

Borough of Lilly

LILLY, PENNSYLVANIA
ORDINANCE NO. 2010-1

AN ORDINANCE INCREASING THE INDEBTEDNESS OF LILLY BOROUGH, CAMBRIA COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GUARANTEED REVENUE NOTE IN THE MAXIMUM PRINCIPAL AMOUNT OF \$895,000.00 FOR PURPOSES OF THE BOROUGH'S WATER PROJECT FIXING THE FORM, DATES, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENTATION WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO INCUR AND EXCLUDE ADDITIONAL DEBT OF THE GOVERNMENTAL UNIT; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY FOR THE NOTE; PROVIDING FOR THE AUTHORIZED SIGNATORIES AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of the Borough of Lilly, Cambria County, Pennsylvania (hereinafter the "Borough") be increased for the following purpose; design, acquisition and construction of the Borough's Water Project;

WHEREAS, the Borough has received preliminary realistic cost estimates from professional consultants indicating the sum of \$895,000.00 will be needed to complete the project;

WHEREAS, the Pennsylvania Infrastructure Investment Authority ("Pennvest") has approved funding for the Project, subject to the approval of debt proceedings.

WHEREAS, the Borough shall file debt proceedings with the Department of Community and Economic Development to qualify the indebtedness hereafter authorized as self liquidating debt; and

WHEREAS, provided the debt related to the project qualifies as self liquidating, as aforesaid, the proposed increase of debt, together with the Borough's nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the

Borough's debt incurring power, pursuant to constitutional and statutory authority, to be exceeded.

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

SECTION 1. It is necessary that the indebtedness of the Borough of Lilly, Cambria County, Pennsylvania, be increased for the purpose of construction the Project;

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

SECTION 3. Said indebtedness shall be incurred as nonelectoral debt and shall be evidenced by one guaranteed revenue note, in fully registered form in a sum not to exceed \$895,000.00 (the "Pennvest Guaranteed Revenue Note") bearing interest at 1.000% for a period not to exceed twenty years with an additional interest only period during construction not to exceed three years from the date of settlement nor one year after project completion. The form of the Pennvest Guaranteed Revenue Note is set forth in **EXHIBIT A**.

SECTION 4. The PENNVEST Guaranteed Revenue Note is being issued as provided in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act (the "Act"). The PENNVEST Guaranteed Revenue Note shall mature not later than 2023 and shall bear interest at the rate of 1.000%, per annum, payable on the unpaid balances thereof (computed on the basis of a 360 days to the year) until paid. Principal amortization on the PENNVEST Guaranteed Revenue Note shall be as set forth in **EXHIBIT B** and shall commence not later than 2013, which is an estimated date not later than one year after project completion.

The Local Government Unit reserves the right to anticipate any or all installments of principal or any payment of interests at any time prior to the respective payments dates thereof, without notice or penalty.

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

SECTION 5. The PENNVEST Guaranteed Revenue Note is hereby declared to be a general obligation of the Borough. The Borough hereby covenants that it shall include the amount of debt service on the PENNVEST Guaranteed Revenue Note for each fiscal year in which such sums are payable in its budget for that year; shall appropriate such amounts to the payment of such debt service; and shall duly and punctually pay or cause to be paid the principal of the PENNVEST Guaranteed Revenue Note and the interest thereon at the dates and places and in the manner stated in the PENNVEST Guaranteed Revenue Note according to the true intent

and meaning thereof, and for such proper budgeting, appropriation, and payment, the full faith, credit and taxing power of the Borough is hereby irrevocably pledged.

In addition, the Local Government Unit grants to PENNVEST a lien and security interest in all other gross revenues or receipts of the Local Government Unit's water system (the "System") as it now exists and upon completion of the Project, including but not limited to, a security interest in all existing and future accounts, contract rights and general intangibles arising out of its operation of the System. The grant of a lien and security interest created hereby shall be evidenced in the Loan Documents entered into between the Local Government Unit and PENNVEST, as the registered owner of the PENNVEST Guaranteed Revenue Note.

Further, the Local Government Unit hereby covenants to pay in each of the following fiscal years in respect to the PENNVEST Guaranteed Revenue Note, including the principal maturity and interest are set forth in **EXHIBIT B**.

SECTION 6. The PENNVEST Guaranteed Revenue Note shall be executed in the name and under the corporate seal of the Local Government Unit by the President and Mayor and attested to by the Secretary. Each the President and the Treasurer are hereby authorized and directed to deliver the PENNVEST Guaranteed Revenue Note to PENNVEST, and receive payment therefor on behalf of the Local Government Unit. The President and the Secretary of the Local Government Unit are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, including filing any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt.

SECTION 7. 1st National Bank is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and therefor is hereby created and established a Sinking Fund, to be known as "Lilly Borough Sinking Fund 2010 PENNVEST Guaranteed Revenue Note" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the Local Government Unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 8. The President and Secretary of the local government unit are hereby authorized to contract with 1st National Bank for its services as Sinking Fund Depository for the PENNVEST Guaranteed Revenue Note and paying agent for the same.

SECTION 9. In compliance with Section 8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of the Local Government Unit. Therefore, the PENNVEST Guaranteed Revenue Note in the amount not to exceed \$895,000.00, herein authorized to be issued and sold is hereby awarded and sold to PENNVEST (Lender) in accordance with its proposal to purchase the PENNVEST Guaranteed Revenue Note at par; provided it is dated the delivery thereof to the (Lender) and is in the form set forth in this Ordinance as **EXHIBIT A**; and further provided that the proceedings have been approved by the Department of Community and Economic Development if such approval is required under the provisions of the Act. And subject to such further terms and conditions set forth in the PENNVEST Funding Offer attached hereto as **EXHIBIT C** and made a part hereof by reference.

