



Borough of Mount Penn

"The Friendly Borough"

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July 8, 2026

Mount Penn Borough Municipal Authority
Attn: Joseph Boyle, M.Ed.
200 N. 25th Street
Reading, PA 19606

Dear Joe,

Thanks for taking the time to chat this afternoon. As I said during the call, the email your attorney sent seemed to contradict where I thought we were as a group. Appreciate you helping clear that up.

I am very happy to see we have a deal provided the Authority can satisfy itself that a conveyance leaseback is legal. In light of that, I've asked our lawyers to prepare a draft lease for all of us to review ASAP so we can meet the July 28 deadline to wrap the lease up.

As far as the "yellow brick road" to show the conveyance leaseback is legal, I am certain your attorneys can figure that out. Nonetheless, I would call your attention to the Municipal Authority Act which explicitly permits a founder (ie the Borough) to take this action. I know your attorney keeps questioning whether we can satisfy the obligations but that seems very disingenuous. We both know the Borough can borrow the money needed to cover the Authority's obligations, and even refinance the Pennvest loan if Pennvest decides it won't continue funding its loan after the conveyance leaseback (which by the way, seems less of an issue based upon the email we got from Pennvest's attorney last week).

In addition to the Act, there is the famous PGW case which affirms the concept and in reliance upon that case numerous communities have and continue to enter into conveyance leasebacks throughout Pennsylvania. Two examples are RAWA and Shillington which have both been previously provided (and been in place for years). Seems pretty clear to me that if those leases were illegal, they would have been overturned years ago. Same for the many other leases out there. Nonetheless, In an effort to help you down the golden brick road, I'm attaching the PGW case and another copy of both of those leases.

Joe, between the Act, the PGW case, the leases and the attorneys the Authority has hired, I have to believe the Authority can satisfy itself this is legal. Not sure there is anything else the Borough can do. The Authority and its attorneys need to review and decide.

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In light of all this, I see no point in meeting tomorrow night. The time is probably better spent having the Authority and its attorneys review the stuff I sent plus anything else out there it needs to see if the Authority can get comfortable. If it does, great we will send a draft lease. If it doesn't, fine then we can go to court and a judge will tell us. At this point we need an answer. I'm not sure the Borough will wait much longer so if you could let me know by next Monday what the Authority has decided, that would be appreciated and we can all move on either way.

Thanks again Joe. I appreciate your efforts and truly think we are past all this lawyer stuff, but respect the decision is in the Authority's hands now.

Sincerely,

Ryan Thirlwall Maurer
Borough Mayor