

ANNVILLE TOWNSHIP AUTHORITY

RESOLUTION

Adopted: October 26, 2021

APPROVING THE UNDERTAKING BY THIS AUTHORITY OF A CERTAIN PROJECT REFERRED TO HEREIN FOR THE BENEFIT OF LEBANON VALLEY COLLEGE (THE “COLLEGE”); AUTHORIZING AND DIRECTING THE ISSUANCE OF ITS COLLEGE REVENUE BOND (THE “2021 BOND”) TO FINANCE SUCH PROJECT; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT AMONG THIS AUTHORITY, THE COLLEGE AND FIRST NATIONAL BANK (THE “BANK”); APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF, THE AUTHORITY’S ASSIGNMENT TO THE BANK OF SAID BOND AND LOAN AGREEMENT; SETTING FORTH THE SECURITY FOR THE 2021 BOND; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF, THE 2021 BOND; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF THE 2021 BOND; AUTHORIZING INCIDENTAL ACTION; AND RESCINDING INCONSISTENT RESOLUTIONS.

WHEREAS, the Annville Township Authority (the “**Authority**”) is a body corporate and politic organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§5601-5623, as amended (the “**Act**”); and

WHEREAS, Lebanon Valley College (the “**College**”), has represented to the Authority that it is a Pennsylvania nonprofit corporation and an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), is an eligible educational institution as defined in the Act and is not a theological seminary or school of theology or a sectarian and denominational institution; and

WHEREAS, the College has requested the Authority to assist, solely as conduit issuer and without any liability or obligation to expend public funds, in the financing of a project for the College (the “**Project**”), consisting of (i) the acquisition, construction, renovation, improvement, alteration, equipping and/or furnishing of an approximate 37,000 square foot facility to be used by the College in its nursing and health profession related programs of study; and (ii) the payment of all or a portion of the costs and expenses related to the issuance of the 2021 Bond (hereafter defined); and

WHEREAS, the College has presented to the Authority a plan of financing for the Project (the “**Plan of Finance**”) that contemplates the issuance by the Authority of one or more series of its tax-exempt bonds, payable solely and exclusively from the income and

revenues derived by the Authority from its financing of the Project, in the maximum principal amount of \$16,500,000 (the “**2021 Bond**”) and the lending of the proceeds of the 2021 Bond by the Authority to the College for use by the College for financing the Project, and without recourse for payment of the same against any other moneys, accounts, rights, or other assets of the Authority or against any officer, board member, employee, or agent, past, present or future of the Authority; and

WHEREAS, all costs of the Project not financed by the issuance of the 2021 Bond shall be funded by the College with other moneys or sources of financing available to the College for such purpose, without recourse for payment of the same against the Authority or any officer, board member, employee, or agent, past, present or future, or against any other moneys, accounts, rights or other assets of the Authority; and

WHEREAS, the College has requested the Authority to approve the Plan of Finance for the Project and to agree to finance the Project through the issuance of its 2021 Bond in a maximum principal amount not exceeding \$16,500,000 and to lend the proceeds of such 2021 Bond to the College; and

WHEREAS, the Authority intends to finance the Project by the issuance under the Act of the 2021 Bond payable solely and exclusively from the income and revenues derived by the Authority from its financing of the Project; and

WHEREAS, First National Bank (the “**Bank**”), has heretofore issued to the College its commitment letter dated September 29, 2021 (the “**Commitment**”), to purchase the 2021 Bond, a copy of which shall be a part of the Authority’s records; and

WHEREAS, in connection with the Project, the Authority will enter into a Bond and Loan Agreement (the “**Loan Agreement**”) between the Authority, the Bank and the College, pursuant to which the Bank will purchase from the Authority, and the Authority will issue and sell to the Bank, its 2021 Bond and the Authority will, in turn, loan the proceeds of the 2021 Bond to the College to pay the costs of the Project; and

WHEREAS, pursuant to the Loan Agreement, the College will make periodic loan payments to the Bank as assignee of the Authority in amounts sufficient to pay, *inter alia*, the debt service on the 2021 Bond; and

WHEREAS, as security for the payment of the principal of, and interest on, the 2021 Bond, the Authority will assign to the Bank all of its right, title and interest in and to the Loan Agreement and all amounts payable thereunder (with certain exclusions as set forth in the Loan Agreement) pursuant to a certain assignment (the “**Assignment**”) between the Authority and the Bank; and

WHEREAS, as security for the repayment of the loan and its other obligations under the Loan Agreement, the College shall execute and deliver to the Bank such security documents as the Bank may require; and

WHEREAS, it will be necessary for the College and the Authority (with or without the Bank) to enter into certain agreements and undertakings relative to the tax-exempt

status of the 2021 Bond pursuant to certain tax certificates and agreements (the “**Tax Agreements**”); and

WHEREAS, in connection with the foregoing, certain action is required to be taken by the Authority as a prerequisite to the issuance of the 2021 Bond.