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

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

ORDAINED AND ENACTED this fifth day of January, 2010

BOROUGH OF LILLY

By: Richard Sweeney
- President

Attest: Claudine M. Falger (Seal)
Claudine M. Falger - Secretary

APPROVED, this 5th day of January, 2010

Patrick R. Podrasky
Patrick Podrasky - Mayor

EXHIBIT "A"

**UNITED STATES OF AMERICA
COMMONWEALTH OF**

PENNSYLVANIA

**BOROUGH OF LILLY
LOAN NUMBER 12677**

GUARANTEED REVENUE NOTE

\$895,000.00

Harrisburg, PA

_____, 20__

FOR VALUE RECEIVED, the BOROUGH OF LILLY, a municipality organized and existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") and authorized to enter into this Guaranteed Revenue Note ("Note") by the ordinance dated _____ and Section 405 of the Local Government Unit Debt Act, 53 Pa.C.S. Section 8105, with a business address of 417 Cleveland Street, Lilly, Pennsylvania 15938-1119 ("Maker"), promises to pay to the order of the PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the Commonwealth of

Pennsylvania with an office at 22 South Third Street, Harrisburg, Pennsylvania 17101 ("Payee"), at such office of Payee, or at such other office of Payee or such other place as Payee may designate from time to time in writing, the principal sum of Eight Hundred Ninety-five Thousand Dollars (\$895,000.00) (or so much thereof as has been advanced by Payee to or for the benefit of Maker pursuant to the Loan Agreement (as hereinafter defined)) lawful money of the United States of America, together with interest thereon from the date hereof at the rates hereinafter provided, and both payable as hereinafter provided.

1. Interest Rate. The principal sum outstanding from time to time hereunder shall bear interest at the rate of One Percent (1.000%) per annum for _____ () months (this time period is for the estimated number of months of construction plus the 240 months of repayment of principal and interest) on the loan term. The annual interest rate shall be calculated on the basis of a 360-day year by multiplying the interest rate in effect hereunder by a fraction, the numerator of which is the actual number of days the principal sum is outstanding and the denominator of which is 360.

2. Payments of Interest Only. Interest only on the unpaid principal sum shall be payable in monthly installments on the first day of each calendar month beginning with the first calendar month following a loan advance to or for the benefit of the Maker pursuant to the Loan Agreement and in any event shall end on the earlier of: a) _____, 20___, the calendar month preceding the hereinafter defined Amortization Date or b) the calendar month during which all actions required to complete construction

of the Project under Paragraph 3(a) of the Loan Agreement _____, 20___, the month preceding the hereinafter defined Amortization Date.

3. Payments of Principal and Interest. On the earlier of a) _____, 20___, (the "Amortization Date") or b) the first day of the calendar month beginning with the first calendar month following the completion of all actions required under Paragraph 3 (a) of the Loan Agreement to complete construction of the Project, the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable as follows:

If the Borrower has not completed all actions required under Paragraph 3 (a) of the Loan Agreement to complete construction of the Project prior to _____, 20___, then principal and interest shall be payable in 240 consecutive monthly installments commencing on the first day of each calendar month commencing _____, 20___, and continuing the first day of each calendar month thereafter to and including _____, 20___, the 240 principal and interest payments shall be in the amount of \$4,116.05. On _____, 20___, the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable.

If the Borrower completes all actions required under Paragraph 3(a) of the Loan Agreement to complete construction of the Project prior to _____, 20___, then principal and interest shall be payable in 240 consecutive monthly installments on the first day of each month commencing with the first calendar month following the

completion of all such actions under Paragraph 3(a). On the 240th month, the unpaid principal sum then outstanding and all accrued and unpaid interest shall become due and payable.

4. Prepayments. Maker may not prepay at any time all or any portion of the unpaid principal sum hereunder without first obtaining the prior written consent of the Payee. The Maker shall submit a letter of intent to prepay within fifteen (15) days preceding the first day of the month prior to the month the Maker intends to prepay. If the Payee consents to the Maker's prepayment, the Maker may prepay on the date that is mutually agreed upon by both the Payee and the Maker, all or any portion of the unpaid principal sum hereunder without penalty or premium; provided, however, that:

(a) Any prepayment (whether voluntary or involuntary) shall be applied first to any accrued and unpaid interest hereunder up to the date of such prepayment, then to any other sums which may be payable to Payee under the Loan Documents (as hereinafter defined) up to the date of such prepayment and then to the principal sum hereunder;

(b) Any such prepayment shall be applied to installments due hereunder in the inverse order of their maturity; and

(c) The acceptance of any such prepayment when there is an event of default in existence hereunder shall not constitute a waiver, release or accord and

satisfaction thereof or of any rights with respect thereto by Payee.

5. Security. This Note, and the due performance by Maker of all of its obligations hereunder, is secured by, inter alia, a pledge of all of the gross revenues and receipts generated from or by the System and all other gross revenues and receipts as more fully set forth in sections 2 and 3 of the Loan Agreement of even date between Maker and Payee ("Loan Agreement"), subject to the prior lien of the Pennsylvania Infrastructure Investment Authority as well as the Borrower's full faith and credit and taxing power. Reference is hereby made to the Loan Agreement for a full description of the security and the collateral pledged pursuant thereto, the terms upon which this Note is secured, and the documents with respect hereto (each of which is hereinafter referred to individually as a "Loan Document" and collectively as the "Loan Documents"). Any collateral securing any of Maker's obligations under any of the Loan Documents is hereinafter referred to as "Collateral."

6. Late Charge. In the event that any payment of principal or interest due to Payee hereunder shall not be paid when due and shall remain unpaid in excess of thirty (30) days after the due date, in addition to and not in limitation of any other rights or remedies which Payee may have in respect thereof under any of the Loan Documents or in respect of any Collateral, Maker shall pay Payee on demand a "late charge" computed at the rate of four cents (\$.04) for each dollar (or part thereof) of the amount not paid, to cover the extra expense and inconvenience to Payee in ensuring payment of such delinquent amount. The amount of any such "late charge" not paid promptly following

demand therefor shall be deemed outstanding and payable pursuant to this Note and secured by the Collateral.

7. Events of Default. In addition to any other event referred to herein, the occurrence of which, by the terms hereof, constitutes an event of default hereunder, the occurrence of any one or more of the following events shall constitute an event of default hereunder:

(a) Maker shall fail to make any payment of principal and/or interest due to Payee under this Note or under any of the other Loan Documents when the same shall become due and payable, whether at maturity or by acceleration or otherwise; and/or

(b) Maker shall fail to observe and perform any of the covenants or agreements on its part to be observed or performed under this Note or under any of the other Loan Documents within thirty (30) days after notice from Payee of such noncompliance; and/or

(c) Any representation or warranty of the Maker under this Note or under any of the other Loan Documents shall be untrue in any material respect when made; and/or

(d) Any event of default shall occur under the terms of any of the other Loan Documents.

