

BOROUGH OF PENNSBURG
MONTGOMERY COUNTY, PENNSYLVANIA

ORDINANCE NO. 1-2024

AN ORDINANCE AUTHORIZING THE INCURRENCE OF NONELECTORAL DEBT OF THE BOROUGH OF PENNSBURG, MONTGOMERY COUNTY, PENNSYLVANIA, BY THE ISSUANCE OF UP TO \$2,309,700 GENERAL OBLIGATION NOTE, SERIES OF 2024 (THE "NOTE"); BRIEFLY DESCRIBING THE PURPOSE FOR WHICH THE DEBT IS TO BE INCURRED; DETERMINING TO SELL THE NOTE AT A PRIVATE NEGOTIATED SALE; APPROVING THE FORM OF THE NOTE; FIXING THE DATE, INTEREST AND MATURITY OF THE NOTE; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF REQUIRED DOCUMENTS; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITARY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF, AND OTHER NECESSARY ACTION.

WHEREAS, the Borough Council (the "Borough Council") of the Borough of Pennsburg (the "Borough") being the governing body of the Borough has invited QNB Bank, Quakertown, Pennsylvania (the "Bank"), to present a proposal for the purchase at private sale of its General Obligation Note, Series of 2024, in the initial principal amount of \$2,309,700 (the "Note"); and

WHEREAS, the Bank has presented a proposal for the purchase of the Note (the "Commitment Letter") as hereinafter stated and the Borough Council desires to accept said proposal; and

WHEREAS, the Borough intends to use the proceeds of the Note to provide funds for the (i) engineering, design, rehabilitation and construction of improvements to the Borough's Borough Hall, (ii) engineering, design, demolition, renovation and construction of improvements to the Borough's Public Works Garage, (iii) engineering, design and construction of improvements to the Borough's Pole Building, (iv) such other capital projects of the Borough as may be approved from time to time, and (v) costs and expenses in connection with the issuance of the Note (subsections (i) through (v) collectively the "2024 Project"); and

WHEREAS, the Borough has obtained realistic cost estimates through actual bids, option agreements or professional estimates from registered architects, professional engineers, financial advisors or other persons qualified by experience to make such estimates, and has determined that the costs of such 2024 Project, as such costs are defined in Section 8007 of the Act (as hereinafter defined), will be approximately \$2,309,700 which estimates have been presented to and approved by the Borough Council concurrently with this Ordinance; and

WHEREAS, the estimated completion date of the 2024 Project is [December 31, 2025];
and

WHEREAS, the Borough has been informed that the United States Department of Agriculture ("USDA") will provide permanent financing for the 2024 Project through a Community Facilities Direct Loan as set forth in a Letter of Conditions from the USDA (the "USDA Loan"); and

WHEREAS, under the terms of the USDA Loan, the Borough must pay for and finance the costs of the 2024 Project and the USDA will provide take-out financing to the Borough after construction is completed; and

WHEREAS, the Note is intended to provide interim financing to the Borough for the 2024 Project, with such Note to be paid off with the proceeds from the USDA Loan; and

WHEREAS, the Borough desires to authorize the issuance of the Note for the purposes recited herein and other necessary action; and

WHEREAS, the proposed increase of debt, together with its other 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 Council of Borough Pennsburg, Montgomery County, Pennsylvania, as follows:

Section 1. The Borough Council hereby authorizes the incurrence of indebtedness by the Borough, pursuant to the Local Government Unit Debt Act, 53 Pa. C.S. §8001 et. seq., as amended (the "Act") in the aggregate principal amount of up to \$2,309,700 for the purpose of providing funds for and toward the costs of the 2024 Project. A listing of the component parts of the 2024 Project and their estimated costs has been presented to Borough Council.

Section 2. It is hereby stated that a realistic estimated useful lives of the component parts of the 2024 Project are as follows:

- a. Construction of improvements to the Borough's Borough Hall is in excess of 40 years.
- b. Construction of improvements to the Borough's Public Works Garage is in excess of 40 years.
- c. Construction of improvements to the Borough's Pole Building is in excess of 40 years.