NOW THEREFORE, the **ANNVILLE TOWNSHIP AUTHORITY** hereby adopts the foregoing Recitals and **RESOLVES** as follows:

Section 1. Authorizing Issuance of 2021 Bond. The Authority hereby approves the undertaking of the Project and, for the purposes of providing funds for the Project as hereinabove described, the Authority hereby authorizes and directs the issuance of the 2021 Bond, in the aggregate principal amount not to exceed \$16,500,000 pursuant to the provisions of the Act and subject to the conditions hereinafter set forth. The 2021 Bond shall be issued in fully registered typewritten form.

Section 2. TEFRA Hearing. The Authority acknowledges and affirms that a TEFRA hearing was held on October 26, 2021, on its behalf in connection with Project and the Authority’s issuance of the 2021 Bond. The proper officers of the Authority are hereby authorized and directed to take any and all other actions as may be necessary to qualify the interest on the 2021 Bond for exclusion from net income of the holder thereof under the Internal Revenue Code of 1986, as amended, and under state law.

Section 3. Acknowledgement and Acceptance of Commitment. The Commitment as presented to this meeting (a copy of which shall be filed with the records of the Authority) is hereby acknowledged and accepted by the Authority. The Authority authorizes and directs that the 2021 Bond be issued and sold to the Bank upon the terms and conditions set forth in the Commitment and the Loan Agreement, as fully executed, and shall be delivered to the Bank, upon execution thereof, against receipt of the full purchase price plus accrued interest, if any, and the performance of all other conditions of the Commitment and the Loan Agreement, as fully executed relating to the 2021 Bond.

Section 4. Approval of Loan Agreement; Assignment. The form, terms and conditions of the Loan Agreement, in the form as acceptable to the proper officers of this Authority with the advice of the Authority’s Solicitor and McNeese Wallace & Nurick LLC, bond counsel for the 2021 Bond (“Bond Counsel”) (a copy of which shall be filed with the records of the Authority), are hereby approved. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Loan Agreement in such form, subject to such changes and modifications, if any, as may be approved by the Chairman or Vice Chairman with the advice of the Authority’s Solicitor and Bond Counsel, the execution of the Loan Agreement to be conclusive evidence of such approval, and the Secretary or Assistant Secretary is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same. The Loan Agreement shall thereupon be assigned to the Bank, and all payments, which under the terms of the Loan Agreement are to be made to the Authority as described in the Loan Agreement, will thereby be assigned, transferred, pledged and set over unto the Bank for the purposes and under the provisions of the Loan Agreement. The form of such Assignment is hereby approved and the Chairman or Vice Chairman and the Secretary or Assistant Secretary of

the Authority be and they are hereby authorized and directed to execute and deliver such Assignment on behalf of the Authority.

Section 5. Security for 2021 Bond; Limited Obligation. The 2021 Bond shall be secured pursuant to the Loan Agreement. Under the terms of the Loan Agreement, the loan payments due from the College to the Authority are pledged for the payment of the principal of, and interest on, the 2021 Bond.

The 2021 Bond shall not in any manner pledge the credit or taxing power of the United States of America, or the Commonwealth of Pennsylvania (the “**Commonwealth**”), or of any political subdivision thereof (including the County of Lebanon and the Township of Annville), nor shall it be deemed to be an obligation of the United States of America, or the Commonwealth or any political subdivision thereof (including the County of Lebanon and the Township of Annville) nor shall said United States nor Commonwealth nor any political subdivision thereof (including the County of Lebanon and the Township of Annville) be liable for the payment of the principal or redemption price of and purchase price, and interest on, the 2021 Bond, but it shall be a limited obligation of the Authority payable solely from the property and moneys pledged therefor as set forth in the Loan Agreement. No recourse shall be had for the payment of principal, the redemption price, purchase price or interest on the 2021 Bond or for any other claim based on the 2021 Bond, or Loan Agreement against the Authority or any successor body, against any officer, board member, employee or agent of the Authority, past, present or future, or against any other monies, accounts, rights or other assets which the Authority may possess. The liability and undertaking of the Authority contemplated by this Resolution shall be strictly limited as provided by the Act.