8. Remedies. Upon the occurrence of any event of default, then the entire unpaid principal sum hereunder plus all interest accrued thereon plus all other sums due and payable to Payee under the Loan Documents shall, at the option of Payee, become due and payable immediately without presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by Maker.

In addition to the foregoing, upon the occurrence of any event of default, Payee may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Payee under any of the Loan Documents or with respect to any Collateral, or available to Payee by law, equity, statute or otherwise.

9. Remedies Cumulative, etc.

(a) No right or remedy conferred upon or reserved to Payee under any of the Loan Documents, or with respect to any Collateral, or now or hereafter existing at law or in equity or by statute or other legislative enactment, is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and concurrent, and shall be in addition to every other such right or remedy, and may be pursued singly, concurrently, successively or otherwise, at the sole discretion of Payee, and shall not be exhausted by any one exercise thereof but may be exercised as often as occasion therefor shall occur. No act of Payee shall be deemed or construed as an

election to proceed under any one such right or remedy to the exclusion of any other such right or remedy; furthermore, each such right or remedy of Payee shall be separate, distinct and cumulative and none shall be given effect to the exclusion of any other. The failure to exercise or delay in exercising any such right or remedy, or the failure to insist upon strict performance of any term of any of the Loan Documents, shall not be construed as a waiver or release of the same or of any event of default thereunder, or of any obligation or liability of Maker thereunder.

(b) The recovery of any judgment by Payee and/or the levy of execution under any judgment upon any Collateral shall not affect in any manner or to any extent the pledge of the borrower's revenues, or any security interest under the Loan Agreement in such Collateral, or any rights, remedies or powers of Payee under any of the Loan Documents or with respect to any Collateral, but such pledge and such security interest, and such rights, remedies and power of Payee shall continue unimpaired as before. Further, the exercise by Payee of its rights and remedies and the entry of any judgment by Payee shall not affect in any way the interest rate payable hereunder or under any of the other Loan Documents on any amounts due to Payee but interest shall continue to accrue on such amounts at the rate specified herein or in such Loan Document.

(c) Maker hereby waives presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, and any and all other notices in connection with any default in the payment of, or any enforcement of the payment of, all amounts due under the Loan Documents. To the extent permitted by law, Maker waives

the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. Maker further waives and releases all errors, defects and imperfections in any proceedings instituted by Payee under the terms of any Loan Document or with respect to any Collateral.

(d) Maker agrees that Payee may release, compromise, forbear with respect to, waive, suspend, extend or renew any of the terms of the Loan Documents (and Maker hereby waives any notice of any of the foregoing), and that the Loan Documents may be amended, supplemented or modified by Payee and the other signatory parties and that Payee may resort to any Collateral in such order and manner as it may think fit, or accept the assignment, substitution, exchange or pledge of any other Collateral in place of, or releases for such consideration, or none, as it may require, all or any portion of any collateral, without in any way affecting the validity of any lien over or other security interest in the remainder of any such Collateral (or the priority thereof or the position of any subordinate holder of any security interest with respect thereto); and any action taken by Payee pursuant to the foregoing shall in no way be construed as a waiver or release of any right or remedy of Payee, or of any event of default, or of any liability or obligation of Maker, under any of the Loan Documents.

10. Costs and Expenses. Following the occurrence of any event of default, Maker shall pay upon demand all costs and expenses (including all amounts paid to attorneys, accountants and other advisors employed by Payee and/or to any contractors for labor and materials), incurred by Payee in the exercise of any of its rights, remedies or

powers under any of the Loan Documents or with respect to any Collateral with respect to such event of default, and any amount thereof not paid on the first business day following demand therefor shall be added to the principal sum hereunder and shall bear interest at the rate of One Percent (1.000%) per annum for _____ () months (this time period is for the estimated number of months of construction plus the 240 months of repayment of principal and interest) on the loan term from the date of such demand until paid in full, and shall be secured by the covenants in the Loan Agreement and all other Collateral. In connection with and as part of the foregoing, in the event that any of the Loan Documents is placed in the hands of an attorney for the collection of any sum payable thereunder, Maker agrees to pay reasonable attorneys' fees for the collection of the amount being claimed under such Loan Document, as well as all costs, disbursements and allowances provided by law, the payment of which sums shall be secured by the covenants in the Loan Agreement and all other Collateral. Nothing in this paragraph shall limit the Maker's obligation to pay costs and expenses for which Maker is already liable under any other Loan Document.

11. Taxes, etc. Maker shall pay the cost of any revenue, tax or other stamps now or hereafter required by the laws of the Commonwealth of Pennsylvania or the United States to be affixed to this Note and if any taxes are imposed under the laws of the Commonwealth of Pennsylvania or the United States with respect to secured debts.

12. Severability. In the event that for any reason one or more of the provisions of this Note or their application to any person or circumstance shall be held to be invalid,

illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

13. Successors and Assigns. This Note inures to the benefit of Payee and binds Maker, and their respective successors and assigns, and the words "Payee" and "Maker" whenever occurring herein shall be deemed and construed to include such respective successors and assigns.

14. Notices. All notices required or desired to be given to either of the parties hereunder shall be in writing and shall be deemed to have been sufficiently given for all purposes when presented personally to such party by receipted mail via overnight courier, certified mail or Electronic Postmarked delivery through the United States Post Office at its address set forth below:

Maker: Borough of Lilly
417 Cleveland Street
Lilly, Pennsylvania 15938-1119
email: _____

Payee: Pennsylvania Infrastructure Investment Authority

22 South Third Street

Harrisburg, Pennsylvania 17101-2105

Attention: Executive Director

email: pmarchetti@state.pa.us

Such notice shall be deemed to be given when received if delivered personally or two (2) days after the date mailed if sent by certified or registered mail. Any notice of any change in such address shall also be given in the manner set forth above. Whenever the giving of notice is required, the giving of such notice may be waived in writing by the party entitled to receive such notice.

