

TOWNSHIP OF EAST LAMPETER
Lancaster County, Pennsylvania

ORDINANCE NO. 364

OF THE BOARD OF SUPERVISORS OF THIS TOWNSHIP DETERMINING TO INCUR DEBT; DETERMINING THAT THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SUCH DEBT SHALL BE \$5,000,000; DETERMINING THAT SUCH DEBT SHALL BE INCURRED AS LEASE RENTAL DEBT TO BE EVIDENCED BY A GUARANTEED SEWER REVENUE NOTE, SERIES OF 2023, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000), TO BE AUTHORIZED AND TO BE ISSUED BY EAST LAMPETER SEWER AUTHORITY TO: (1) PROVIDE FUNDS FOR CERTAIN CAPITAL PROJECTS OF THE AUTHORITY; AND (2) PAY THE COSTS OF ISSUING THE NOTE; AUTHORIZING AND DIRECTING SPECIFIED OFFICERS OF THIS TOWNSHIP: (A) TO PREPARE, TO CERTIFY AND TO FILE THE DEBT STATEMENT AND RELATED PROCEEDINGS REQUIRED BY THE ACT OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA KNOWN AS THE "LOCAL GOVERNMENT UNIT DEBT ACT"; (B) TO PREPARE AND TO FILE ANY STATEMENTS REQUIRED BY ARTICLE II OF SAID ACT THAT ARE NECESSARY TO QUALIFY ALL OR ANY PORTION OF LEASE RENTAL DEBT OF THIS TOWNSHIP FOR EXCLUSION FROM THE APPROPRIATE DEBT LIMIT AS SELF-LIQUIDATING DEBT AND (C) TO EXECUTE, TO ATTEST AND TO DELIVER, AS APPROPRIATE, AN ELEVENTH SUPPLEMENTAL AGREEMENT OF LEASE, TO SUPPLEMENT AN AGREEMENT OF LEASE, DATED AS OF APRIL 15, 1985, AS HERETOFORE AMENDED AND SUPPLEMENTED BY A FIRST SUPPLEMENTAL AGREEMENT OF LEASE, DATED AS OF JULY 12, 1990, A SECOND SUPPLEMENTAL AGREEMENT OF LEASE, DATED AS OF MAY 15, 1994, A THIRD SUPPLEMENTAL AGREEMENT OF LEASE, DATED AS OF OCTOBER 15, 2003, A FOURTH SUPPLEMENTAL AGREEMENT OF LEASE, DATED AS OF AUGUST 15, 2009, A FIFTH SUPPLEMENTAL AGREEMENT OF LEASE DATED OCTOBER 26, 2010, A SIXTH SUPPLEMENTAL AGREEMENT OF LEASE DATED AUGUST 13, 2014, A SEVENTH SUPPLEMENTAL AGREEMENT OF LEASE DATED JULY 14, 2016, AN EIGHTH SUPPLEMENTAL AGREEMENT OF LEASE DATED AS OF NOVEMBER 14, 2018, A NINTH SUPPLEMENTAL AGREEMENT OF LEASE DATED AS OF JULY 3, 2019, AND A TENTH SUPPLEMENTAL AGREEMENT OF LEASE DATED AS OF DECEMBER 3, 2019, ALL BETWEEN SAID AUTHORITY, AS LESSOR, AND THIS TOWNSHIP, AS LESSEE, WITH RESPECT TO SAID SEWER SYSTEM, AND A GUARANTY AGREEMENT, WITH RESPECT TO SAID NOTE, AMONG THIS TOWNSHIP, AS GUARANTOR, SAID AUTHORITY AND FULTON BANK, NATIONAL ASSOCIATION, AS TRUSTEE UNDER A TRUST INDENTURE, DATED AS OF APRIL 15, 1985, AS HERETOFORE AMENDED AND SUPPLEMENTED BY A FIRST SUPPLEMENTAL INDENTURE, DATED AS OF JULY 12, 1990, A SECOND SUPPLEMENTAL INDENTURE DATED AS OF MAY 15, 1994, A THIRD SUPPLEMENTAL INDENTURE, DATED AS OF OCTOBER 15, 2003, A FOURTH SUPPLEMENTAL INDENTURE, DATED AS OF AUGUST 15, 2009, A FIFTH SUPPLEMENTAL INDENTURE DATED AS OF OCTOBER 26, 2010, A SIXTH SUPPLEMENTAL INDENTURE DATED AS OF

AUGUST 13, 2014, A SEVENTH SUPPLEMENTAL INDENTURE, DATED AS OF JULY 14, 2016, AN EIGHTH SUPPLEMENTAL INDENTURE, DATED AS OF NOVEMBER 14, 2018, A NINTH SUPPLEMENTAL INDENTURE DATED AS OF JULY 3, 2019, A TENTH SUPPLEMENTAL INDENTURE DATED AS OF DECEMBER 3, 2019, AND AS FURTHER AMENDED AND/OR SUPPLEMENTED BY AN ELEVENTH SUPPLEMENTAL INDENTURE, DATED AS OF DATE OF ISSUANCE OF THE NOTE ALL BETWEEN SAID AUTHORITY AND SAID TRUSTEE; APPROVING THE FORM OF SAID ELEVENTH SUPPLEMENTAL AGREEMENT OF LEASE AND GUARANTY AGREEMENT, RESPECTIVELY; SPECIFYING THE MAXIMUM AMOUNTS OF THE GUARANTY OBLIGATIONS OF THIS TOWNSHIP PURSUANT TO SAID GUARANTY AGREEMENT; SPECIFYING THE SOURCES OF PAYMENT OF SUCH LEASE RENTALS UNDER SAID ELEVENTH SUPPLEMENTAL AGREEMENT OF LEASE AND SUCH GUARANTY OBLIGATIONS UNDER SAID GUARANTY AGREEMENT, AND PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS TOWNSHIP IN SUPPORT HEREOF; CREATING A SINKING FUND IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS AS PROVIDED IN SAID ACT; APPOINTING A SINKING FUND DEPOSITORY IN CONNECTION WITH SUCH GUARANTY OBLIGATIONS; PROVIDING FOR PROPER OFFICERS OF THIS TOWNSHIP TO TAKE ALL OTHER REQUIRED, NECESSARY OR DESIRABLE RELATED ACTION IN CONNECTION WITH SAID SEWER SYSTEM, SAID PROCEEDINGS UNDER SAID ACT, SAID ELEVENTH SUPPLEMENTAL AGREEMENT OF LEASE AND SAID GUARANTY AGREEMENT, AND TO ENABLE SAID AUTHORITY TO MEET REQUIREMENTS OF SAID TRUST INDENTURE; PROVIDING FOR THE EFFECTIVENESS OF THIS ORDINANCE; PROVIDING FOR THE SEVERABILITY OF PROVISIONS OF THIS ORDINANCE AND PROVIDING FOR REPEAL OF ALL INCONSISTENT ORDINANCES OR PARTS OF ORDINANCES.

WHEREAS, This Township (the "Township") is a political subdivision of the Commonwealth of Pennsylvania (the 'Commonwealth') and is a "local government unit" under provisions of the Local Government Unit Debt Act of the Commonwealth 53 Pa.C.S. Chs. 80-82 (the "Act"); and

WHEREAS, East Lampeter Sewer Authority (the "Authority") is a municipality authority organized and existing under the Municipality Authorities Act (53 Pa.C.S. Ch. 56), as amended and supplemented (the "Authorities Act") of the Commonwealth; and

WHEREAS, The Authority heretofore acquired and/or constructed certain sanitary sewage collection, transmission, treatment and disposal system facilities, for rendering sewage service in and for, *inter alia*, certain portions of this Township (the "Sewer System"); and

WHEREAS, The Authority, as lessor, and this Township, as lessee, heretofore entered into an Agreement of Lease dated as of April 15, 1985 (the "1985 Lease"), and a First Supplemental Agreement of Lease, dated as of July 12, 1990 (the "1990 Supplemental Lease"), a Second Supplemental Agreement of Lease, dated as of May 15, 1994 (the "1994 Supplemental Lease"), a Third Supplemental Agreement of Lease, dated as of October 15, 2003 (the "2003 Supplemental Lease") a Fourth Supplemental Agreement of Lease, dated as of August 15, 2009 (the "2009 Supplemental Lease"), a Fifth Supplemental Agreement of Lease, dated as of October 26, 2010 (the "2010 Supplemental Lease"), a Sixth Supplemental Agreement of Lease, dated as of August 13, 2014 (the "2014 Supplemental Lease"), a Seventh Supplemental Agreement of Lease, dated July 14, 2016 (the "2016 Supplemental Lease"), an Eighth Supplemental

Agreement of Lease, dated November 14, 2018 the "2018 Supplemental Lease"), a Ninth Supplemental Agreement of Lease, dated July 3, 2019 (the "2019 Supplemental Lease"), and a Tenth Supplemental Agreement of Lease, dated December 3, 2019 (the "2019A Supplemental Lease") amending and/or supplementing the 1985 Lease, respectively (the 1985 Lease, the 1990 Supplemental Lease, the 1994 Supplemental Lease, the 2003 Supplemental Lease, the 2009 Supplemental Lease, the 2010 Supplemental Lease, the 2014 Supplemental Lease, the 2016 Supplemental Lease, the 2018 Supplemental Lease, the 2019 Supplemental Lease and the 2019A Supplemental Lease being collectively referred to herein as the "Original Lease"), with respect to the Sewer System, as defined and described in the Original Lease; and

WHEREAS, The Authority heretofore incurred certain debt, which was lawful when incurred under the Act and under the Authorities Act, which debt, to the extent such remains Outstanding under the Act, now constitutes lease rental debt of this Township; and