It is hereby certified that an aggregate principal amount of the Note at least equal to the realistic estimated cost of the 2024 Project shall mature prior to the end of the useful life of the 2024 Project.

Section 3. The Borough shall issue, pursuant to this Ordinance, the Note, a General Obligation Note, Series of 2024, in the aggregate principal amount of up to \$2,309,700, to finance the indebtedness authorized above.

Section 4. It is hereby stated that the Borough Council has discussed the merits of alternative methods of selling the Borough's Note and has determined that a private, negotiated sale of the Note is in the best interest of the Borough.

Section 5. The indebtedness authorized by this Ordinance is non-electoral debt.

Section 6. Closing on the Note and the transactions contemplated thereby is anticipated to occur on or about April 8, 2024. The Note shall be a draw-down note and the Borough shall have the right to draw on the Note, from time to time, for the payment of costs of the 2024 Project. The Note shall bear interest on amounts drawn and unpaid at the Bank's "Bank Qualified Tax Exempt Rate" in effect as of the date of Closing, but in any event at a rate not to exceed 5.0% per annum. The Note shall mature on or about September 30, 2025. Principal is payable upon the earlier of maturity, upon receipt of proceeds of the USDA Loan, or at any time prior during the term of the Note. Interest is payable monthly on the last day of each month beginning on or about April 30, 2024. The Note shall be prepayable by the Borough in whole or in part at any time without premium or penalty.

The maximum annual debt service is set forth on the schedule attached hereto as Exhibit A. The actual debt service payable by the Borough may be less than shown, depending on the amount and timing of the draws on said Note and the interest charged in accordance with the Note. Principal significantly in excess of the costs of said portions of the 2024 Project will mature on the Note before the expiration of the estimated useful lives of said portions of the 2024 Project.

Section 7. The Note is hereby declared to be a general obligation of the Borough. The Borough hereby covenants that the Borough shall include the amount of the debt service on the 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 Note and the interest thereon at the dates and places and in the manner stated in the 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, as well as the Borough's revenues, is hereby irrevocably pledged. The covenants set forth in this paragraph are specifically enforceable.

Section 8. The form of the Note shall be substantially as set forth on Exhibit B attached hereto and made a part hereof with such modifications as the officers executing such Note shall approve, their execution of said Note to be conclusive evidence of such approval.

Section 9. The Note shall be executed in the name and under the corporate seal of the Borough by the President (or Vice President) of Borough Council and attested to by the Secretary of the Borough. The Borough Secretary is hereby authorized and directed to deliver

said Note to the Bank, and receive payment therefor on behalf of the Borough. The President (or Vice President) of Borough Council and Secretary of the Borough, or any one of such officers alone, are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act, and to take other actions, and execute all such other documents as may be necessary or appropriate to effect the issuance and sale of the Note in accordance with the Commitment Letter, this Ordinance, and the Act, including, if necessary or desirable, any statements required to qualify any portion of the debt from the appropriate debt limit as self-liquidating or subsidized debt, and to designate the Note as "qualified tax exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986 and prepare and execute such documents as may be necessary to accomplish such designation.

Section 10. The Borough covenants that there shall be established and there is hereby established a Sinking Fund (the "Sinking Fund") for the payment of the Note hereby authorized, said fund to be known as "Sinking Fund - Borough of Pennsburg, General Obligation Note, Series of 2024" with the bank or bank and trust company selected as hereinafter set forth as sinking fund depository. The Borough Secretary shall pay into the appropriate Sinking Fund, which shall be maintained until such Note are paid in full, the amounts required pursuant to the covenant contained in Section 7 hereof, and to be provided for in the appropriation to be made by the Borough for the purpose of making payments of principal and interest due on the Note. The Paying Agent is hereby authorized and directed to pay from the Sinking Fund the principal of, and interest on, the Note as the same become due and payable in accordance with the terms thereof and the Borough hereby covenants that such moneys, to the extent required, will be applied to such purpose.

Section 11. The Bank is hereby appointed Paying Agent and Sinking Fund Depository for the Note, and the President of the Borough Council and Secretary of the Borough are hereby authorized to contract with a bank or bank and trust company for its services as sinking fund depository and paying agent for the Note if such additional services shall be necessary or advisable.