15. Definitions; Number and Gender. In the event Maker consists of more than one person or entity, the obligations and liabilities hereunder of each of such persons and entities shall be joint and several and the word "Maker" shall mean all or some or any of them. For purposes of this Note, the singular shall be deemed to include the plural and the neuter shall be deemed to include the masculine and feminine, as the context may require. The references herein to the Loan Documents or any one of them shall include any supplements to or any amendments of or restatements of such Loan Documents or any one of them.

16. Incorporation by Reference. All of the terms and provisions of the Loan Documents, to the extent not inconsistent herewith, are hereby incorporated herein by

reference.

17. Captions. The captions or headings of the paragraphs in this Note are for convenience only and shall not control or affect the meaning or construction of any of the terms or provisions of this Note.

18. Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

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IN WITNESS WHEREOF, Maker has executed this Guaranteed Revenue Note the day and year first above written.

ATTEST:

BOROUGH OF LILLY

(SEAL)

EXHIBIT "B"

AMORTSCH

0.0008333 <month 1.000% <annual periods	240 <months payment	balance	\$895,000.00 <principal principal	interest
1	\$4,116.05	\$891,629.78	\$3,370.22	\$745.83
2		\$888,256.75	\$3,373.03	\$743.02
3 Annual:	\$49,392.65	\$884,880.91	\$3,375.84	\$740.21
4		\$881,502.26	\$3,378.65	\$737.40
5		\$878,120.79	\$3,381.47	\$734.59
6		\$874,736.50	\$3,384.29	\$731.77
7		\$871,349.39	\$3,387.11	\$728.95
8		\$867,959.46	\$3,389.93	\$726.12
9		\$864,566.71	\$3,392.75	\$723.30
10		\$861,171.13	\$3,395.58	\$720.47
11		\$857,772.72	\$3,398.41	\$717.64
12		\$854,371.47	\$3,401.24	\$714.81
13		\$850,967.40	\$3,404.08	\$711.98
14		\$847,560.48	\$3,406.91	\$709.14
15		\$844,150.73	\$3,409.75	\$706.30
16		\$840,738.13	\$3,412.60	\$703.46
17		\$837,322.69	\$3,415.44	\$700.62
18		\$833,904.41	\$3,418.29	\$697.77
19		\$830,483.27	\$3,421.13	\$694.92
20		\$827,059.29	\$3,423.98	\$692.07
21		\$823,632.45	\$3,426.84	\$689.22
22		\$820,202.76	\$3,429.69	\$686.36
23		\$816,770.21	\$3,432.55	\$683.50
24		\$813,334.79	\$3,435.41	\$680.64
25		\$809,896.52	\$3,438.28	\$677.78
26		\$806,455.38	\$3,441.14	\$674.91
27		\$803,011.37	\$3,444.01	\$672.05
28		\$799,564.49	\$3,446.88	\$669.18
29		\$796,114.74	\$3,449.75	\$666.30
30		\$792,662.12	\$3,452.63	\$663.43
31		\$789,206.62	\$3,455.50	\$660.55
32		\$785,748.23	\$3,458.38	\$657.67
33		\$782,286.97	\$3,461.26	\$654.79
34		\$778,822.82	\$3,464.15	\$651.91
35		\$775,355.79	\$3,467.04	\$649.02
36		\$771,885.86	\$3,469.92	\$646.13
37		\$768,413.05	\$3,472.82	\$643.24
38		\$764,937.34	\$3,475.71	\$640.34
39		\$761,458.73	\$3,478.61	\$637.45
40		\$757,977.23	\$3,481.51	\$634.55
41		\$754,492.82	\$3,484.41	\$631.65
42		\$751,005.51	\$3,487.31	\$628.74
43		\$747,515.29	\$3,490.22	\$625.84
44		\$744,022.17	\$3,493.12	\$622.93
45		\$740,526.13	\$3,496.04	\$620.02
46		\$737,027.18	\$3,498.95	\$617.11
47		\$733,525.32	\$3,501.86	\$614.19
48		\$730,020.54	\$3,504.78	\$611.27
49		\$726,512.83	\$3,507.70	\$608.35
50		\$723,002.21	\$3,510.63	\$605.43
51		\$719,488.65	\$3,513.55	\$602.50
52		\$715,972.17	\$3,516.48	\$599.57
53		\$712,452.76	\$3,519.41	\$596.64