WHEREAS, The Authority has determined to authorize and issue its "Guaranteed Sewer Revenue Note, Series of 2023" (the "2023 Note"), under a Trust Indenture dated as of April 15, 1985 (the "1985 Indenture") as heretofore amended and/or supplemented by a First Supplemental Indenture, dated as of July 12, 1990 (the "First Supplemental Indenture"), a Second Supplemental Indenture, dated as of May 15, 1994 (the "Second Supplemental Indenture"), a Third Supplemental Indenture, dated as of October 15, 2003 (the "Third Supplemental Indenture"), a Fourth Supplemental Indenture, dated as of August 15, 2009 (the "Fourth Supplemental Indenture"), a Fifth Supplemental Indenture, dated as of October 26, 2010 (the "Fifth Supplemental Indenture"), a Sixth Supplemental Indenture, dated as of August 13, 2014 (the "Sixth Supplemental Indenture"), a Seventh Supplemental Indenture, dated as of July 14, 2016 (the "Seventh Supplemental Indenture"), an Eighth Supplemental Indenture dated as of November 14, 2018 (the "Eighth Supplemental Indenture"), a Ninth Supplemental Indenture dated as of July 3, 2019 (the "Ninth Supplemental Indenture"), a Tenth Supplemental Indenture dated as of December 3, 2019 (the "Tenth Supplemental Indenture") and an Eleventh Supplemental Indenture dated as of the date of the 2023 Note (the "Eleventh Supplemental Indenture") respectively (the 1985 Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture and the Eleventh Supplemental Indenture are collectively referred to herein as the "Original Indenture"); and

WHEREAS, the Authority is undertaking capital projects to: (1) provide funds for capital additions and extraordinary repairs to the Sewer System, as such phrase is defined and applied in the Original Indenture; and (2) pay the costs of issuing the 2023 Note (hereinafter defined) (collectively the "Project").

WHEREAS, the Authority has obtained realistic cost estimates through actual bids, option agreements, or professional estimates from registered architects, professional engineers or other persons qualified to make such estimates, and has determined that the costs of the Project, as such costs are defined in Section 8007 of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996 (53 Pa. Cons. Stat. Chs. 80-82) (the "Act"), will be in excess of the proceeds of the 2023 Note.

WHEREAS, the Authority intends to issue the 2023 Note (hereinafter defined), to pay for the Project, and the costs and expenses of issuing the 2023 Note, collectively referred to as the "Project; and

WHEREAS, The Sewer System shall continue to be leased to this Township for operation and use and it is necessary and desirable that this Township guarantee payment of the principal of and interest on the 2023 Note (hereinafter defined).

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

Section 1. This Township authorizes and requests the Authority to undertake, and consents to and approves of the Authority undertaking the Project.

Section 2. This Township determines to incur debt as such term is defined in the Act as "lease rental debt" as such phrase is defined in the Act in connection with the Project.

Section 3. The debt, which shall be incurred as such lease rental debt, shall be in the aggregate principal amount of \$5,000,000, shall be evidenced by certain obligations to be issued by the Authority under the Authorities Act, and shall consist of a guaranteed sewer revenue note to be known generally as the "Guaranteed Sewer Revenue Note, Series of 2023," dated as provided therein (the "Note"), which shall have the benefit of and shall be secured by, *inter alia*, the guaranty obligations of this Township pursuant to the Guaranty Agreement (hereinafter defined).

Section 4. This Township specifies that the realistic useful life of the Sewer System is at least 30 years.

Section 5. This Township, as lessee, shall enter into an Eleventh Supplemental Agreement of Lease (the "Eleventh Supplemental Lease"), with the Authority, as lessor, to the Original Lease, with respect to the Project, substantially in the form referred to in Section 6, under terms and provisions of which the Eleventh Supplemental Lease the Sewer System will continue to be leased to this Township for operation and use. This Township consents to the assignment of the Eleventh Supplemental Lease by the Authority to the Trustee (hereinafter mentioned and identified), as security.

Section 6. The Eleventh Supplemental Lease shall be substantially in the form presented to this meeting with such changes as may be approved by the officers of the Township, which form is approved, and a copy of the Eleventh Supplemental Lease, in the form so presented to this meeting and so approved, shall be filed with the Secretary of the Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

Section 7. This Township, as guarantor, shall enter into a Guaranty Agreement, (the "Guaranty Agreement"), substantially in the form referred to in Section 8, with the Authority and Fulton Bank, National Association (the Trustee) having its corporate trust office in Lancaster, Pennsylvania as trustee under the Original Indenture as amended and/or supplemented by an Eleventh Supplemental Trust Indenture of the Authority with respect to the Project and the 2023 Note under term and provisions of which Guaranty Agreement this Township shall guaranty, unconditionally, for the benefit of the holder from time to time of the 2023 Note, full and prompt payment of Debt Service as such phrase is defined in the Guaranty Agreement to the extent provided in the Guaranty Agreement as such shall be due and payable with respect to the 2023 Note.

The Guaranty Agreement shall be for the life of the 2023 Note and shall set forth terms, conditions, provisions, covenants and agreements to be observed by this Township, the Authority and the Trustee in relation to the Sewer System, the Project and the 2023 Note.

Section 8. The Guaranty Agreement shall be substantially in the form presented to this meeting, with such changes as may be approved by the officers of the Township, which form is approved; and a copy of the Guaranty Agreement, in the form so presented to this meeting and so approved shall be

filed with the Secretary or Assistant Secretary of this Township and shall be made available for inspection at reasonable times by interested persons requesting such inspection.

Section 9. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary of this Township, as applicable, are authorized and directed to prepare, to certify and to file the debt statement, as such phrase is defined in the Act, required by 53 Pa.C.S. §8110 on behalf of this Township.

Proper officers of this Township are authorized and directed to prepare and to execute appropriate "proceedings", including a borrowing base certificate, for filing with the Department of Community and Economic Development (the "Department") of the Commonwealth, as required by the Act.

Section 10. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary of this Township, as applicable, are authorized and directed to prepare and to file appropriate statements required by Chapter 80, Subchapter B of the Act that are necessary to qualify all or any portion of the lease rental debt of this Township that is subject to exclusion as self-liquidating debt for exclusion from the appropriate debt limit as self-liquidating debt.

Section 11. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary of this Township, as applicable, are authorized and directed to execute, to attest and to deliver the Guaranty Agreement on behalf of this Township, substantially in the form approved in Section 8, together with such final or additional terms, provisions and specified rate or rates of interest as are approved by the officers of this Township executing, attesting and delivering the Guaranty Agreement, which execution, attestation and delivery shall constitute conclusive evidence of such approval; subject, however, to applicable provisions of the Act.

Section 12. The Chairman or Vice Chairman of the Board of Supervisors and the Secretary or Assistant Secretary of this Township, as applicable, are authorized and directed to make application and related "proceedings" to the Department for approval with respect to the Guaranty Agreement as required by 53 Pa.C.S. §8111(b) of the Act; and in connection with such application, this Township shall pay or shall cause to be paid to the Department any filing fees required by the Department, the payment of which filing fees are authorized and approved.

Section 13. The guaranty obligations of this Township, with respect to the 2023 Note, shall be as set forth in the Guaranty Agreement in the form referred to in Section 8, which shall be payable if and as necessary and shall be as set forth in **Exhibit "A"** which is attached hereto and made part hereof.

The phrase "Fiscal Year", as provided in the Guaranty Agreement, shall mean the fiscal year of this Township.

Section 14. The guaranty obligations of this Township, as set forth in Section 11, shall be payable from the tax and other general revenues of this Township.

Section 15. This Township shall covenant in the Guaranty Agreement and does hereby covenant to and with the Trustee, the Authority and the holder of the 2023 Note that shall be Outstanding, as such term is defined in the Original Indenture, that this Township: (1) shall include the Debt Service, as such phrase is defined in the Guaranty Agreement, payable in respect of its guaranty pursuant to the Guaranty Agreement for each Fiscal Year in which such sums are payable in its budget for that Fiscal Year; (2) shall appropriate such amounts from its tax or other general revenues for payment to the Trustee of its obligations under the Guaranty Agreement; and (3) shall duly and punctually pay or cause to be paid from

its sinking fund (hereinafter referred to) or any other of its revenues or funds the amount payable in respect of such guaranty, at the dates and place and in the manner provided in the Guaranty Agreement, at the designated corporate trust office of the Trustee, according to the true intent and meaning thereof; and for such budgeting, appropriation and payment in respect of such guaranty, this Township shall and does pledge, irrevocably, its full faith, credit and taxing power. The foregoing covenants of this Township shall be enforceable specifically.

For the purposes of complying with the foregoing covenant, this Township covenants that it shall budget the amounts set forth in **Exhibit "A"** which is attached hereto and made part hereof, such amounts being such Debt Service with respect to the 2023 Note for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Trustee such amounts; subject, however, to provisions of the Guaranty Agreement with respect to credit for certain sums that shall be available for such amounts payable, all as more fully set forth in the Guaranty Agreement.

This Township also shall covenant in the Guaranty Agreement and does hereby covenant that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required under the Guaranty Agreement, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or otherwise to satisfy its obligations under the Guaranty Agreement, it shall include any amounts so payable by it 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 its obligations incurred under the Guaranty Agreement, in the manner therein stated, according to the true intent and meaning thereof.

This Township hereby establishes a "sinking fund", as such phrase is defined or applied in the Act, as amended and supplemented from time to time with respect to its obligations under the Guaranty Agreement with respect to such guaranty and the legally eligible financial institution, Fulton Bank, National Association, to be specified in the Guaranty Agreement, is hereby appointed "sinking fund depository" and "paying agent" as such phrases are defined or applied in the Act, as amended and supplemented from time to time, to the extent necessary with respect to obligations of this Township under the Guaranty Agreement with respect to such guaranty.

Section 16. Proper officers of this Township are authorized and directed to execute all documents and to do all other acts as may be necessary and proper to carry out the intent and purpose of this Ordinance and the undertakings of this Township under the Guaranty Agreement.

