installment payments in the amount specified in Subsection (i) of this Section 8 for the period ending on May 31, 2027 (the first installment computation period). The Authority shall make the first such installment payment of the Rebate Amount no later than July 29, 2027. The Authority shall make each subsequent installment computation period end on a day which is five years after the last day of the preceding installment computation period. The Authority shall make each subsequent installment payment no later than five years from the due date of the previous installment payment. Notwithstanding any other provision contained in this Subsection (h), the Authority shall make the last installment payment no later than sixty (60) days after the date on which the 2022 Note is redeemed in an amount sufficient to pay the amount specified in Subsection 8(j) below.

(h) The amount of the payment due and payable to the United States as of each installment computation date equals an amount which, when added to all previous rebate payments made with respect to the 2022 Note, equals at least ninety percent of the Rebate Amount as of the installment computation date (taking appropriate account of the Computation Date Credit, if available, provided in Regulation Section 1.148-3(d)(1)(iv)). This amount shall be computed in accordance with the requirements described in Subsections 8(d) and (e) above.

(i) The amount of the payment due and payable to the United States as of the final computation (final rebate) date equals the amount that, when added to the future value of previous rebate payments made for the 2022 Note, equals 100 percent of the Rebate Amount taking appropriate account of the Computation Date Credit, if available, provided in Regulation Section 1.148-3(d)(1)(iv). This amount shall be computed in accordance with the requirements described in Subsections 8(d) and (e) above.

(j) The Authority shall cause each payment of Rebate Amount, to be:

(i) mailed to the Internal Revenue Service Center, Ogden Submission Processing Center, Ogden, Utah 84201 (or such then appropriate location);

(ii) accompanied by a copy of the Form 8038-T (or such then appropriate form); and

(iii) accompanied by a statement summarizing the determination of the Rebate Amount prepared by the Accountant, if necessary.

(k) The Authority shall be relieved of any duty described in this Section 8 to the extent that it obtains an opinion from nationally recognized bond counsel stating that it is so relieved of that duty, anything contained herein or in any other document, certificate, agreement or instrument delivered in connection with the issuance of the 2022 Note to the contrary notwithstanding.

9. Prohibited Payments.

(a) For the purposes of calculating the yield on any Nonpurpose Investment as required under this Nonarbitrage Certificate, the purchase price of the Nonpurpose Investment must be the fair market value of the investment on an established market. This means that the Authority will not pay or cause to be paid a premium to adjust the yield, accept a lower interest rate than is usually paid or otherwise enter into a transaction that reduces the amount of earnings on Nonpurpose Investments by producing a smaller profit or larger loss than would have resulted if the transaction had been at arm's length and artificially reducing the yield on the Nonpurpose Investments had not been relevant to either party.

(b) If a certificate of deposit has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal, the purchase price of the certificate of deposit is its fair market value provided (1) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and (2) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public (in which event the provider must deliver a certificate in the form attached hereto as Exhibit A).

(c) Absent an opinion of nationally recognized bond counsel, the Authority hereby covenants not to enter into a repurchase, reverse repurchase or supply contract or other investment contract pursuant to which "gross proceeds" are used to acquire securities bearing an agreed rate (a "Supply Contract") unless:

(1) The Authority makes a bona fide solicitation for a specified investment contract with specified material terms and receives at least three bona fide bids that satisfy the requirements described herein from different reasonably competitive providers of investment contracts that have no material financial interest (e.g., as underwriters) in the 2022 Note;

(2) The bid specifications (i) are in writing; (ii) are timely forwarded to potential providers; (iii) contain all terms that may directly or indirectly affect the yield or the cost of the investment; (iv) include a statement notifying potential providers that submission of a bid is a representation that (a) the potential provider did not consult with any other potential provider about its bid; (b) the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Authority or any other person (whether or not in connection with the

2022 Note); and (c) the bid is not being submitted as a courtesy to the Authority or any other person for purposes of satisfying the requirements of Regulation Section 1.148-5(d)(6)(iii)(B)(1) or (2); and (v) contain solely and exclusively terms that serve a legitimate business purpose other than to increase the purchase price or reduce the yield of the investment.