AMORTSCH

54	\$708,930.42	\$3,522.34	\$593.71
55	\$705,405.14	\$3,525.28	\$590.78
56	\$701,876.92	\$3,528.22	\$587.84
57	\$698,345.77	\$3,531.16	\$584.90
58	\$694,811.67	\$3,534.10	\$581.95
59	\$691,274.62	\$3,537.04	\$579.01
60	\$687,734.63	\$3,539.99	\$576.06
61	\$684,191.69	\$3,542.94	\$573.11
62	\$680,645.80	\$3,545.89	\$570.16
63	\$677,096.95	\$3,548.85	\$567.20
64	\$673,545.14	\$3,551.81	\$564.25
65	\$669,990.37	\$3,554.77	\$561.29
66	\$666,432.64	\$3,557.73	\$558.33
67	\$662,871.95	\$3,560.69	\$555.36
68	\$659,308.29	\$3,563.66	\$552.39
69	\$655,741.66	\$3,566.63	\$549.42
70	\$652,172.06	\$3,569.60	\$546.45
71	\$648,599.48	\$3,572.58	\$543.48
72	\$645,023.93	\$3,575.55	\$540.50
73	\$641,445.39	\$3,578.53	\$537.52
74	\$637,863.88	\$3,581.52	\$534.54
75	\$634,279.37	\$3,584.50	\$531.55
76	\$630,691.89	\$3,587.49	\$528.57
77	\$627,101.41	\$3,590.48	\$525.58
78	\$623,507.94	\$3,593.47	\$522.58
79	\$619,911.48	\$3,596.46	\$519.59
80	\$616,312.01	\$3,599.46	\$516.59
81	\$612,709.55	\$3,602.46	\$513.59
82	\$609,104.09	\$3,605.46	\$510.59
83	\$605,495.62	\$3,608.47	\$507.59
84	\$601,884.15	\$3,611.47	\$504.58
85	\$598,269.67	\$3,614.48	\$501.57
86	\$594,652.17	\$3,617.50	\$498.56
87	\$591,031.66	\$3,620.51	\$495.54
88	\$587,408.13	\$3,623.53	\$492.53
89	\$583,781.58	\$3,626.55	\$489.51
90	\$580,152.01	\$3,629.57	\$486.48
91	\$576,519.42	\$3,632.59	\$483.46
92	\$572,883.80	\$3,635.62	\$480.43
93	\$569,245.15	\$3,638.65	\$477.40
94	\$565,603.47	\$3,641.68	\$474.37
95	\$561,958.75	\$3,644.72	\$471.34
96	\$558,310.99	\$3,647.76	\$468.30
97	\$554,660.20	\$3,650.79	\$465.26
98	\$551,006.36	\$3,653.84	\$462.22
99	\$547,349.48	\$3,656.88	\$459.17
100	\$543,689.55	\$3,659.93	\$456.12
101	\$540,026.57	\$3,662.98	\$453.07
102	\$536,360.54	\$3,666.03	\$450.02
103	\$532,691.45	\$3,669.09	\$446.97
104	\$529,019.31	\$3,672.14	\$443.91
105	\$525,344.10	\$3,675.20	\$440.85
106	\$521,665.83	\$3,678.27	\$437.79
107	\$517,984.50	\$3,681.33	\$434.72
108	\$514,300.10	\$3,684.40	\$431.65
109	\$510,612.63	\$3,687.47	\$428.58
110	\$506,922.09	\$3,690.54	\$425.51

AMORTSCH

111	\$503,228.47	\$3,693.62	\$422.44
112	\$499,531.77	\$3,696.70	\$419.36
113	\$495,831.99	\$3,699.78	\$416.28
114	\$492,129.13	\$3,702.86	\$413.19
115	\$488,423.19	\$3,705.95	\$410.11
116	\$484,714.15	\$3,709.03	\$407.02
117	\$481,002.03	\$3,712.13	\$403.93
118	\$477,286.81	\$3,715.22	\$400.84
119	\$473,568.49	\$3,718.32	\$397.74
120	\$469,847.08	\$3,721.41	\$394.64
121	\$466,122.56	\$3,724.51	\$391.54
122	\$462,394.94	\$3,727.62	\$388.44
123	\$458,664.22	\$3,730.72	\$385.33
124	\$454,930.39	\$3,733.83	\$382.22
125	\$451,193.44	\$3,736.95	\$379.11
126	\$447,453.38	\$3,740.06	\$375.99
127	\$443,710.20	\$3,743.18	\$372.88
128	\$439,963.91	\$3,746.30	\$369.76
129	\$436,214.49	\$3,749.42	\$366.64
130	\$432,461.95	\$3,752.54	\$363.51
131	\$428,706.28	\$3,755.67	\$360.38
132	\$424,947.48	\$3,758.80	\$357.26
133	\$421,185.55	\$3,761.93	\$354.12
134	\$417,420.48	\$3,765.07	\$350.99
135	\$413,652.28	\$3,768.20	\$347.85
136	\$409,880.94	\$3,771.34	\$344.71
137	\$406,106.45	\$3,774.49	\$341.57
138	\$402,328.82	\$3,777.63	\$338.42
139	\$398,548.04	\$3,780.78	\$335.27
140	\$394,764.11	\$3,783.93	\$332.12
141	\$390,977.02	\$3,787.08	\$328.97
142	\$387,186.78	\$3,790.24	\$325.81
143	\$383,393.39	\$3,793.40	\$322.66
144	\$379,596.83	\$3,796.56	\$319.49
145	\$375,797.10	\$3,799.72	\$316.33
146	\$371,994.21	\$3,802.89	\$313.16
147	\$368,188.15	\$3,806.06	\$310.00
148	\$364,378.92	\$3,809.23	\$306.82
149	\$360,566.52	\$3,812.40	\$303.65
150	\$356,750.94	\$3,815.58	\$300.47
151	\$352,932.18	\$3,818.76	\$297.29
152	\$349,110.23	\$3,821.94	\$294.11
153	\$345,285.10	\$3,825.13	\$290.93
154	\$341,456.79	\$3,828.32	\$287.74
155	\$337,625.28	\$3,831.51	\$284.55
156	\$333,790.58	\$3,834.70	\$281.35
157	\$329,952.68	\$3,837.90	\$278.16
158	\$326,111.59	\$3,841.09	\$274.96
159	\$322,267.30	\$3,844.29	\$271.76
160	\$318,419.80	\$3,847.50	\$268.56
161	\$314,569.09	\$3,850.70	\$265.35
162	\$310,715.18	\$3,853.91	\$262.14
163	\$306,858.06	\$3,857.12	\$258.93
164	\$302,997.72	\$3,860.34	\$255.72
165	\$299,134.16	\$3,863.56	\$252.50
166	\$295,267.39	\$3,866.78	\$249.28
167	\$291,397.39	\$3,870.00	\$246.06