Section 17. Reference in this Ordinance to specified officers of this Township shall include and shall be construed to include, if and as applicable, their respective successors in office.

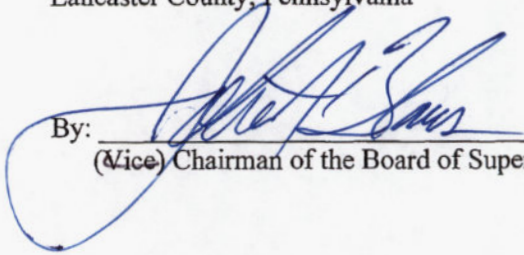
Section 18. This Ordinance shall become effective in accordance with provisions of the Act.

Section 19. 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 this Township that such remainder shall be and shall remain in full force and effect.


Section 20. All other ordinances or parts of ordinances which are inconsistent herewith shall be and the same expressly are repealed.

DULY ENACTED AND ORDAINED this 6th day of February, 2023 by the Board of Supervisors of the Township of East Lampeter, Lancaster County, Pennsylvania, in lawful session duly assembled.

TOWNSHIP OF EAST LAMPETER
Lancaster County, Pennsylvania

By: 
(Vice) Chairman of the Board of Supervisors

ATTEST:


(Assistant) Secretary

(SEAL)

TOWNSHIP OF EAST LAMPETER
Lancaster County, Pennsylvania

EXHIBIT "A"

Debt Service, as such phrase is defined in the Guaranty Agreement referred to in the Ordinance to which this is attached, with respect to the Note, as such phrase is defined in such Ordinance (in the maximum aggregate principal amount of \$5,000,000), to be issued by East Lampeter Sewer Authority, is as follows:

See attached

EAST LAMPETER SEWER AUTHORITY
SERIES OF 2023
NEW MONEY

Settle 3/10/2023
Dated 3/10/2023

M&T BANK LOAN

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------------|------------------|---------------|---------------------|-------------------------------------|-------------------------------------|----------------------------------|--------------------------------|
| <u>Date</u> | <u>Principal</u> | <u>Coupon</u> | <u>Interest</u> | <u>Semi-Annual Debt Service</u> | <u>Fiscal Year Debt Service</u> | <u>Existing Debt Service</u> | <u>Ending Debt Service</u> |
| 10/1/2023 | 5,000 | 3 850 | 107,479 17 | 112,479 17 | 112,479 17 | 1,715,306 25 | 1,827,785 42 |
| 4/1/2024 | | | 96,153 75 | 96,153 75 | | | |
| 10/1/2024 | 5,000 | 3 850 | 96,153 75 | 101,153 75 | 197,307 50 | 1,631,806 25 | 1,829,113 75 |
| 4/1/2025 | | | 96,057 50 | 96,057 50 | | | |
| 10/1/2025 | 5,000 | 3 850 | 96,057 50 | 101,057 50 | 197,115 00 | 1,634,956 25 | 1,832,071 25 |
| 4/1/2026 | | | 95,961 25 | 95,961 25 | | | |
| 10/1/2026 | 5,000 | 3 850 | 95,961 25 | 100,961 25 | 196,922 50 | 1,633,156 25 | 1,830,078 75 |
| 4/1/2027 | | | 95,865 00 | 95,865 00 | | | |
| 10/1/2027 | 5,000 | 3 850 | 95,865 00 | 100,865 00 | 196,730 00 | 1,631,056 25 | 1,827,786 25 |
| 4/1/2028 | | | 95,768 75 | 95,768 75 | | | |
| 10/1/2028 | 605,000 | 3 850 | 95,768 75 | 700,768 75 | 796,537 50 | 1,032,356 25 | 1,828,893 75 |
| 4/1/2029 | | | 84,122 50 | 84,122 50 | | | |
| 10/1/2029 | 1,465,000 | 3 850 | 84,122 50 | 1,549,122 50 | 1,633,245 00 | 197,356 25 | 1,830,601 25 |
| 4/1/2030 | | | 55,921 25 | 55,921 25 | | | |
| 10/1/2030 | 1,520,000 | 3 850 | 55,921 25 | 1,575,921 25 | 1,631,842 50 | 198,425 00 | 1,830,267 50 |
| 4/1/2031 | | | 26,661 25 | 26,661 25 | | | |
| 10/1/2031 | 1,385,000 | 3 850 | 26,661 25 | 1,411,661 25 | 1,438,322 50 | 199,387 50 | 1,637,710 00 |
| 4/1/2032 | | | | | | | |
| TOTALS | 5,000,000 | | 1,400,501.67 | 6,400,501.67 | 6,400,501.67 | 9,873,806.25 | 16,274,307.92 |

Note - Prepayable at anytime without penalty

Form of Eleventh Supplemental Agreement of Lease

ELEVENTH SUPPLEMENTAL AGREEMENT OF LEASE

THIS ELEVENTH SUPPLEMENTAL AGREEMENT OF LEASE, dated as of _____, 2023 (but effective as provided herein), between EAST LAMPETER SEWER AUTHORITY, as lessor, and the TOWNSHIP OF EAST LAMPETER, Lancaster County, Pennsylvania, as lessee, to an Agreement of Lease, dated as of April 15, 1985, as amended and/or supplemented by a First Supplemental Agreement of Lease, dated as of July 12, 1990, a Second Supplemental Agreement of Lease, dated as of May 15, 1994, a Third Supplemental Agreement of Lease, dated as of October 15, 2003, a Fourth Supplemental Agreement of Lease, dated as of August 15, 2009, a Fifth Supplemental Agreement of Lease, dated as of October 26, 2010, a Sixth Supplemental Agreement of Lease, dated as of August 13, 2014, a Seventh Supplemental Agreement of Lease dated as of July 14, 2016, an Eighth Supplemental Agreement of Lease dated as of November 14, 2018, a Ninth Supplemental Agreement of Lease dated July 3, 2019, and a Tenth Supplemental Agreement of Lease dated as of December 3, 2019, all between the Authority, as lessor, and the Township, as lessee, relating to the Sewer System (which capitalized phrases and other capitalized words and phrases referred to in these recitals are defined in Article I of each of the documents constituting the Original Lease and Section 1.02 hereof.)

WITNESSETH:

WHEREAS, the Authority is a municipality authority organized and existing under the Authorities Act of the Commonwealth;

WHEREAS, the Authority, as lessor, and the Township, as lessee, heretofore entered into the Original Lease with respect to the Sewer System;

WHEREAS, the Authority heretofore entered into the Original Indenture with the Trustee with respect to the Sewer System;

WHEREAS, the Authority heretofore authorized and issued the 1985 Bonds, the 1990 Bonds, the 1994 Bonds, the 2003 Bonds, the 2009 Bonds, the 2010 Note, the 2014 Bonds, the 2016 Note, the 2018 Note, the 2019 Bonds, the Series A of 2019 Bonds and the Series B of 2019 Bonds under the Original Indenture in connection with the Project;

WHEREAS, the Authority presently owns the Sewer System;

WHEREAS, the Authority and the Township have determined that the Authority shall undertake the Project;

WHEREAS, the Authority has determined to issue the Note, with proceeds from sale thereof to be used, together with money available for the purpose under the Original Indenture or otherwise available, for and toward the Project;

WHEREAS, the Note shall be issued as guaranteed sewer revenue bonds under the Original Indenture, as amended and/or supplemented by the Eleventh Supplemental Indenture;

WHEREAS, the Authority heretofore assigned, transferred and pledged unto the Trustee, as trustee under the Original Indenture, all right, title and interest of the Authority in and to the

Lease and all rentals payable thereunder, in and to Receipts and Revenues from the Sewer System and in and to Receipts from Assessments;

WHEREAS, the Authority has determined to confirm the assignment, transfer and pledge with the Trustee under the Indenture of all Receipts and Revenues from the Sewer System and all Receipts from Assessments and to assign, transfer and pledge unto the Trustee all right, title and interest of the Authority in and to this Eleventh Supplemental Lease and all rentals payable under the lease, including this Eleventh Supplemental Lease; and

WHEREAS, the Township, by Ordinance duly enacted and by the Guaranty Agreement, has covenanted with the holders of the Note issued and outstanding under the Indenture that if the Authority or the Trustee, as paying agent of the Authority, shall fail to pay the full amount of the principal of and interest on the Note when the same shall become due and payable, at the times and place, under the terms and conditions and in the manner prescribed therein and in the Indenture, the Township will pay the full amount of such principal and interest to the registered owner of the Note.

NOW, THEREFORE, the Authority, as lessor, and the Township, as lessee, in consideration of additional agreements, conditions and covenants herein contained, each intending to be legally bound, covenant and agree as follows:

ARTICLE I

Definitions

Section 1.01. Terms and phrases which are defined in the Original Lease, for all purposes of the Lease, including this Eleventh Supplemental Lease, shall have the meanings therein specified, unless the context clearly otherwise requires.