Section 6. Terms of 2021 Bond, Execution, Authentication and Delivery Thereof. The 2021 Bond shall initially be dated the date of their issuance and delivery, and shall bear interest, be payable in installments, mature and be subject to prepayment, all as set forth in the Loan Agreement, as executed, and shall be in fully registered typewritten form in the maximum aggregate principal amount of \$16,500,000.

Payment of the principal of, and interest on, the 2021 Bond shall be made to the registered owner thereof in the manner and at the times set forth therein.

The 2021 Bond shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and shall have the corporate seal or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority and such officers are hereby authorized and directed to execute, or cause to be executed, the 2021 Bond in such manner and to deliver the same in accordance with the provisions of the Loan Agreement.

Section 7. Disposition of Bond Proceeds. The Authority, upon receipt of the net proceeds of the 2021 Bond, and upon receipt of directions from the College, shall cause the net proceeds of the 2021 Bond to be deposited, consistent with the directions of the College, with the Bank. Following receipt of the net proceeds of the 2021 Bond and the deposit of those net proceeds with the Bank, consistent with the directions of the College, neither the Authority nor any officer, board member, employee, or agent, past, present or future, of the Authority, shall

have any liability to the College for the receipt of the net proceeds of the 2021 Bond, or for the deposit of those net proceeds, so long as occurring consistent with the directions of the College, or for the investment or disbursement of these funds. Further, the College agrees to indemnify and hold the Authority and any officer, board member, employee and agent, past, present or future, of the Authority, harmless from any claim, demand, liability or litigation of any type, including any damages, including attorneys' fees, arising out of the investment or disbursement of these funds.

Section 8. Liability of the Authority. No covenant, stipulation, obligation or agreement contained in this Resolution, the Loan Agreement, the 2021 Bond, or other related and appropriate documents shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the 2021 Bond shall be liable personally on the 2021 Bond, or be subject to any personal liability or accountability by reason of the issuance of the 2021 Bond.

Section 9. Authorizing Incidental Action. The proper officers of the Authority are hereby authorized, empowered and directed on behalf of the Authority to execute any and all papers and documents, including but not limited to appropriate financing statements, Tax Agreements, closing certificates, assignments, and other appropriate security documents, and all other documents, and to do or cause to be done any and all acts and things necessary or proper for the execution or carrying out of the purposes of this Resolution, and in connection with the execution of the Loan Agreement, and the issuance, sale and delivery to the Bank of the 2021 Bond.

Section 10. Appointment of Bond Counsel. This Authority hereby confirms its appointment of the firm of McNees Wallace & Nurick LLC, Harrisburg, Pennsylvania, to serve as Bond Counsel for the 2021 Bond, and hereby acknowledges and consents to such firm's representation of the College, as well, in connection with the Project and the 2021 Bond.

Section 11. Payment of Fees and Expenses. The Authority understands that all fees and expenses in connection with the Project and the issuance of the 2021 Bond shall be paid by the College.

Section 12. Approval by Commissioners. The authorizations contained in this Resolution are subject, further, to the adoption by the Board of Commissioners of the Township of Annville, Lebanon County, Pennsylvania, of an appropriate resolution, in form and substance acceptable to the Authority's Solicitor and Bond Counsel, as to said elected officials' approval of the issuance of the 2021 Bond in compliance with certain provisions of the Code, to the extent such items have not been previously obtained.

Section 13. Rescinding Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby rescinded, canceled and annulled.

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DULY RESOLVED this 26th day of October, 2021, by the Board of the Authority in lawful session duly assembled.

ANNVILLE TOWNSHIP AUTHORITY

Attest: _____
(Assistant) Secretary

By: _____
(Vice) Chairman

[AUTHORITY SEAL]

I, the undersigned, (Assistant) Secretary of the Authority, certify that: the foregoing is a true and correct copy of a resolution of the Authority which was duly adopted by affirmative vote of a majority of the members of the Authority present at a meeting duly held on the 26th day of October, 2021, and such resolution remains in effect, unaltered and unamended, as of the date hereof.

I further certify that the Authority met the advance notice, agenda, and public comment requirements of the Sunshine Act, 65 Pa.C.S. §701 *et seq.*, by advertising the date of said meeting, by posting prominently a notice of said meeting at the principal office of the Authority or at the public building in which said meeting was held, by describing this resolution in the agenda for said meeting, by posting said agenda at the location of the meeting and at the Authority's principal office, by making copies of said agenda available for individuals attending said meeting, and by providing a reasonable opportunity for public comment at said meeting prior to adopting such resolution.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Authority this 26th day of October, 2021.

[AUTHORITY SEAL]

(Assistant) Secretary