AMORTSCH

168	\$287,524.17	\$3,873.22	\$242.83
169	\$283,647.71	\$3,876.45	\$239.60
170	\$279,768.03	\$3,879.68	\$236.37
171	\$275,885.12	\$3,882.91	\$233.14
172	\$271,998.97	\$3,886.15	\$229.90
173	\$268,109.58	\$3,889.39	\$226.67
174	\$264,216.95	\$3,892.63	\$223.42
175	\$260,321.08	\$3,895.87	\$220.18
176	\$256,421.96	\$3,899.12	\$216.93
177	\$252,519.59	\$3,902.37	\$213.68
178	\$248,613.97	\$3,905.62	\$210.43
179	\$244,705.09	\$3,908.88	\$207.18
180	\$240,792.96	\$3,912.13	\$203.92
181	\$236,877.57	\$3,915.39	\$200.66
182	\$232,958.91	\$3,918.66	\$197.40
183	\$229,036.99	\$3,921.92	\$194.13
184	\$225,111.80	\$3,925.19	\$190.86
185	\$221,183.34	\$3,928.46	\$187.59
186	\$217,251.60	\$3,931.73	\$184.32
187	\$213,316.59	\$3,935.01	\$181.04
188	\$209,378.30	\$3,938.29	\$177.76
189	\$205,436.73	\$3,941.57	\$174.48
190	\$201,491.87	\$3,944.86	\$171.20
191	\$197,543.73	\$3,948.14	\$167.91
192	\$193,592.30	\$3,951.43	\$164.62
193	\$189,637.57	\$3,954.73	\$161.33
194	\$185,679.55	\$3,958.02	\$158.03
195	\$181,718.22	\$3,961.32	\$154.73
196	\$177,753.60	\$3,964.62	\$151.43
197	\$173,785.68	\$3,967.93	\$148.13
198	\$169,814.44	\$3,971.23	\$144.82
199	\$165,839.90	\$3,974.54	\$141.51
200	\$161,862.05	\$3,977.85	\$138.20
201	\$157,880.88	\$3,981.17	\$134.89
202	\$153,896.39	\$3,984.49	\$131.57
203	\$149,908.58	\$3,987.81	\$128.25
204	\$145,917.45	\$3,991.13	\$124.92
205	\$141,923.00	\$3,994.46	\$121.60
206	\$137,925.21	\$3,997.78	\$118.27
207	\$133,924.10	\$4,001.12	\$114.94
208	\$129,919.65	\$4,004.45	\$111.60
209	\$125,911.86	\$4,007.79	\$108.27
210	\$121,900.73	\$4,011.13	\$104.93
211	\$117,886.26	\$4,014.47	\$101.58
212	\$113,868.45	\$4,017.82	\$98.24
213	\$109,847.28	\$4,021.16	\$94.89
214	\$105,822.77	\$4,024.51	\$91.54
215	\$101,794.90	\$4,027.87	\$88.19
216	\$97,763.67	\$4,031.22	\$84.83
217	\$93,729.09	\$4,034.58	\$81.47
218	\$89,691.14	\$4,037.95	\$78.11
219	\$85,649.83	\$4,041.31	\$74.74
220	\$81,605.15	\$4,044.68	\$71.37
221	\$77,557.10	\$4,048.05	\$68.00
222	\$73,505.68	\$4,051.42	\$64.63
223	\$69,450.88	\$4,054.80	\$61.25
224	\$65,392.70	\$4,058.18	\$57.88

EXHIBIT "C"



January 5, 2010 1:12pm
Michael Emerick
(Borrower Legal)

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Online Funding Request

⌚ 30 Minutes remaining

Funding Offer

The funding offer based upon the information submitted for consideration. This offer includes the amount of PENNVEST funding, interest rate, repayment term, as well as the standard terms and conditions that accompany the offer.

You must **accept** the offer in order to continue on to the loan closing checklist and information collection process.

Funding Offer Normal View

Contact: Richard Sweeney **Project Number:** 11105060704-CW **Status:** Loan Closing
Company: Borough of Lilly **Project Title:** Lilly Boro - Water System Improvements

Funding Offer	
Board Approval Date:	10/23/2007
Loan Amount:	895,000.00
Grant Amount:	
Estimated Monthly Payments for 1 through 5 years:	4,116.05
Estimated Monthly Payments for 6 years to Maturity:	4,116.05
Amortization Period In Months:	240
Interest Only plus Amortization Period In Months:	276
Interest rate of loan for 1 through 5 years:	1.000
Interest rate of loan for 6 years to Maturity:	1.000

Collateral

Collateral Requirements: 1. The guaranteed revenue note of Lilly Borough secured by a lien on its water revenues and a pledge of its taxing authority.

Phase	PENNVEST	Local	Total
Administrative	\$0.00		\$0.00
Legal	\$27,000.00		\$27,000.00
Financial/Accounting	\$0.00		\$0.00
Interest	\$13,900.00		\$13,900.00
Engineering	\$114,100.00		\$114,100.00
Permits	\$5,000.00		\$5,000.00
Lands	\$0.00		\$0.00
Construction	\$700,000.00		\$700,000.00
Contingency	\$35,000.00		\$35,000.00
Other	\$0.00		\$0.00
Totals	\$895,000.00	\$0.00	\$895,000.00

Terms and Conditions

GENERAL FINANCIAL TERMS & CONDITIONS

Funding Recipient: For purposes of this Funding Offer, Company may be referred to herein as Funding Recipient.

Funds Availability: Funding Recipient agrees that this Funding Offer is subject to the availability of PENNVEST funds.

Repayment: Funding Recipient agrees to repay PENNVEST in accordance with the terms set forth in this Funding Offer.

Funding Offer Acceptance: Funding Recipient agrees to make every effort to accept this Funding Offer within thirty (30) days from the date the Board approved the funding for this project. In any event, if the

Funding Offer is not accepted within forty-nine (49) days from the date the Board approved the funding for this project, the Funding Offer will be withdrawn unless there are extenuating circumstances which in PENNVEST's sole discretion require an extension.

Settlement Date Funding Recipient agrees to make every effort to confirm the contractual obligations with PENNVEST and to provide consideration for this Funding Offer ("Settlement") within one hundred and eighty two (182) days from the date the Board approved the original funding for this project ("Settlement Date"). In any event, if a Settlement Date does not occur within two hundred and seventy six days (276) days from the date the Board approved the original funding for this project, this Funding Offer will terminate unless there are extenuating circumstances which in PENNVEST's sole discretion require an extension.

Collateral Funding Recipient agrees to secure repayment by providing the collateral set forth in this Funding Offer. Any change to the collateral set forth in the Funding Offer shall require a written request from the Funding Recipient and the consent of PENNVEST.

Revenue Stream Funding Recipient agrees to provide, in a form satisfactory to PENNVEST, evidence that Funding Recipient has a revenue stream sufficient to repay the debt service on the financial assistance provided by PENNVEST, unless PENNVEST has approved the use of other collateral independent of the revenue stream to secure repayment. In any event, Funding Recipient shall provide, in a form satisfactory to PENNVEST, a plan for repayment of the PENNVEST loan. If Funding Recipient is regulated by the Public Utility Commission ("PUC"), Funding Recipient agrees to take all necessary actions to obtain PUC approval of revenue stream rates.