Section 1.02. Terms and phrases which are defined in this Section 1.02, for all purposes of the Lease, including this Eleventh Supplemental Lease, shall have the following meanings, unless the context clearly otherwise requires:

“Eleventh Supplemental Indenture” shall mean the Eleventh Supplemental Indenture dated as of _____, 2023, to the Original Indenture, entered into between the Authority and the Trustee and delivered in accordance with provisions of the Original Indenture and constituting part of the Indenture;

“Eleventh Supplemental Lease” shall mean this document, made and delivered in accordance with provisions of the Original Lease, effective as of the date of the Acknowledgment of the Authority set forth at the end hereof, and to constitute part of the Lease;

“Fiscal Year” shall mean the fiscal year of the Township under laws of the Commonwealth;

“Guaranty Agreement” shall mean the Guaranty Agreement, dated as of _____, 2023, duly executed and delivered by the Township to the Trustee, as more particularly described in the Preamble hereof;

"Indenture" shall mean the Original Indenture, as amended and/or supplemented by the Eleventh Supplemental Indenture, and all additional modifications, alterations, amendments and supplements thereto made and delivered in accordance with provisions of the 1985 Indenture;

"Lease" shall mean the Original Lease, as amended and/or supplemented by this Eleventh Supplemental Lease, and all additional modifications, alterations, amendments and supplements thereto made and delivered in accordance with provisions of the 1985 Lease;

"Note" shall mean both the Guaranteed Sewer Revenue Note, Series of 2023, dated as of _____, 2023, of the Authority, in the aggregate principal amount of \$5,000,000, authorized for issuance as a series of Additional Bonds under the Indenture;

"Original Indenture" shall mean the 1985 Indenture, as amended and/or supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture and the Eleventh Supplemental Indenture;

"Original Lease" shall mean the 1985 Lease, as amended and/or supplemented by the First Supplemental Lease, the Second Supplemental Lease, the Third Supplemental Lease, the Fourth Supplemental Lease, the Fifth Supplemental Lease, the Sixth Supplemental Lease, the Seventh Supplemental Lease, the Eighth Supplemental Lease, the Ninth Supplemental Lease, the Tenth Supplemental Lease and the Eleventh Supplemental Lease;

"Project" shall mean the undertakings of the Authority to: (1) provide funds for the various capital projects of the Authority; and (2) pay the costs of issuing the 2023 Note; and

"Trustee" shall mean Fulton Bank, National Association, a national banking association existing under laws of the United States and having its corporate trust office in Lancaster, Pennsylvania, a party to the Indenture and any successor thereto in the trust under the Indenture.

ARTICLE II

Concerning the Project

Section 2.01. The Authority covenants to undertake and to complete the Project, applying for such purpose the proceeds of the Note in the manner contemplated by the Eleventh Supplemental Indenture.

ARTICLE III

Concerning the Term of the Lease

Section 3.01. The parties hereto ratify and confirm the Lease, including this Eleventh Supplemental Lease, and further agree that the Lease shall be for a term ending October 1, 2031, unless sooner terminated by mutual written agreement of the parties hereto, or changed by an amendment to the Lease, as provided in the Lease and in the Indenture.

ARTICLE IV

Additional Annual Net Rentals; Restated Annual Net Rentals

Section 4.01. The Township covenants to pay to the Authority or its assigns, as minimum net rentals, the following sums at the following times:

A. Available for Debt Service Requirements with respect to the Note:

For the Fiscal Year ending December 31, 2023, and for each Fiscal Year thereafter, to and including the Fiscal Year ending December 31, 2031 minimum annual net rentals for Debt Service Requirements attributable to the Note in the maximum amounts set forth in **Appendix A**, attached hereto and hereby made a part hereof (subject to adjustment downward as hereinafter provided), payable in one installment, in each Fiscal Year, in the maximum amounts set forth in such Appendix A (subject to adjustment downward as hereinafter provided), on or before April 1 of each Fiscal Year, to and including the Fiscal Year ending December 31, 2031; provided, however, that the Township, if it shall elect under Section 6.01 of the 1985 Lease to pay an adjusted minimum net rental for Debt Service Requirements as provided therein, shall pay to the Authority or its assigns an adjusted minimum additional net rental for Debt Service Requirements on the Note for any Fiscal Year, in lieu of the amount set forth in such schedule set forth in Appendix A for the particular Fiscal Year involved, equal to 100% of the Debt Service Requirements on the Note then Outstanding due and payable in such Fiscal Year. The notice and Officers' Certificate required by such Section 6.01 shall reflect that the Township has so elected to pay an adjusted minimum additional net rental with respect to the Note for the Fiscal Year involved. Payment of such adjusted rental shall be in two equal installments on the same dates as are set forth in Appendix A, incorporated in this subparagraph (a).

B. Additional net lease rental for Debt Service Requirements:

An additional net lease rental, if, as and when required in any Fiscal Year, payable on or before April 1, as applicable and appropriate, equal to the amount, if any, which shall be necessary to enable the Trustee, in behalf of the Authority, to make the required deposit on or before such April 1, as applicable and appropriate, from the Clearing Fund, established under the 1985 Indenture, to the Debt Service Fund, established under the 1985 Indenture, for payment of the principal of and the interest on the Note, as due and payable under the Indenture.

Section 4.02. It is understood and agreed by and between the Township and the Authority that Section 4.01 hereof shall be deemed to amend and modify the provisions of Section 6.01(b) of the 1985 Lease as amended by Section 4.01 of the First Supplemental Lease, Section 4.01 of the Second Supplemental Lease, Section 4.01 of the Third Supplemental Lease, Section 4.01 of the Fourth Supplemental Lease, Section 4.01 of the Fifth Supplemental Lease, Section 4.01 of the Sixth Supplemental Lease, Section 4.01 of the Seventh Supplemental Lease, Section 4.01 of the Eighth Supplemental Lease, Section 4.01 of the Ninth Supplemental Lease, and Section 4.01 of the Tenth Supplemental Lease .

ARTICLE V
Miscellaneous

Section 5.01. The Township and the Authority covenant and agree that hereafter the terms and phrases "Indenture" and "Lease" and "Original Indenture" and "Original Lease" and "Trustee", respectively, when and as used in the Original Lease, unless the context clearly otherwise requires, shall be and are amended and/or modified to mean the Indenture and Lease and Original Indenture and Original Lease and Trustee, respectively, as herein defined.

Section 5.02. This Eleventh Supplemental Lease, being a supplement to the Original Lease, shall be construed as an integral part thereof.

All terms, conditions, covenants and agreements of the Original Lease, unless the context clearly otherwise requires, and except and to the extent that the same are amended and/or supplemented hereby, are ratified and confirmed and are declared to be and shall be and remain in full force and effect and shall apply in all respects to this Eleventh Supplemental Lease, all as shall be applicable and appropriate, as if the same were repeated in full herein; Provided, however, that provisions of the Original Lease always shall be construed so as to give proper effect and meaning to provisions of this Eleventh Supplemental Lease.

Section 5.03. The Township and the Authority agree that the Authority, immediately following execution and delivery hereof, will assign this Eleventh Supplemental Lease and all minimum net rentals payable hereunder, to the Trustee, to be held in trust, and applied under and in accordance with the provisions of the Indenture. The Township consents to such assignment and accepts notice thereof with the same legal effect as though this acceptance of notice were embodied in a separate instrument, separately executed after execution of such assignment; and the Township agrees to pay to the Trustee all such minimum net rentals payable hereunder.

Section 5.04. This Eleventh Supplemental Lease 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 5.05. If any provision hereof shall be determined to be invalid, such invalidity shall not affect any other provision hereof, and this Eleventh Supplemental Lease thereafter shall be construed and enforced as if such invalid provision had not been contained herein.

Section 5.06. Laws of the Commonwealth shall govern construction hereof.

Section 5.07. The use of numbered Articles and Sections herein is for convenience only and such numbered Articles and Sections herein bear no direct relationship to numbered Articles and Sections in the Original Lease which bear identical numbers.

Section 5.08. This Eleventh Supplemental Lease is dated as of _____, 2023.

IN WITNESS WHEREOF, EAST LAMPETER SEWER AUTHORITY has caused this Eleventh Supplemental Lease to be executed in its name and in its behalf by its Chairman or Vice Chairman and its official seal to be affixed hereto and attested by its Secretary, and TOWNSHIP OF EAST LAMPETER, Lancaster County, Pennsylvania, has caused this Eleventh Supplemental Lease to be executed in its name and in its behalf by the Chairman or Vice Chairman of its Board of Supervisors and its official seal to be affixed hereto and attested by its Secretary, all as of the day and year first above written.

EAST LAMPETER SEWER AUTHORITY

By: _____
(Vice) Chairman

ATTEST:

Secretary

(SEAL)

TOWNSHIP OF EAST LAMPETER,
Lancaster County, Pennsylvania

By: _____
(Vice) Chairman of the Board of Supervisors

ATTEST:

Secretary

(SEAL)

ASSIGNMENT

EAST LAMPETER SEWER AUTHORITY, a municipality authority existing under Pennsylvania laws (the "Authority"), for value received, does assign, transfer and set over unto FULTON BANK, NATIONAL ASSOCIATION (the "Trustee"), Lancaster, Pennsylvania, as trustee under a Trust Indenture, dated as of April 15, 1985, as amended and/or supplemented by a First Supplemental Indenture, dated as of July 12, 1990, a Second Supplemental Indenture, dated as of May 15, 1994, a Third Supplemental Indenture, dated as of October 15, 2003, a Fourth Supplemental Indenture, dated as of August 15, 2009, a Fifth Supplemental Indenture, dated as of October 26, 201, a Sixth Supplemental Indenture, dated as of August 13, 2014, a Seventh Supplemental Indenture, dated as of July 14, 2016, an Eighth Supplemental Indenture dated as November 14, 2018, a Ninth Supplemental Indenture dated as of July 3, 2019, a Tenth Supplemental Indenture dated as of December 3, 2019 and a Eleventh Supplemental Indenture dated as of _____, 2023 respectively (collectively, the "Indenture"), all between the Authority and the Trustee and its successors in the trust, all right, title and interest in, and all remaining rentals payable by the TOWNSHIP OF EAST LAMPETER, Lancaster County, Pennsylvania (the "Township"), under the Agreement of Lease, dated as of April 15, 1985, as amended and/or supplemented by a First Supplemental Agreement of Lease, dated as of July 12, 1990, a Second Supplemental Agreement of Lease, dated as of May 15, 1994, a third Supplemental Agreement of Lease, dated as of October 15, 2003, a Fourth Supplemental Agreement of Lease, dated as of August 15, 2009, a Fifth Supplemental Agreement of Lease, dated as of October 26, 2010, a Sixth Supplemental Agreement of Lease, dated as of August 13, 2014, a Seventh Supplemental Agreement of Lease, dated as of July 14, 2016, an Eighth Supplemental Agreement of Lease, dated as of November 14, 2018, a Ninth Supplemental Agreement of Lease dated as of July 3, 2019, a Tenth Supplemental Agreement of Lease dated as of December 3, 2019 and an Eleventh Supplemental Agreement of Lease dated as of _____, 2023 (collectively the "Lease"), all between the Authority, as lessor, and the Township, as lessee, to have, to hold and to apply such remaining rentals in accordance with provisions of the Indenture; and the Authority directs that such remaining rentals shall be paid by the Township directly to the Trustee.