(3) The Authority purchases the highest-yielding investment contract for which a qualifying bid is made (determined net of broker's fees);

(4) The determination of the terms of the solicitation and investment contract takes into account as a significant factor the Authority's reasonably expected deposit and drawdown schedule for the funds to be invested;

(5) The terms of the investment contract, including collateral security requirements, are reasonable;

(6) The obligor on the investment contract certifies the amount of those administrative costs (as defined in Regulation Section 1.148-5(e)(1)) that are paid or are expected to be paid to third parties in connection with the investment contract (a Form of Certificate is attached hereto as Exhibit B);

(7) The obligor on the investment contract certifies that the yield on the investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable investment contracts offered to other persons from a source of funds other than gross proceeds of an issue of tax-exempt bonds (a Form of Certificate is attached hereto as Exhibit B);

(8) The Authority shall have received a certificate substantially similar to the form of certificate attached hereto as Exhibit C (the "Bidder's Certificate") from the person whose bid was accepted to the effect that, based on such person's reasonable expectations on the date that such contract was entered into, "nonpurpose investments" will not be purchased pursuant to such contract at a price in excess of their fair market value or sold at a price less than their fair market value;

(9) If an agent is used to conduct the bidding process, it does not bid to provide the investment;

(10) All potential providers have equal opportunity to bid so that no bidder is given the opportunity to review other bids (a last look) before bidding;

(11) All bidders have an established industry reputation as competitive providers of investments of the type purchased; and

(12) The Authority retains all documents listed in Regulation Section 1.148-5(d)(6)(iii)(E) until three (3) years after the 2022 Note has been retired.

(d) An allocation of gross proceeds (including an allocation of a broker's fee) of the 2022 Note to a payment or a receipt on an investment contract is not adjusted to take into

account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the investment (administrative costs) unless such administrative expense (including broker's fees) constitutes a qualified administrative cost as defined in Regulation Section 1.148-5(e)(2).

10. 2022 Note Not Hedge Bond. The 2022 Note does not constitute a hedge bond for the purpose of Section 149(g) of the Code, because (i) it is as of the date hereof reasonably expected that 85 percent or more of the spendable proceeds will be used to carry out the governmental purposes of the 2022 Note within the three (3) year period beginning on the date of issue (without taking into account any non-customary prepayments); (ii) not more than fifty percent (50%) of the proceeds of the 2022 Note will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield (within the meaning of Section 149(g)(3)(A)(ii) of the Code) for four (4) years or more; and (iii) no proceeds of the 2022 Note will be used to refund any debt.

11. Yield on the 2022 Note and Investments.

(a) Based on the representations, estimates and assumptions of the Purchaser, the yield on the 2022 Note, compounded semiannually, is variable calculated on the basis of a 360-day year and in accordance with Section 148(h) of the Code and Section 1.148-4 of the Regulations.

(b) In computing the yield on the 2022 Note, the Purchaser has not and the Authority will not consider as a reduction in issue price or as additional interest paid on the 2022 Note any of the costs of issuance paid in connection with the issuance of the 2022 Note.

(c) All investments purchased with gross proceeds will be purchased for not more than fair market value and sold for not less than fair market value or will be tax-exempt bonds that are not specified private activity bonds.

12. Qualified Tax-Exempt Obligations. Pursuant to Section 265(b)(3)(B)(i)(III) of the Code, the Authority has designated the 2022 Note as a qualified tax-exempt obligation in the Resolution. The Authority reasonably anticipates that the amount of tax-exempt obligations that will be issued by it and the entities described in Section 265(b)(3)(E) of the Code during calendar year 2022 will not exceed \$10,000,000. The Authority has not made and will not make any allocations under Section 265(b)(3)(C)(iii) of the Code during 2022.