Payment of Costs Funding Recipient agrees, without condition, to pay all reasonable fees, expenses, taxes, costs and charges associated with the financial assistance being provided by PENNVEST, including but not limited to, title insurance premiums and search fees, survey costs, and recording and filing fees, if any.

Additional Information Funding Recipient agrees that PENNVEST can require additional information or documentation and impose further conditions if PENNVEST deems necessary based upon review of the information submitted by the Funding Recipient.

Assignment Funding Recipient agrees not to assign the proceeds from the financial assistance provided by PENNVEST without the prior written consent of PENNVEST. Any attempt at assignment without consent shall be void.

Modification Funding Recipient agrees that no change or modification to this Funding Offer shall be valid unless the Funding Recipient and PENNVEST agree to such change or modification in writing.

Entire Agreement Funding Recipient further agrees that this Funding Offer represents the entire agreement between the parties and to the extent this offer represents an increase funding approval this offer integrates and includes any and all prior or contemporaneous agreements between the parties relating to this project and the prior Funding Offer shall be considered null and void effective the date of this offer.

Survival Funding Recipient agrees that the obligations set forth in this Funding Offer shall survive Settlement on the financial assistance and shall be continuing obligations until all required payments, including applicable interest and fees, have been made in full and all other obligations have been fully completed and discharged.

Outstanding Financial Assistance Funding Recipient agrees that, to the extent that financial assistance requiring repayment was previously provided to funding recipient by the Water Facilities Loan Board or PENNVEST and has not been fully repaid, Funding Recipient is in compliance with obligations under the prior funding documents and is not delinquent on repayment.

Refinancing Funding Recipient shall not use PENNVEST funds to replace long-term financing that has been offered or committed to funding recipient at reasonable rates as of the date of this Funding Offer.

Independent Audits Funding Recipient agrees, if required by PENNVEST, to obtain independent audits of its financial documents and condition and to submit certified copies of such audits to PENNVEST.

Other Obligations Funding Recipient agrees that accepting funding from PENNVEST will not result in a default by Funding Recipient on any other obligation of Funding Recipient, including but not limited to, a default pursuant to the terms of any bond offering, indenture, mortgage, restriction, lease, or other agreement. Funding Recipient agrees to provide PENNVEST with evidence that no such default will occur, in a form satisfactory to PENNVEST, prior to the Settlement Date.

Insurance Funding Recipient agrees to maintain, or cause to be maintained, adequate business insurance coverage on its business assets for the term of the financial assistance including the construction period and to provide PENNVEST with evidence of such insurance, in a form satisfactory to PENNVEST, prior to the Settlement Date. In the event of a Brownfields project, Funding Recipient also agrees to obtain and

cause to be maintained environmental cost cap and remediation liability insurance on terms and conditions satisfactory to PENNVEST. In the event PENNVEST obtains a mortgage as collateral, Funding Recipient also agrees to obtain a lenders title insurance policy and endorsements on terms and conditions acceptable to PENNVEST.

Tax-Exempt Financing Funding Recipient agrees not to report any funding received from PENNVEST as a tax-exempt financing.

Automatic Debit/Credit Funding Recipient agrees to comply with any automated debit or credit system that PENNVEST may institute.

Attorney Funding Recipient agrees to retain an attorney, licensed to practice law in the Commonwealth of Pennsylvania, to provide legal assistance and advice to the Funding Recipient with regard to the terms and conditions of this Funding Offer and to provide the requisite opinions of counsel at Settlement. At Settlement, the Funding Recipient shall furnish to PENNVEST an opinion of the Funding Recipient's counsel, in a form satisfactory to PENNVEST, that, among other things, the Funding Recipient is duly organized and authorized to enter into the transaction; that the transaction and its terms do not violate any rules, regulations, laws, orders or agreements by which the Funding Recipient is bound; that there is no litigation threatened or pending that will affect the Funding Recipient's ability to enter into the transaction or complete this project; and that the Funding Recipient has acquired, and has good and marketable title to, all real property interests necessary to complete this project. The opinion letter will also address any other matters to which PENNVEST wishes the Funding Recipient's counsel to opine.

How to Implement Session As a condition of this Funding Offer, Funding Recipient, its licensed engineer and its attorney shall be required to attend a PENNVEST "How to Implement" training session as soon as practical after Board approval of this Funding Offer and in any event prior to Settlement, unless such condition is expressly waived by PENNVEST.

Funds Disbursement Process As a condition of this Funding Offer, Funding Recipient understands that it will be required to participate in PENNVEST's funds disbursement process.

CONSTRUCTION-RELATED TERMS & CONDITIONS

Construction Start Funding Recipient agrees that construction shall not be initiated prior to the Settlement Date unless Funding Recipient has obtained prior written authorization from PENNVEST.

Engineering Funding Recipient agrees to retain a licensed engineer competent to design and/or implement the project and provide construction oversight. Funding Recipient agrees to provide PENNVEST with evidence of such engineer's agreement, including the engineer's total fee to complete the project, in a form satisfactory to PENNVEST, prior to the Settlement Date.

Continuing Education Funding Recipient agrees to comply with the continuing education requirements set forth in the Pennsylvania Infrastructure Investment Authority Act, March 1, 1988, P.L.82, No. 16, as amended, 35 P.S. § 751.10(j).

Steel Products Funding Recipient agrees to comply with the provisions of the Steel Products Procurement Act, March 3, 1978, P.L. 6, No. 3, 73 P.S. § 1881 et seq., in every construction contract awarded for this project.

Real Estate Prior to Settlement on this Funding Offer, Funding Recipient agrees to acquire all easements, rights-of-way, or other interests in real property needed for the construction of the project, and to have its attorney opine that all real property interests are free and clear of all liens and encumbrances other than those liens and encumbrances which will not adversely interfere with the project. If property interests are being acquired through condemnation and appeal rights have not been waived, PENNVEST will not conduct Settlement until the appeal period has expired and any preliminary objections have been satisfactorily resolved. If PENNVEST assumes an interest in real estate as a part of its collateral securing the PENNVEST funding, Funding Recipient agrees to obtain an appraisal and survey of the real estate and title insurance on the real estate on terms and conditions satisfactory to PENNVEST.