Notwithstanding such assignment and transfer, so long as the Authority shall not be in default under the Indenture:

(a) The Authority shall have the right and duty to give all approvals and consents permitted or required under the Lease;

(b) The Authority shall have the right to execute amendments and/or supplements to the Lease to the extent and in the manner permitted by the Indenture;

(c) The Authority also shall have the right to execute amendments and/or supplements to the Lease containing terms not adversely inconsistent with the Lease or the Indenture; provided, however, that the Lease, as so amended and/or supplemented, shall provide at least the same security for holders of bonds of the Authority issued under the Indenture as the Lease in the form existing immediately prior thereto;

(d) There shall be no responsibility on the part of the Trustee for duties or responsibilities of the Authority contained in the Lease and amendments and/or supplements thereto; and

(e) The Authority and the Township shall have the right to terminate the Lease by mutual written consent at any time.

IN WITNESS WHEREOF, EAST LAMPETER SEWER AUTHORITY has caused this Assignment, dated as of _____, 2023, to be executed in its name and in its behalf by its Chairman or Vice Chairman and its official seal to be affixed hereto and attested by its Secretary.

EAST LAMPETER SEWER AUTHORITY

By: _____
(Vice) Chairman

ATTEST:

Secretary

(SEAL)

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF LANCASTER)

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

(SEAL)

ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF LANCASTER)

On this, the ____ day of _____, 2023, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be (Vice) Chairman of TOWNSHIP OF EAST LAMPETER, and that he, as such officer, being authorized to do so, executed the foregoing Eleventh Supplemental Agreement of Lease and Assignment, respectively, for purposes therein contained, by signing the name of such Authority by himself such officer.

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

Notary Public

(SEAL)

My Commission Expires:

Form of Guaranty Agreement

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT, dated as of _____, 2023, but effective as of the date of execution and delivery hereof as provided herein, between the TOWNSHIP OF EAST LAMPETER, Lancaster County, Pennsylvania, a political subdivision of the Commonwealth (the "Township"), as Guarantor, and EAST LAMPETER SEWER AUTHORITY, a municipality authority existing under the Authorities Act of the Commonwealth (the "Authority"), and FULTON BANK, NATIONAL ASSOCIATION, a national banking association with trust powers, existing under laws of the United States of America and having its corporate trust office in Lancaster, Pennsylvania (the "Trustee"), as trustee.

WITNESSETH:

WHEREAS, The Authority intends to authorize and to issue the Guaranteed Sewer Revenue Note, Series of 2023; and

WHEREAS, The Guaranteed Sewer Revenue Note, Series of 2023 is to be issued under and pursuant to the Indenture; and

WHEREAS, The proceeds derived from authorization, issuance and sale of the Guaranteed Sewer Revenue Note, Series of 2023 will be applied, together with other funds available or to be available to the Authority for the purposes of the Project; and

WHEREAS, The Township, as an inducement to the Authority to undertake the Project and to authorize and to issue the Guaranteed Sewer Revenue Note, Series of 2023, and as an inducement to the purchaser of the Guaranteed Sewer Revenue Note, Series of 2023 and thereby to achieve interest cost and other savings with respect to the Project, desires to enter into this Guaranty Agreement with respect to the Guaranteed Sewer Revenue Note, Series of 2023, as is permitted by the Debt Act; and

WHEREAS, The Board of Supervisors of the Township in entering into this Guaranty Agreement, is acting in the public interest in connection with preservation and protection of the general health and welfare of inhabitants of the Township and of the Commonwealth; and

WHEREAS, The parties hereto desire to set forth the terms and conditions under and pursuant to which the Guaranteed Sewer Revenue Note, Series of 2023, is to be guaranteed by the Township to the extent and in the manner provided herein and related matters; and

NOW, THEREFORE, The parties hereto covenant and agree as follows:

ARTICLE I

Definitions

Section 1.01. 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:

“Authorities Act” shall mean the Act of the General Assembly of the Commonwealth, known as the Municipality Authorities Act (53 Pa.C.S. Ch. 56), as amended and supplemented, from time to time;

“Authority” shall mean East Lampeter Sewer Authority, a municipality authority of the Commonwealth;

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

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

“Bond Redemption and Improvement Fund” shall mean the special fund of the Authority to be established under the Indenture to provide, *inter alia*, for the application and disposition of certain surplus money, from time to time, of the Authority;

“Clearing Fund” shall mean the special fund of the Authority to be established under the Indenture to provide, *inter alia*, for the application and disposition of certain money of the Authority;

“Commonwealth” shall mean the Commonwealth of Pennsylvania;

“Consulting Engineers” shall mean a Person, who shall be Independent, appointed by the Board, qualified to pass upon engineering questions relating to sewer systems and having a favorable reputation for skill and experience in connection with construction and operation of sewer systems. 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, a corporation or an association, it shall have a partner, officer, employee or member who is a professional engineer duly registered under laws of the Commonwealth;

“Consulting Engineers’ Certificate” shall mean a certificate executed by the Consulting Engineers;

“Debt Act” shall mean the Act of the General Assembly of the Commonwealth known as the “Local Government Unit Debt Act”, 53 Pa.C.S. Chs. 80-82;

“Debt Service” shall mean, with respect to any Fiscal Year, the sum required to be set aside by the Trustee, on behalf of the Authority, under the Indenture for payment of interest on and principal of the Guaranteed Sewer Revenue Note, Series of 2023, including amounts required to be deposited to the credit of the Series of 2023 Sinking Fund;

“Debt Service Fund” shall mean the special fund of the Authority established under the Indenture to provide, *inter alia*, for payment of the principal of and interest on the Guaranteed Sewer Revenue Note, Series of 2023;

"Eighth Supplemental Indenture" shall mean the Eighth Supplemental Indenture, dated as of November 14, 2023, between the Authority and the Trustee, which constitutes part of the Indenture;

"Eleventh Supplemental Indenture" shall mean the Eleventh Supplemental Indenture, dated as of _____, 2023, between the Authority and the Trustee, which constitutes part of the Indenture;

"Fifth Supplemental Indenture" shall mean the Fifth Supplemental Indenture, dated as of October 26, 2010, between the Authority and the Trustee, which constitutes part of the Indenture;

"First Supplemental Indenture" shall mean the First Supplemental Indenture, dated as of July 12, 1990, between the Authority and the Trustee, which constitutes part of the Indenture;

"Fiscal Year" shall mean the fiscal year of the Township as provided by laws of the Commonwealth;

"Fourth Supplemental Indenture" shall mean the Fourth Supplemental Indenture, dated as of August 15, 2009, between the Authority and the Trustee, which constitutes part of the Indenture;

"Guaranteed Sewer Revenue Note, Series of 2023" shall mean the Guaranteed Sewer Revenue Note, Series of 2023, dated as of _____, 2023, of the Authority, authorized for issuance under Section 3.04 of the 1985 Indenture, in the aggregate principal amount of \$5,000,000,000; as such more specifically shall be described in the Eleventh Supplemental Indenture;

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

"Indenture" shall mean the 1985 Indenture, as amended and/or supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplement Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, and the Eleventh Supplemental Indenture, all between the Authority and the Trustee, including all modifications, alterations, amendments and supplements thereto made and delivered in accordance with provisions thereof;

"Independent" shall mean, with respect to the Consulting Engineers, a Person who is not a member of the Board, an officer or employee of the Authority or an elected official or employee of the Township, or which is not a partnership, a corporation or an association having a partner, director, officer, member or substantial stockholder who is a member of the Board, an officer or employee of the Authority or an elected or appointed official or employee of the Township; Provided, however, that the fact that such Person is retained regularly by the Authority or the Township shall not make such Person an employee within the meaning of this definition;

"1985 Indenture" shall mean the Trust Indenture, dated as of April 15, 1985, between the Authority and the Trustee, which constitutes part of the Indenture;

"Ninth Supplemental Indenture" shall mean the Ninth Supplemental Indenture, dated as of July 3, 2019, between the Authority and the Trustee, which constitutes part of the Indenture;

"Person" shall mean an individual, a partnership, an association, a corporation, a joint stock company, an unincorporated association, a municipal corporation or entity or any other legal entity;

"Project" shall mean the undertakings of the Authority to: (1) provide funds for the various capital projects of the Authority; and (2) pay the costs of issuing the Guaranteed Sewer Revenue Note, Series of 2023; and;

"Receipts and Revenues from the Sewer System" shall mean receipts, revenues and money of the Authority to be assigned, transferred, set over and pledged by the Authority to the Trustee under the Indenture, as more specifically shall be set forth in the Indenture, as security under the Indenture;

"Second Supplemental Indenture" shall mean the Second Supplemental Indenture, dated as of May 15, 1994, between the Authority and the Trustee, which constitutes part of the Indenture;

"Seventh Supplemental Indenture" shall mean the Seventh Supplemental Indenture, dated as of July 14, 2023, between the Authority and the Trustee, which constitutes part of the Indenture;

"Sewage" shall mean domestic sewage and/or industrial wastes, as such phrases usually and customarily are used by sanitary engineers;