13. No Hedge Contract. The Authority has not entered into a hedge with respect to the 2022 Note. The Authority will not enter into a hedge in respect of the 2022 Note unless the Authority has first received an opinion of Bond Counsel that such hedge will not adversely affect the exclusion of interest on the 2022 Note from gross income for federal income tax purposes.

14. Record Keeping. The Authority will keep all records of the use of, and investment of, the proceeds of the 2022 Note and of any of the facilities financed thereby, until six years after the date that the 2022 Note is retired.

15. Reasonableness. To the best of our knowledge, information and belief, the expectations of the Authority as to future events and as to the representations set forth herein are reasonable.

16. No Other Information. To the best of our knowledge, information and belief, there are no other facts, estimates or circumstances which would materially change the conclusions set forth herein. We have no reason to believe that the proceeds of the 2022 Note will be used in any but the manner described herein, or that the proceeds will be used in a manner which would cause the 2022 Note to be an “arbitrage bond” as that phrase is defined in Section 148 of the Code and the regulations applicable thereto or a “private activity bond” as that phrase is defined in Section 141 of the Code and the Regulations applicable thereto. Further, we have no reason to believe that the amount of 2022 Note issued will cause the aggregate amount of the Authority’s debt to exceed the limitations contained in the Debt Act and the Constitution of the Commonwealth of Pennsylvania. The Authority has not been notified of and has no reason to believe that the Internal Revenue Service or any other government entity has taken or will take any action pertaining to the issuance of the 2022 Note. The Authority has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose nonarbitrage certificate may not be relied upon.

17. Date. This certificate is dated and is given the date of issuance and delivery of the 2022 Note.

18. Reliance.

(a) The Authority understands and agrees that Stevens & Lee, P.C. (“Bond Counsel”), is relying upon the representations, expectations, certifications and statements contained herein in issuing its opinion regarding the tax-free status of interest to be paid on the 2022 Note. Further, certain requirements and procedures contained or referred to in the 2022 Note, this Nonarbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the 2022 Note) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in those documents. Bond Counsel will express no opinion as to the 2022 Note or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Bond Counsel.

(b) The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2022 Note for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of Authority or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

(c) The Authority acknowledges that Bond Counsel’s engagement with respect to the 2022 Note ends with the issuance of the 2022 Note. Unless separately engaged, Bond Counsel is not obligated to defend the Authority regarding the tax-exempt status of the

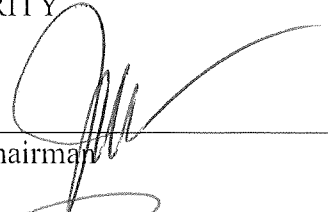
2022 Note in the event of an audit examination by the IRS, nor is Bond Counsel obligated to provide any advice or assistance with regard to post issuance compliance matters.

(d) The Authority has not engaged a financial advisor with respect to the issuance of the 2022 Note and the Authority. The Authority acknowledges that Bond Counsel was not engaged to provide financial advice and that the Authority did not rely on any such advice from Bond Counsel with respect thereto.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned authorized officers of West Cornwall Township Municipal Authority have set their hands and affixed the seal of the Authority as of the day and year first above written.

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY

By  _____
Chairman

(SEAL)

Attest:  _____
Secretary

[Signature Page to Nonarbitrage Certificate]

EXHIBIT "A"

\$1,000,000
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
GUARANTEED WATER REVENUE NOTE
SERIES OF 2022

I, _____, of _____, HEREBY
CERTIFY that the yield on the certificate of deposit sold to the Authority is not less than the
highest yield that is published or posted by this firm to be currently available from this firm on
comparable certificates of deposit offered to the public.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of
_____, 20__.