Permits Funding Recipient agrees to obtain all permits needed for the construction of the project prior to Settlement on this Funding Offer. PENNVEST will not conduct Settlement until all appeal periods for such permits have expired. If an appeal is filed, PENNVEST, in its sole discretion, may choose not to conduct Settlement on this Funding Offer until the appeal is satisfactorily resolved.

Compliance Funding Recipient agrees to comply with all local, state and federal statutes, regulations, and permit requirements applicable to the construction of the project and the operation of the project or system of which the project is a component part.

Bid Requirement Funding Recipient agrees that no specification for bids in connection with the project financed by this Funding Offer shall be written in such a manner as to contain proprietary, exclusionary, or discriminatory requirements other than those based upon performance, unless such requirements are necessary to test or demonstrate a specific thing or to provide for necessary interchangeability of parts

and equipment and, if available, Funding Recipient shall include at least two brand names or trade names of comparable quality or utility followed by the words "or equal".

Construction Contracts Funding Recipient agrees to enter into written contracts with parties constructing the project and to require insurance, performance bonds and payment bonds covering the work to be performed. Funding Recipient agrees to provide PENNVEST with evidence of such contracts, insurance and bonds, in a form satisfactory to PENNVEST, prior to the Settlement Date.

Performance Certification On the one-year anniversary of completion of the project, Funding Recipient agrees to provide PENNVEST with certification from a licensed engineer that the design, construction, maintenance and operation of the project system is consistent with the plans and specifications, as approved by PENNVEST and DEP.

Funding Additional Costs of Construction Prior to Settlement on this Funding Offer, Funding Recipient agrees to provide evidence to PENNVEST of all other sources of funding which will be used to finance any portion of the construction costs for this project. Funding Recipient further acknowledges that this Funding Offer does not obligate PENNVEST to finance any increase in the cost of the construction for this project incurred prior to Settlement on this Funding Offer.

MANAGEMENT TERMS & CONDITIONS

Discrimination Funding Recipient agrees not to discriminate on the basis of race, color, religious creed, ancestry, age, sex, natural origin, non-job related handicap or disability, or the use of a guide or support animal because of the blindness, deafness or physical handicap against any individual or independent contractor in activities funded by this Funding Offer, and shall be in compliance with the Pennsylvania Human Relations Act, Oct. 27, 1955, P.L. 744, No. 222, as amended, 43 P.S. § 951 et seq.

Contractor Responsibility Consistent with Commonwealth Management Directive 215.9, Contractor Responsibility Program, dated April 16, 1999, Funding Recipient certifies that neither Funding Recipient nor any contractor or supplier providing services on this project are under suspension or debarment by the Commonwealth of Pennsylvania, any other state, or the federal government. Funding Recipient further certifies that it has no delinquent tax liabilities or other Commonwealth obligations. If any suspension, debarment or delinquent obligation arises during the term of the agreement with PENNVEST for financial assistance, Funding Recipient agrees to notify PENNVEST within 15 days. Moreover, Funding Recipient agrees that failure to provide such notice shall constitute a default of the agreement. Funding Recipient agrees to be responsible for all necessary and reasonable costs incurred by the Office of Inspector General in investigating compliance with this provision when such investigation results in suspension or debarment of Funding Recipient or a contractor providing services on this project.

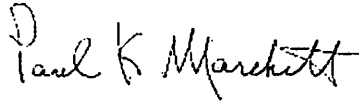
Contractor Integrity Funding Recipient agrees to comply, and to require compliance by any contractors providing services on this project, with the contractor integrity provisions set forth in Management Directive 215.8, Contractor Integrity Provisions for Commonwealth Contracts, dated December 20, 1991.

Inspection/Audit Funding Recipient agrees that PENNVEST, or its agents and representatives, shall have the right to inspect the project and audit the financial condition of Funding Recipient at any and all reasonable times. Funding Recipient further agrees to allow PENNVEST, or its agents and representatives, to examine and make copies of its drawing, plans, books, records, accounting data and other documents pertaining to the project or the financial condition of Funding Recipient.

Default Funding Recipient agrees that PENNVEST, upon the occurrence of any of the following events, may declare Funding Recipient in default and exercise any available rights or remedies as PENNVEST deems necessary and appropriate:

- a. **Material Change.** A material adverse change in conditions represented to PENNVEST at or prior to Settlement on this Funding Offer relating to: (1) the financial condition of the Funding Recipient or any guarantor, (2) the Funding Recipient's ownership interest in or physical condition of the real property required for the project, or (3) the nature/scope of the project; or
- b. **Bankruptcy.** The filing by or against the Funding Recipient or any guarantor of a petition in bankruptcy or insolvency, for reorganization or the appointment of a receiver or trustee; or the making by the Funding Recipient or any guarantor of an assignment for the benefit of creditors, or in the event of any similar act or ordinance.
- c. **Suspension/Debarment.** Failure to notify PENNVEST within 15 days of any suspension or debarment of the Funding Recipient, its contractors or suppliers by the Commonwealth of Pennsylvania, any other state or the federal government, or failure to notify PENNVEST within 15 days of any delinquent tax liability or other Commonwealth obligation of the Funding Recipient.

On behalf of the PENNVEST Board, I, Paul Marchetti, am authorized to make this Funding Offer.



Paul Marchetti
Executive Director, PENNVEST

Disclaimer

PENNVEST recognizes that there may be aspects of this offer that the applicant may need to discuss during the loan closing process. In particular, the applicant may wish to request modifications to some of the terms and conditions contained in this offer. By signing this offer, the applicant is not precluded from raising such issues and making such requests during the loan closing process. PENNVEST will consider the merits of any such issues that the applicant raises during this process.

Signed By: Accepted by Richard Sweeney 11/15/2007 2:07:55 PM

Last modified on 11/15/2007 2:07:55 PM by Richard Sweeney

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