"Sewer System" shall mean the existing sewage collection and transportation system owned by the Authority, including all related facilities heretofore acquired and/or constructed or hereafter acquired and/or constructed by the Authority, together with all appurtenant facilities and properties which the Authority has acquired or hereafter shall acquire in connection therewith, 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"* means the aforesaid facilities and 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, as such phrase is defined in the Indenture (including property in the nature of Capital Additions acquired or constructed from funds wholly or partially contributed or advanced by users, developers or other Persons) 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, basins, machinery, mains, conduits, pipes, pipe lines, interceptor lines, outfall lines, trunk lines, service lines, sewage treatment plants and systems, tanks, shops, pumping stations, ejector stations, force mains, 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, all of the foregoing being owned by the Authority and used or useful in connection with the collecting, transporting, pumping, treating and/or disposing of Sewage;

"Sixth Supplemental Indenture" shall mean the Sixth Supplemental Indenture, dated as of August 13, 2014, between the Authority and the Trustee, which constitutes part of the Indenture

"Tenth Supplemental Indenture" shall mean the Tenth Supplemental Indenture, dated as of December 3, 2019, between the Authority and the Trustee, which constitutes part of the Indenture;

“Third Supplemental Indenture” shall mean the Third Supplemental Indenture, dated as of October 15, 2003, between the Authority and the Trustee, which constitutes part of the Indenture;

“Township” shall mean the Township of East Lampeter, Lancaster County, Pennsylvania, a municipality of the Commonwealth;

“Trustee” shall mean Fulton Bank, National Association, a national banking association existing under laws of the United States and having its corporate trust office in Lancaster, Pennsylvania, a party hereto and to the Indenture and any successor thereto hereunder and any successor thereto in the trust under the Indenture; and

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

ARTICLE II

Representations and Warranties of the Township

Section 2.01. The Township represents and warrants that:

- A. The Township is a political subdivision of the Commonwealth;
- B. The Township is possessed of all requisite power and authority under laws of the Commonwealth to enter into and to perform all covenants and agreements contained in this Guaranty Agreement;
- C. The Township duly has been authorized to enter into this Guaranty Agreement, pursuant to proper and necessary official action of the Board of Supervisors of the Township, in accordance with laws of the Commonwealth;
- D. The Township, in entering into this Guaranty Agreement, is acting in the public interest in connection with preservation and protection of the general health and welfare of inhabitants of the Township and of the Commonwealth; and
- E. The Township, in entering into this Guaranty Agreement, is incurring lease rental debt, to the extent provided herein, pursuant to the Debt Act; and the Township has taken all proper proceedings pursuant to the Debt Act in connection with this Guaranty Agreement.

ARTICLE III

Covenants and Agreements of the Township

Section 3.01. The Township, to the extent, in the manner and upon terms and conditions provided herein, guarantees, unconditionally, for the benefit of the holder of the Guaranteed Sewer Revenue Note, Series of 2023, full and prompt payment of the Debt Service, i.e.:

- A. The full and prompt payment of the principal of the Guaranteed Sewer Revenue Note, Series of 2023 when and as such shall be due and payable, whether at the stated maturity thereof or upon acceleration or call for redemption or otherwise; and

B. The full and prompt payment of the interest on the Guaranteed Sewer Revenue Note, Series of 2023 when and as such shall be due and payable.

Section 3.02. The Township covenants and agrees to pay all costs, fees, expenses and charges, including court costs and attorney fees, that may be paid or incurred, from time to time, by the Trustee and/or the Authority in enforcing the Township's guaranty obligation hereunder and/or, to the extent permitted by laws of the Commonwealth, in otherwise enforcing this Guaranty Agreement.

Section 3.03. All payments required to be made by the Township under this Guaranty Agreement shall be made in lawful money of the United States at the time of such payments, from time to time, without setoff or counterclaim.

Section 3.04. Each and every default in payment of the principal of or interest the Guaranteed Sewer Revenue Note, Series of 2023 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. The Township covenants to and with the Trustee, the Authority and the holder and/or registered owner, as appropriate, from time to time, of the Guaranteed Sewer Revenue Note, Series of 2023, that shall be Outstanding; as such term is defined in the Indenture, that the Township (i) shall include the Debt Service payable in respect of its guaranty pursuant to this Guaranty Agreement, for each Fiscal Year in which such sums shall be payable, in its budget for that Fiscal Year, (ii) shall appropriate such amounts from its general revenues for payment to the Trustee of its guaranty obligations hereunder and (iii) shall duly and punctually pay or cause to be paid, from its sinking fund (hereinafter referred to) or any other of its revenues or funds, the amount payable in respect of such guaranty, at the dates and place and in the manner provided for herein, at the principal office of the Trustee, according to the true intent and meaning hereof; and for such budgeting, appropriation and payment, the Township pledges, irrevocably, its full faith, credit and taxing power. For the purpose of complying with the covenants of this Section, the Township covenants that it shall budget the amounts set forth in **Exhibit A** attached hereto and made part hereof, such amounts being the maximum Debt Service on the Guaranteed Sewer Revenue Note, Series of 2023, for the Fiscal Years in which such amounts are payable, and shall appropriate and shall pay over to the Trustee such amounts; Subject, however, to provisions of Section 3.06. This covenant shall be enforceable specifically.

The Township covenants that, to the extent sufficient money shall not be available in its then current budget at any time when payments are required hereunder, and if it shall be unable to incur debt lawfully in the current year for the purpose or to issue tax anticipation notes or otherwise to satisfy its obligations hereunder, it shall include any amounts so payable by it 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 its 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, irrevocably, its full faith, credit and taxing power. This covenant shall be enforceable specifically.

Section 3.06. It is the intent and purpose of this Guaranty Agreement that the Township shall be required to pay over to the Trustee only that portion of the Debt Service that cannot be paid from the Receipts and Revenues from the Sewer System or from other money of the Authority hereinafter mentioned in this Section that shall be available for the purpose. Therefore, the parties

hereto agree that the Township shall be entitled to credits against the amount of its guaranty obligation assumed hereunder, which credits shall be equal to the total of: (1) the amount that from time to time shall be transferred by the Authority to the Trustee in each Fiscal Year for deposit in the Clearing Fund to be available for Debt Service in accordance with the terms of the Indenture; and (2) any other amount that shall be available for Debt Service in accordance with the terms of the Indenture, including amounts payable to the Authority by the Township under any Lease, as such term is defined in the Indenture, but excluding any amount available under the Debt Service Reserve Fund Policy or the Policy. Accordingly, on or before April 1 and on or before October 1 of each Fiscal Year, the Trustee, after having received from the Authority such money as shall be available for transfer to the Clearing Fund, shall notify the Township of any deficiency in the funds that shall be available for transfer to the Debt Service Fund for Debt Service, and the Township forthwith shall pay over to the Trustee or, as appropriate, shall deposit in the "sinking fund" established for the purpose pursuant to the next grammatical paragraph, and the "sinking fund depository" and "paying agent" so appointed shall pay over to the Trustee, or as appropriate, to the holders of the Guaranteed Sewer Revenue Note, Series of 2023, any amount required at the time to eliminate such deficiency for Debt Service for such Fiscal Year which would occur on such April 1 or October 1, as appropriate.

The Township covenants to establish a "sinking fund", as such phrase is defined in the Debt Act, with respect to its obligations under this Guaranty Agreement and Fulton Bank, National Association, Lancaster, Pennsylvania, shall be appointed "sinking fund depository" and "paying agent", as such phrases are defined or applied in the Debt Act, to the extent necessary with respect to the obligations of the Township under this Guaranty Agreement.

Section 3.07. In order to facilitate the budgeting of any anticipated credits by the Township as provided in Section 3.06, the Authority agrees with the Township (1) to impose and collect rates, fees and charges for use of and services provided by the Sewer System as required by the Indenture, and (2) to furnish to the Township, on or before December 1 of each Fiscal Year, a Consulting Engineers' Certificate with respect to any money available as capitalized interest in Funds under the Indenture to be applied toward Debt Service payments in the following Fiscal Year, and with respect to the money anticipated to be available for transfer by the Authority to the Trustee on or before April 1 and on or before October 1 of the following Fiscal Year for deposit in the Clearing Fund and to be available for Debt Service.

Section 3.08. The obligations of the Township under this Guaranty Agreement shall be absolute 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 the entire principal of and interest on the Guaranteed Sewer Revenue Note, Series of 2023, shall have been paid or shall have been provided for to the satisfaction of the Trustee, and 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 consent of the Township, unless such notice or consent is required hereunder:

A. The failure by the Authority to complete the Project, or to continue operation of the Sewer System, or the failure of the Authority otherwise to perform any obligation contained in any other agreement, for any reason whatsoever, including, without limiting the generality of the foregoing, insufficiency of funds, negligence or willful misconduct on the part of the Authority or its agents or independent contractors, legal action of any nature that shall delay completion of the Project or operation of the Sewer System, 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 Indenture;

C. The failure to give notice to the Township of the occurrence of a default under terms and provisions of this Guaranty Agreement or of the Indenture;

D. The inaccuracy of the estimate of credits or anticipated credits, as appropriate, required under Section 3.07;

E. The validity, enforceability or termination of the Indenture;

F. The neglect or failure of the Authority and/or the Trustee 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 Trustee 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 Indenture, 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 voluntary or involuntary repossession or surrender of the Sewer System;

J. The waiver of the payment, performance or observance by the Authority, the Trustee or the Township of any obligations, covenants or agreements contained in the Indenture or in this Guaranty Agreement;

K. The extension of the time for payment of the principal of or interest on the Guaranteed Sewer Revenue Note, Series of 2023, 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 Indenture or this Guaranty Agreement;

L. The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Indenture;

M. The taking of, or the omission to take, any action referred to in the Indenture or in this Guaranty Agreement;

N. Any failure, omission or delay on the part of the Authority and/or the Trustee to enforce, to assert or to exercise any right, power or remedy conferred upon or vested in the Authority and/or the Trustee hereunder or under the Indenture, or to enforce, to assert or to exercise any other right or rights on the part of the Authority, the Trustee or the holder, at any time or from time to time, of the Guaranteed Sewer Revenue Note, Series of 2023;

O. 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 of them, or any allegation or contest of the validity of this Guaranty Agreement in any such proceeding;

P. 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;

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

R. The damage to or partial or total destruction of the Sewer System or the taking of title to or the temporary or permanent use of the Sewer System by any lawful body or authority;

S. Any draw on the Debt Service Reserve Fund Policy or the Policy; or

T. Any defense otherwise available to a guarantor of obligations.

Section 3.09. Obligations of the Township hereunder shall not be affected by any bankruptcy arrangement for the benefit of creditors, reorganization or other similar proceedings; and the Township specifically waives any rights or benefits that could accrue to it by reason of any such proceeding and agrees that the same shall not affect its liability or responsibility hereunder, regardless of the effect that such proceedings may have with respect to the obligations of the Authority.