Section 12. The Note in the aggregate principal amount of \$2,309,700, as herein described is hereby awarded and sold, by private sale, to the Bank. at the price and in accordance with the other terms and conditions contained in the Commitment Letter which is hereby accepted. A copy of said Commitment Letter dated February 9, 2024, from the Bank, is attached hereto as Exhibit C.

Such award and sale is conditional, however, upon the following: (a) all provisions of this Ordinance becoming effective; (b) the approval of the Department of Community & Economic Development of the Commonwealth of Pennsylvania for the issuance of the Note; (c) and the approval of any other governmental agency, the approval of which is determined to be necessary by Note Counsel or the Borough's Solicitor.

Section 13. The Borough will not assume the payment of any taxes in consideration of the purchase of the Note.

Section 14. The Borough covenants with the Bank, and subsequent registered owners of the Note, that no part of the proceeds of the Note shall at any time be used directly or indirectly to acquire securities or obligations, the acquisition of which would cause the Note to be "arbitrage bonds" as defined in subsection (a) of Section 148 of the Internal Revenue Code of 1986, as amended, or under any similar statutory provisions, or any currently enacted rule or regulation promulgated thereunder or under former Section 103(c) of the Internal Revenue Code of 1954 with the effect that interest on the Note would no longer be exempt from federal income taxes. The Borough further covenants that it will promptly and timely comply with the reporting and filing requirements of Section 149(e) of the Internal Revenue Code of 1986, and regulations issued thereunder.

Section 15. The President or Vice President of the Borough Council or either one of them is hereby authorized to enter into an agreement with the Bank providing for the confirmation and acceptance of the appointments herein made as Paying Agent and Sinking Fund Depository for the Note, for its compensation in such capacities, for the administration of the Sinking Fund and for such other matters as counsel may recommend be included in the Agreement and as the officers may approve by their execution of the Agreement. The above officials are further authorized to contract with the Bank or one or more other banks or bank and trust companies, to the extent deemed necessary or advisable, for additional services as trustee, fiscal agent, sinking fund depository or paying agent.

Section 16. The Borough covenants that it has not, and will not, without prior written consent of the Bank, designate obligations other than the Note as "qualified tax exempt obligations" under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, which obligations, when combined with the Note, would result in more than \$10,000,000 of obligations designated by the Borough as "qualified tax-exempt obligations" having been issued during the 2024 calendar year.

Section 17. The action of the Borough Secretary in advertising a summary of this Ordinance as required by law in the *Times Herald* on March 7, 2024, is ratified and confirmed and the Borough Secretary is directed to advertise in the *Times Herald* within 15 days following the day of final enactment, a notice of the enactment of this Ordinance.

Section 18. In case any one or more of the provisions contained in this Ordinance or in the Note issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of said Note, and this Ordinance or said Note shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

Section 19. The Borough hereby appoints Barley Snyder LLP, Reading, Pennsylvania, as Note Counsel for the Note.

Section 20. This Ordinance is enacted pursuant to, and the Note issued hereunder shall be issued subject to, the provisions of the Act and all of the mandatory provisions thereof shall apply and be deemed incorporated herein by reference whether or not explicitly stated herein.

Section 21. This Ordinance constitutes a contract with the Bank or subsequent registered owners of the Note and shall be enforceable in accordance with the provisions of the laws of the Commonwealth of Pennsylvania.

Section 22. If any one or more of the provisions contained in this Ordinance or in any Note issued pursuant hereto shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Ordinance or of the and this Ordinance and the Note shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained therein.

Section 23. All ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

Section 24. The appropriate officers of the Borough are authorized and directed to execute and, if appropriate, file and deliver any and all documents and take any action necessary or appropriate for the consummation of the transactions contemplated by this Ordinance.

[Signature Page Follows]

THIS ORDINANCE enacted the 12th day of March, 2024.

BOROUGH OF PENNSBURG

By: *FM Sisk*
President of Borough Council

Attest: *Don M. Ditz*
Secretary

(SEAL)

The foregoing Ordinance adopted by the Borough Council of the Borough of Pennsburg is hereby approved this 12th day of March, 2024.