By _____

Name:

Title:

EXHIBIT "B"

\$1,000,000
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
GUARANTEED WATER REVENUE NOTE
SERIES OF 2022

I, _____, of _____, HEREBY CERTIFY that the yield on the investment sold to the Authority is not less than the yield currently available from this firm on reasonably comparable investment contracts offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds.

I _____, of _____, HEREBY CERTIFY that the administrative costs (as defined in Sections 1.148-5(e) of the Regulations) that are reasonably expected to be paid to third parties in connection with the investment contract are _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20__.

By _____
Name:
Title:

EXHIBIT "C"

\$1,000,000
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
GUARANTEED WATER REVENUE NOTE
SERIES OF 2022

I, _____, hereby certify and represent that:

1. I am the [INSERT NAME OF FIRM OR COMPANY], a [DESCRIBE BUSINESS OR FIRM OR COMPANY; e.g., BANK, SAVINGS AND LOAN, ETC.]. I am qualified to render the certifications and representations set forth herein.

2. I am aware of the 2022 Note. Other than as set forth below, I have no interest in the 2022 Note.

3. I submitted a bid to _____ to enter an agreement whereby proceeds of the 2022 Note in an amount equal to \$_____ will be used to [acquire a repurchase agreement].

4. Based on my reasonable expectations as of the date the Supply Contract was entered, no securities (within the meaning of subparagraph (A) or (B) of Section 165(g)(2) of the Internal Revenue Code of 1986 (the "Code")), annuity contracts, investment-type property, or obligations will be purchased pursuant to the Supply Contract at a price in excess of their fair market value or sold pursuant to the Supply Contract at a price less than their fair market value.

5. To the best of my knowledge, information, and belief, there are no other facts, estimates or circumstances, which would materially change any of the foregoing certifications or representations. The certifications and representations made in this Certificate are made for the benefit of the Authority, Bond Counsel, and all other parties to the financing and may be relied upon by such parties.

WITNESS my signature this _____ day of _____, 20__.

By _____

Name:

Title:

\$1,000,000
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
LEBANON COUNTY, PENNSYLVANIA
GUARANTEED WATER REVENUE NOTE, SERIES OF 2022

CERTIFICATE OF PURCHASER

The undersigned, on behalf of Peoples Security Bank and Trust Company (the “Purchaser”), hereby certifies as set forth below with respect to the purchase of the above-captioned obligation (the “2022 Note”).

1. *Purchase of the 2022 Note.* On the date of this certificate, the Purchaser is purchasing the 2022 Note for the amount of \$1,000,000. The Purchaser is not acting as an Underwriter with respect to the 2022 Note. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the 2022 Note (or any portion of the 2022 Note or any interest in the 2022 Note). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the 2022 Note and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the 2022 Note to persons other than the Purchaser or a related party to the Purchaser.

2. *Defined Terms.*

(a) *Issuer* means West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2022 Note to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2022 Note to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2022 Note to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Nonarbitrage Certificate relating to the 2022 Note and with respect to compliance with the federal income tax rules affecting the 2022 Note, and by Stevens & Lee, P.C. in connection with rendering its opinion that the interest on the 2022 Note is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other

federal income tax advice that it may give to the Issuer from time to time relating to the 2022 Note.

Dated: May 31, 2022

PEOPLES SECURITY BANK AND TRUST
COMPANY

By  _____
Authorized Representative

Information Return for Tax-Exempt Governmental Bonds

Under Internal Revenue Code section 149(e)
See separate instructions.