Section 3.10. 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 or by the Trustee of any obligation to the Township, whether said obligation arises under this Guaranty Agreement or from any other transaction between the Authority and/or the Township and/or the Trustee, regardless of the nature of such transaction.

Section 3.11. In the event of a default in payment of principal of the Guaranteed Sewer Revenue Note, Series of 2023 when and as the same shall become due and payable, whether at the stated maturity thereof or by acceleration or call for redemption or otherwise, or in the event of a default in the payment of any interest on the Guaranteed Sewer Revenue Note, Series of 2023 when and as the same shall become due and payable, the Trustee may proceed, and, if requested so to do by the holder of the Guaranteed Sewer Revenue Note, Series of 2023 then outstanding, and upon indemnification as herein provided, the Trustee shall be obligated to proceed hereunder. The holder of the Guaranteed Sewer Revenue Note, Series 2023, in its sole discretion, shall have the right to request that the Trustee proceed first and directly against the Township under this Guaranty Agreement, without proceeding against or exhausting any other remedies that it may have and without resorting to any other security held by the Authority or the Trustee. Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond shall be furnished for the reimbursement of all costs and expenses that it may incur and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful default, by reason of any action so taken. The Township agrees to pay all costs, fees and expenses, including, to the extent permitted by law, all court costs and reasonable attorney fees, that may be incurred by the Trustee 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 3.12. The Township expressly waives notice, in writing or otherwise, from the Trustee or the holder, at any time or from time to time, of the Guaranteed Sewer Revenue Note, Series of 2023, of their acceptance and reliance upon this Guaranty Agreement.

Section 3.13. This Guaranty Agreement is entered into by the Township for the benefit of the Trustee, the holder of the Guaranteed Sewer Revenue Note, Series of 2023 and any successor trustee or trustees and their respective successors and assigns under the Indenture, all of whom shall be entitled in its own right and on its own behalf to enforce performance and observance hereof by the Township to the same extent as if they were parties signatory hereto.

Section 3.14. Terms of this Guaranty Agreement may be enforced as to any one or more breaches, either separately or cumulatively.

Section 3.15. The Township covenants that it has enacted an ordinance requiring all owners of improved property located within the boundaries of the Township abutting on or adjoining any street in which there is a Sewer, as such capitalized terms are defined in such Ordinance, to make connection of such improved property with such Sewer System and providing for the enforcement of such ordinance as may be permitted by law. The Township also covenants and agrees to keep such ordinance or a subsequent similar ordinance or ordinances requiring such connections in full force and effect continuously during the term hereof and to enforce the same as may be permitted by law.

Section 3.16. The Township confirms and grants to the Authority, its successors and assigns, to the extent necessary and/or desirable, all easements, rights of way and other rights and privileges necessary and desirable in, along, over and under streets, roads, lanes, courts, cul-de sacs, alleys, public ways, public squares and other properties of the Township, together with free ingress, egress and regress therein and thereto, along with other persons having interests or rights therein, for use in connection with constructing, replacing, repairing, altering and maintaining the Sewer System; Subject, however, to all applicable rules and regulations, from time to time, established by resolution or ordinance of the Township with respect thereto.

Section 3.17. The Township covenants to provide as soon as reasonably possible to the holder of the Note, its audited financial statements, as well as other information that the holder reasonably requests.

ARTICLE IV

Covenants and Agreements of the Authority

Section 4.01. The Authority covenants with the Township to undertake and to complete the Project.

Section 4.02. The Authority covenants with the Township that, at all times during the continuance of this Guaranty Agreement, it will impose or cause to be imposed, rentals, rates, charges and fees upon the users of the Sewer System that, in the opinion of the Consulting Engineers, will enable the Authority to provide amounts which, together with other available funds, will be sufficient to satisfy the rate covenant of the Authority under the Indenture. The Authority further covenants that if and when the Receipts and Revenues from the Sewer System shall be insufficient to enable it to satisfy the rate covenant under the Indenture, or whenever the

Authority shall have good and sufficient reason to believe that a deficiency may occur in the future, it immediately will take such steps and proceedings as the Consulting Engineers shall recommend and shall make or shall cause to be made such adjustments in such rentals, rates, charges and fees to users as shall be necessary: (a) to eliminate any deficiency that has occurred; (b) to prevent the occurrence of any anticipated deficiency; and (c) where a prior deficiency has occurred, to produce such additional Receipts and Revenues from the Sewer System over such period of time, as shall be considered by the Consulting Engineers to be reasonable, as may be necessary to make money available in the Bond Redemption and Improvement Fund under the Indenture to repay to the Township any money that shall have been paid over by the Township to the Trustee hereunder.

Section 4.03. If in any Fiscal Year the total Debt Service on the Guaranteed Sewer Revenue Note, Series of 2023 shall be in excess of the credits to which the Township is entitled under Section 3.06 and the Township has paid over to the Trustee such amount or amounts as at that time shall be required to discharge, in full, the obligation of the Township under this Guaranty Agreement, the Authority agrees to cause to be repaid to the Township the amount or amounts actually advanced to the Trustee, from any money that shall be available for that purpose in the Bond Redemption and Improvement Fund, from time to time; subject, however, to the conditions hereinafter set forth. Whenever money is available in the Bond Redemption and Improvement Fund and the Consulting Engineers shall certify that such money will not be required within the next six months to eliminate any deficiency or deficiencies in other Funds or Accounts created under the Indenture or to make needed repairs or improvements to the Sewer System, or to reimburse the Bond Insurer, the Authority agrees to direct the Trustee to pay over to the Township, from time to time, such available money as shall not be required for the aforesaid purposes; Provided, however, that the total amount paid over to the Township shall not exceed the aggregate of the payment or payments theretofore made by the Township to the Trustee under this Guaranty Agreement, less any prior payment or payments made to the Township from the Bond Redemption and Improvement Fund in accordance with this Section.

ARTICLE V

Miscellaneous

Section 5.01. No amendment, change, modification, alteration or termination of the Indenture that would in any way increase obligations of the Township under this Guaranty Agreement shall be effective without obtaining the prior written consent of the Township.

Section 5.02. The obligations of the Township hereunder shall arise absolutely and unconditionally when the Guaranteed Sewer Revenue Note, Series of 2023 shall have been issued, sold and delivered by the Authority.

Section 5.03. The Authority and the Trustee covenant with the Township that each duly and punctually will perform every covenant and agreement undertaken by the Authority and the Trustee under the Indenture.

Section 5.04. In the event of default by the Township in the punctual discharge of its obligations hereunder, the Authority, the Trustee, and the holder of the Guaranteed Sewer Revenue Note, Series of 2023, individually, and each in its own right and on its own behalf, shall be entitled

to exercise such remedies as are provided under the Debt Act, together with any other remedies that otherwise may be provided at law or in equity or by other statutes.

Section 5.05. No remedy conferred upon or reserved to the Trustee 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 or 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 Trustee 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 shall be breached by any party and thereafter duly shall be 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 dealing, but shall be established solely by an instrument, in writing, duly executed by the appropriate parties.

Section 5.06. 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 shall be deemed to be an original, but all of which counterparts, together, shall constitute but one and the same instrument.

Section 5.07. Provisions of this Guaranty Agreement shall be severable; if any one or more of the phrases, sentences, clauses, Articles, Sections or parts contained in this Guaranty Agreement shall be deemed or declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of remaining portions of this Guaranty Agreement or any remaining parts thereof.

Section 5.08. 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 that shall diminish or discontinue the obligations of the Authority and of the Township hereunder.

Section 5.09. This Guaranty Agreement shall be construed in accordance with and shall be governed by laws of the Commonwealth.

IN WITNESS WHEREOF, each of the parties hereto, intending to be legally bound, pursuant to proper authorization of its governing body, causes this Guaranty Agreement to be executed by its duly authorized officer or officers and to be attested by its duly authorized officer and its official or corporate seal to be affixed to this Guaranty Agreement, executed and delivered as of _____, 2023, the date of execution and delivery of the Guaranteed Sewer Revenue Note, Series of 2023.

TOWNSHIP OF EAST LAMPETER
Lancaster County, Pennsylvania

By: _____
(Vice) Chairman of the Board of Supervisors

ATTEST:

(Assistant) Secretary

(SEAL)

EAST LAMPETER SEWER AUTHORITY

By: _____
(Vice) Chairman

ATTEST:

Secretary

(SEAL)

FULTON BANK, NATIONAL ASSOCIATION
as Trustee

By: _____

ATTEST:

(SEAL)

Bank Commitment



Understanding what's important

John Callahan
SVP Relationship Manager
Manufacturers and Traders Trust Company
Government Banking
213 Market Street
Harrisburg, PA 1710
717-852-5960
jcallahan@mtb.com

January 9, 2023

East Lampeter Sewer Authority
Kevin Hostetter
2250 Old Philadelphia Pike
Lancaster, PA 17602

RE: Guaranteed Revenue Note, Series of 2023

Dear Mr. Hostetter and Authority Board Members,

On behalf of M&T Bank (the "Bank"), we appreciate the opportunity to provide financing for your Guaranteed Revenue Obligation Note of 2023 for the East Lampeter Sewer Authority, Lancaster County, Pennsylvania (the "Borrower").

