

LINE OF CREDIT NOTE

\$1,500,000.00

OCTOBER , 1991

FOR VALUE RECEIVED, RUSH TOWNSHIP, a body corporate and politic organized and existing as a Second Class Township under the laws of the Commonwealth of Pennsylvania with an office or principal place of business located at RD#1, Box 1326, Tamaqua, Schuylkill County, Pennsylvania 18252 ("Maker"), promises to pay to the order of THE CITIZENS NATIONAL BANK, a corporation organized and existing under the laws of the United States of America with an office or principal place of business located at 13 West Ridge Street, Lansford, Carbon County, Pennsylvania 18232-0128 ("Payee"), the principal sum of ONE MILLION FIVE HUNDRED THOUSAND (\$1,500,000.00) DOLLARS, lawful money of the United States of America, together with interest as hereinafter provided from the date of this Note.

The "maturity date" as used herein shall be the earlier of April 1, 1992, or six (6) months from the date of the initial disbursement under and pursuant to this Note and the Loan Agreement. The "interest rate" as used herein shall be five and nine-tenth (5.90%) per cent per annum. Interest shall be computed on the outstanding principal balance for the actual number of days elapsed, including the date of payment, at a daily rate based upon a year of three hundred sixty (360) days.

1. Principal shall be payable on the maturity date. Until the maturity date, interest at the interest rate shall be payable in accordance with quarterly invoices issued by the Payee to Maker at the end of each calendar quarter. Notwithstanding any other provisions hereof, all principal due on said loan, together with accrued interest thereon, shall be paid in full on the maturity date.

2. If any day when a payment of principal and/or interest shall be due shall be a Saturday, Sunday or Holiday, the payment shall be made no later than the next succeeding business day. All payments shall be payable at the Office of the Payee, at 13 West Ridge Street, Lansford, Pennsylvania, 18232-0128, or at such other place as Payee may designate to Maker in writing from time to time.

3. The Maker shall have the privilege, without premium or penalty, at any time and from time to time, of prepaying this Note in whole or in part, provided that each prepayment shall be accompanied by accrued interest on the amount prepaid. No partial prepayment shall postpone or interrupt payments of future installments of principal and/or interest, which shall continue to be due and payable thereafter until payment hereof in full.

4. This Note is secured by a security interest to Payee of the revenues of the Maker to be generated from the operation of a sewage collection system in the Lake Hauto Section of the Township.

This Note, the Guaranty, and all other documents executed in connection with this loan will be referred to herein collectively as the "Loan Documents".

5. Each of the following events is hereby defined as, and is declared to be and to constitute, an "Event of Default":

(a) Failure by the Maker to make the payments required to be made hereunder on or before the fifteenth (15th) day after the date when due; or

(b) Failure by the Maker to pay any other amount required by the Loan Documents, including late charges, upon ten (10) days written notice to do so.

(c) Failure by the Maker to observe and perform any other covenant, condition or agreement hereunder or under the Loan Documents on its part to be observed or performed for a period of thirty (30) days after receipt of written notice, specifying such failure and requesting that it be remedied, which notice shall be given to the Maker by the Payee; provided that if Maker shall in the reasonable discretion of Payee then be diligently pursuing a remedy for such condition within such thirty (30) day period, an additional thirty (30) days shall be granted to cure such default.

Upon the occurrence of an Event of Default, which is not corrected within the time provided, Payee, at its option and upon notice to Maker, may declare this Note to be due and payable, whereupon the entire unpaid balance of principal, together with accrued interest thereon, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived, anything herein or in the Loan Documents to the contrary notwithstanding.

6. UPON AN EVENT OF DEFAULT HEREUNDER OR UNDER THE LOAN DOCUMENTS, MAKER HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE, TO APPEAR AT ANY TIME THEREAFTER FOR MAKER IN ANY ACTION BROUGHT AGAINST MAKER ON THIS NOTE AT THE SUIT OF PAYEE, WITH OR WITHOUT DECLARATION FILED, AS OF ANY TERM, AND THEREIN TO CONFESS OR ENTER JUDGMENT AGAINST MAKER FOR THE ENTIRE UNPAID PRINCIPAL OF THIS NOTE AND ALL OTHER SUMS PAYABLE BY PAYEE TO OR ON BEHALF OF MAKER PURSUANT TO THE TERMS OF THIS NOTE OR THE LOAN DOCUMENTS, AND ALL ARREARAGES OF INTEREST THEREON, TOGETHER WITH COSTS OF SUIT, INCLUDING A REASONABLE

ATTORNEY'S FEE FOR COLLECTION; AND FOR SO DOING THIS NOTE OR A COPY HEREOF VERIFIED BY AFFIDAVIT SHALL BE A SUFFICIENT WARRANT. THE AUTHORITY GRANTED HEREIN TO CONFESS JUDGMENT SHALL NOT BE EXHAUSTED BY ANY EXERCISE THEREOF BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL PAYMENT IN FULL OF ALL THE AMOUNTS DUE HEREUNDER.

7. The remedies of Payee as provided herein or in the Loan Documents and the warranties contained herein or in the Loan Documents shall be cumulative and concurrent; may be pursued singly, successively or together at the sole discretion of Payee; may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

8. Except as herein specifically otherwise provided, Maker and all endorsers, sureties and guarantors hereby jointly and severally waive presentment for payment, demand, notice of demand, notice of non-payment or dishonor, protest and notice of protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and they agree that the liability of each of them shall be unconditional, without regard to the liability of any other party, and shall not be affected in any manner by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Payee. Maker and all endorsers, sureties and guarantors consent to any and all extensions of time, renewals, waivers or modifications that may be granted by Payee with respect to the payment or other provisions of this Note, and to the release of the collateral or any part thereof, with or without substitution, and agree that additional makers, endorsers, guarantors or sureties may become parties hereto without notice to them or without affecting their liability hereunder.

9. Payee shall not be deemed, by any act or omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Payee, and then only to the extent specifically set forth in the writing. A waiver on one event shall not be construed as continuing or as a bar to or waiver of any right or remedy on a subsequent event.

10. This instrument shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania.

11. By acceptance hereof, Payee and any subsequent holder hereof agree that all notices required to be given to Maker shall be deemed given and received on the date of service if personally served or if mailed, three (3) days after such notice is deposited in the United States Mails, sent registered or certified mail, postage and all registration or certification fees prepaid, return

receipt requested, addressed to Maker at the address set forth in the introductory paragraph hereof, or to such other address, or in care of such other party, as Maker shall designate to Payee or such holder by due notice in accordance with the manner herein specified to Payee or such holder at the address designated herein for payment of sums due hereunder.

IN WITNESS WHEREOF, Maker, intending to be legally bound hereby, has caused this Note to be duly executed the day and year first above written.

BOARD OF SUPERVISORS
OF RUSH TOWNSHIP

By: George A. Pimley
Chairman

ATTEST:

Carol Ann Upst
Secretary