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.
Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name West Cornwall Township Municipal Authority		2 Issuer's employer identification number (EIN) 25-1640412
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
73 South Zinn's Mill Road		3
6 City, town, or post office, state, and ZIP code Lebanon, PA 17042		7 Date of issue 05/31/2022
8 Name of issue Guaranteed Water Revenue Note, Series of 2022		9 CUSIP number NA
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Amy Leonard, Solicitor		10b Telephone number of officer or other employee shown on 10a (717) 274-3644

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15 1,000,000.00
16 Housing	16
17 Utilities	17
18 Other. Describe ▶	18
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>
b If bonds are BANs, check only box 19b	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

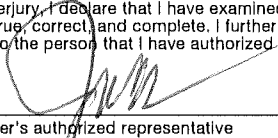
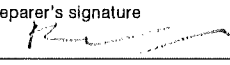
Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/30/2042	\$ 1,000,000.00	\$ 1,000,000.00	11.2759 years	Variable %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest				0.00
23	Issue price of entire issue (enter amount from line 21, column (b))				1,000,000.00
24	24	Proceeds used for bond issuance costs (including underwriters' discount)			0.00
25	25	Proceeds used for credit enhancement			0.00
26	26	Proceeds allocated to reasonably required reserve or replacement fund			0.00
27	27	Proceeds used to refund prior tax-exempt bonds. Complete Part V			0.00
28	28	Proceeds used to refund prior taxable bonds. Complete Part V			0.00
29	Total (add lines 24 through 28)				0.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)				1,000,000.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	_____ years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	_____ years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	_____
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	_____

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0.00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	0.00
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0.00
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
c	Enter the EIN of the issuer of the master pool bond ▶ _____		
d	Enter the name of the issuer of the master pool bond ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box ▶		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box ▶		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	 Signature of issuer's authorized representative		5/31/2022 Date		James Shoemaker, Chairman Type or print name and title
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Ramiro M. Carbonell		5/18/22		P01076512
	Firm's name ▶ Stevens & Lee, P.C.	Firm's EIN ▶		23-1886296	
Firm's address ▶ 111 North Sixth Street, Reading, PA 19601			Phone no. (610) 478-2000		

RECEIPT OF PURCHASER

May 31, 2022

West Cornwall Township Municipal Authority
73 S. Zinn's Mill Road
Lebanon, PA 17042

Re: West Cornwall Township Municipal Authority
Guaranteed Water Revenue Note, Series of 2022

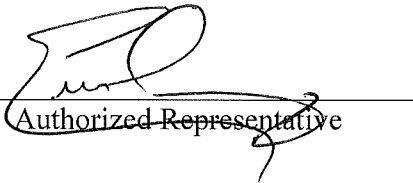
Gentlemen:

The undersigned duly authorized representative of Peoples Security Bank and Trust Company hereby acknowledges receipt from the West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania (the "Authority"), of one executed, attested and sealed Guaranteed Water Revenue Note, Series of 2022, of the Township in the principal amount of \$1,000,000 dated May 31, 2022.

Very truly yours,

PEOPLES SECURITY BANK AND TRUST
COMPANY

By: _____


Authorized Representative

\$1,000,000
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY
Lebanon County, Pennsylvania
Guaranteed Water Revenue Note, Series of 2022
Dated May 31, 2022

CLOSING RECEIPT AND DISBURSEMENT SCHEDULE

May 31, 2022

The undersigned duly authorized officer of the West Cornwall Township Municipal Authority, Lebanon County, Pennsylvania (the "Authority") hereby acknowledges receipt of \$1,000,000 representing the purchase price for the Authority's \$1,000,000 Guaranteed Water Revenue Note, Series of 2022, dated the date hereof (the "Note").

The undersigned hereby certifies that attached hereto as Exhibit A is a true and correct statement of the disbursements regarding the proceeds of the Note which Peoples Security Bank and Trust Company is authorized to make from the proceeds of the Note.

Very truly yours,

WEST CORNWALL TOWNSHIP MUNICIPAL
AUTHORITY, Lebanon County, Pennsylvania

By: _____

Chairman

EXHIBIT A

Closing Disbursements

The proceeds of the loan in the amount of \$1,000,000 shall be deposited to the Authority's Quentin Water account No. 53508965 at Peoples Security Bank and Trust Company.