The attached summary includes only a brief description of the principal terms of the proposed financing. The definitive terms of the proposed credit facility will be more fully evidenced in commitment letter and additional loan documentation including, but not limited to, a Note together with the other agreements, instruments, certificates and documents that M&T Bank may otherwise require.

The settlement of the proposed credit facility is subject to several conditions. After receiving the borrower's concurrence, the Bank will seek internal credit approval of the transaction. Upon Bank approval, definitive Note Documents will be prepared. This letter is subject to the statutory and other requirements by which M&T Bank is governed.

1) Amount of Note

Approximately \$ 5,065,000, fully funded at closing

2) Term of Note

It is anticipated the proposed settlement for the Note shall occur on or before March 10, 2023, or on such other date as shall be mutually agreeable to between the Bank and the Borrower, with a final maturity of October 1, 2031.

3) Type of Note

Bank Qualified, Tax-Exempt Guaranteed Revenue Note

4) Purpose

The proceeds of the Note will be used towards new sewer projects of the Borrower and to pay for the costs and expenses of issuance on the Note.

5) Fixed Rate of Interest Per Annum

The Note shall (subject to the following terms) bear interest on the outstanding principal balance at a bank qualified tax-exempt rate on a 30/360-day basis. The interest rate will be equal to the bank qualified tax-exempt equivalent fixed rate of 3.78%. Given current market turbulence and significant volatility in Bond Market Rates and Treasuries, our proposed rate is indicative only until a commitment letter and rate lock letter are executed by the borrower.

If an Event of Default occurs, the interest rate on the unpaid principal shall immediately be automatically increased to five (5) percentage points per year above the otherwise applicable rate per year, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at such default rate.

If interest payable on the note is determined at any point during the term of the loan to not be "Tax-Exempt" or it is determined that the note served as an arbitrage note under Federal Law, the note will reset to its taxable equivalent rate, and the Borrower will pay to the bank the difference between the amount of interest which the bank should have received at the "Taxable Rate" and the actual amount of interest paid. The Borrower will also pay any and all interest and penalties assessed.

6) Repayment Terms

Principal shall be fully amortized annually over the term in an amount and manner as substantially set forth on the "Estimated Principal Amortization Schedule" provided in the Request for Proposals released on December 16, 2022 by the Borrower.

7) Security

The Note will be a Guaranteed Revenue Obligation of the Authority, secured by a pledge and lien of revenues of the Authority. In addition, East Lampeter Township will guaranty all payments of debt service on the Note pursuant to a Guaranty Agreement. The Township shall pledge, irrevocably, its full faith, credit and taxing power towards its obligations under the Guaranty Agreement. The Township Ordinance approving the Guaranty Agreement, and related documents, will be filed with the Pennsylvania Department of Community and Economic Development for approval prior to settlement.

8) Covenants

The Borrower will be required to submit to the bank its financial reports within 180 days from the close of the borrower's fiscal year.

The Borrower will covenant in the indenture that it will charge and impose and use its best effort to collect water and sewer rates and other charges for the use of its system which, together with all other Pledged Revenues, will be sufficient to provide in each year Fiscal Year for a) the estimated expenses of operating, maintaining and repairing the System, b) the

actual amount of debt service due on all Outstanding Revenue Bonds (excluding capitalized interest).

The borrower shall have delivered to M&T Bank, sufficiently in advance of closing, all documentation and other information required by M&T Bank in accordance with all applicable banking laws and regulations in effect from time to time, including, without limitation, the USA PATRIOT Act. Any failure by Borrower or any necessary third party to deliver to M&T Bank, in a timely manner, any material information requested, or any misrepresentation or inaccuracy with respect to any such information received, or if M&T's Bank due diligence reveals that opening the accounts contemplated herein would potentially violate M&T's Bank regulatory compliance policies or applicable law, shall permit M&T Bank, in its sole discretion, to withdraw and/or cancel this financing proposal/offer without liability, and retain all fees.

9) Prepayment Privileges

Borrower will have the option to prepay any portion of the outstanding principal of the note outstanding at any time without penalty.

10) Fees and Expenses

The standard origination fee for this transaction has been waived. The Borrower shall pay all fees and expenses of its Counsel and shall pay for the preparation of the Note documents. The bank shall request the reimbursement of its counsel's legal fees only, subject to a maximum amount of \$2,500.

If closing does not take place, all costs and expenses shall be payable upon demand. The borrower agrees to indemnify the bank against any and all claims, which may be incurred in connection with this borrowing.

11) Preparation of Documents

As a condition of closing, the Authority shall deliver to the Bank all documentation to be reviewed for successful closing no later than seven (7) business days prior to closing.

The bank shall be listed as "**Manufacturers and Traders Trust Company**" in all documentation prepared by the borrower's legal counsel.

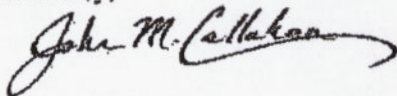
12) Acceptance to Advance

The above terms and conditions are intended to serve as an outline which may be negotiated and is intended for discussion purposes.

The above terms and conditions are intended to serve as an outline to support discussions of financing which may be available for the Borrower. This outline is not a commitment or an offer to provide credit accommodations and does not create any obligation on the part of the Bank. This outline is only a brief description of the principal terms of credit facility, which may be available and is intended for discussion purposes only.

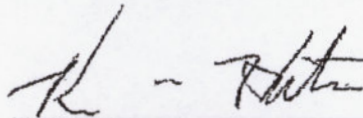
The Government Banking Team at M&T Bank brings decades of understanding what's important to local government and are proud to serve communities throughout Pennsylvania. Please do not hesitate to contact me at any time with questions or if I can be of assistance.

Sincerely,

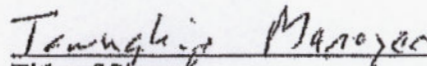


John M. Callahan
Government Banking Division
Senior Vice President

Approval by the Borrower:



Signature of Authorized Officer



Title of Signer

1/11/23

Date

CC: Scott Shearer, *PFM Financial Advisors LLC*, shearers@pfm.com, (717) 231-6265
Ben Kapenstein, *PFM Financial Advisors LLC*, kapensteinb@pfm.com, (717) 231-6265

M&T Bank

Manufacturers and Traders Trust Company

Foreign Exchange/Capital Markets

One M&T Plaza

Buffalo, NY 14203

Phone: (716) 842-5050

(800) 211-3795

Fax: (716) 842-2336

Future Rate Lock Agreement

East Lampeter Sewer Authority

M&T Bank has offered East Lampeter Sewer Authority (the "Customer") a fixed rate loan for a term of 105 months (the "Loan") with the option of having the rate set at the time of closing (the "Closing"), or in the case of a Loan that closes with a feature that converts the interest rate from a variable rate to a fixed rate to be set at a conversion date (the "Conversion") at the time of Conversion, or (ii) having the rate set prior to Closing or Conversion at the current Future Rate Lock rate (as set forth below)

The principal amount of the loan subject to the Future Rate Lock Rate (the "Rate Lock Principal Balance"): \$5,000,000.00

East Lampeter Sewer Authority chooses the following option.

8 75 Year M&T Bank Cost of Funds in effect on the closing date plus 158 basis points adjusted to a tax - exempt rate

OR

X

Future Rate Lock equal to 3.85%

The Loan has the following scheduled Closing Date, and can be closed, or subject to Conversion at any point prior to such date (the "Rate Lock Termination Date")

March 13, 2023

Rate Lock Termination Language

If the Customer chooses the Future Rate Lock rate set forth above and the Loan does not close for any reason, or in the case of a Loan subject to Conversion, the Loan is prepaid after the Closing but on or before the Rate Lock Termination Date, the Customer agrees to pay a yield maintenance premium if, on the Rate Lock Termination Date, [or in the case of prepayment of a Loan subject to Conversion, on the prepayment date,] the Future Rate Lock rate set forth above exceeds the then existing 8 75 Year M&T Bank Cost of Funds plus 158 basis points. The yield maintenance premium is the present value (using the then existing 8 75 Year Treasury Note rate as a discount rate) of the difference between the Future Rate Lock rate and the 8 75 Year M&T Bank Cost of Funds on the Rate Lock Termination Date plus 158 basis points, multiplied by the Rate Lock Principal Balance for the term of 105 months. If the outstanding principal balance of the Loan as of the Conversion date is less than the Rate Lock Principal Balance, then the Customer agrees to pay the yield maintenance premium as calculated above on the difference between the Rate Lock Principal Balance and the outstanding principal amount at Conversion. Conversely, if the outstanding principal balance of the Loan as of the Conversion date is more than the Rate Lock Principal Balance, then the Customer agrees that the interest rate following Conversion shall be a blended rate with the Future Rate Lock rate applied to the Rate Lock Principal Balance and the then current market 8 75 Year M&T Bank Cost of Funds plus 158 basis points applied to the outstanding principal balance of the Loan in excess of the Rate Lock Principal Balance.

If (a) the Loan Closing, or (b) in the case of a Loan subject to Conversion, the Conversion, does not occur on or before the Rate Lock Termination Date, the Customer will be charged a per diem premium of: \$84.72 from the Rate Lock Termination Date to the Closing or Conversion date.

I have read the above contract and agree to be bound to its terms and conditions.

Name: Ralph Hutchinson

Title: Township Manager

Company: East Lampeter Sewer Authority

Signature: _____

Date: January 12, 2023

Executed By: Michael Shapiro

Relationship Mgr: Dave Worthing