Charles Slattery
Mayor of the Borough of Pennsburg

EXHIBIT A
AMORTIZATION SCHEDULE

10813899.1

Borough of Pennsburg

Computation Interval: Exact Days

Nominal Annual Rate: 4.550%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	02/29/2024	2,309,700.00	1		
2 Payment	03/31/2024	Interest Only	23	Monthly	01/31/2026
3 Payment	02/28/2026	2,317,873.77	1		

TValue Amortization Schedule - U.S. Rule, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	02/29/2024				2,309,700.00
1	03/31/2024	9,049.53	9,049.53	0.00	2,309,700.00
2	04/30/2024	8,757.61	8,757.61	0.00	2,309,700.00
3	05/31/2024	9,049.53	9,049.53	0.00	2,309,700.00
4	06/30/2024	8,757.61	8,757.61	0.00	2,309,700.00
5	07/31/2024	9,049.53	9,049.53	0.00	2,309,700.00
6	08/31/2024	9,049.53	9,049.53	0.00	2,309,700.00
7	09/30/2024	8,757.61	8,757.61	0.00	2,309,700.00
8	10/31/2024	9,049.53	9,049.53	0.00	2,309,700.00
9	11/30/2024	8,757.61	8,757.61	0.00	2,309,700.00
10	12/31/2024	9,049.53	9,049.53	0.00	2,309,700.00
2024 Totals		89,327.62	89,327.62	0.00	
11	01/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
12	02/28/2025	8,173.77	8,173.77	0.00	2,309,700.00
13	03/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
14	04/30/2025	8,757.61	8,757.61	0.00	2,309,700.00
15	05/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
16	06/30/2025	8,757.61	8,757.61	0.00	2,309,700.00
17	07/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
18	08/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
19	09/30/2025	8,757.61	8,757.61	0.00	2,309,700.00
20	10/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
21	11/30/2025	8,757.61	8,757.61	0.00	2,309,700.00
22	12/31/2025	9,049.53	9,049.53	0.00	2,309,700.00
2025 Totals		106,550.92	106,550.92	0.00	
23	01/31/2026	9,049.53	9,049.53	0.00	2,309,700.00

Borough of Pennsburg

Date	Payment	Interest	Principal	Balance
24 02/28/2026	2,317,873.77	8,173.77	2,309,700.00	0.00
2026 Totals	2,326,923.30	17,223.30	2,309,700.00	
Grand Totals	2,522,801.84	213,101.84	2,309,700.00	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
4.550%	\$213,101.84	\$2,309,700.00	\$2,522,801.84

EXHIBIT B

FORM OF NOTE

BOROUGH OF PENNSBURG
MONTGOMERY COUNTY
COMMONWEALTH OF PENNSYLVANIA
UNITED STATES OF AMERICA

General Obligation Note, Series of 2024

Dated: [April 8, 2024]

Maturity: [April 8, 2026]

Principal Amount:
\$2,309,700.00

KNOW ALL MEN BY THESE PRESENTS, that the Borough of Pennsburg (the "Borough"), County of Montgomery, Commonwealth of Pennsylvania, for value received and intending to be legally bound, hereby acknowledges itself indebted and promises to pay to the order of QNB Bank (the "Bank"), or its registered assigns, the sum of Two Million Three Hundred Nine Thousand Seven Hundred and 00/100 Dollars (\$2,309,700.00), or such lesser amount as is actually drawn down, with interest on the unpaid principal balance at the rate set forth herein.

This Note shall bear interest at the fixed rate of five percent (5.0%) per annum, until maturity, it is paid in full, or the occurrence a Determination of Taxability as defined herein. Interest only shall be due and payable monthly on the last day of the month beginning April 30, 2024, and ending on March 31, 2026, with one final payment of the outstanding principal balance of the Note plus interest accrued on the outstanding principal balance of the Note on April 30, 2026, as more fully set forth on the amortization schedule attached hereto as Exhibit A, unless earlier prepaid. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of three hundred sixty (360) days, multiplied by the outstanding principal balance, multiplied by a month of thirty (30) days. The amortization schedule may be adjusted from time to time to reflect actual interest rates as calculated in accordance with the terms of this Note and the amount drawn down and due and owing at the time of such adjustment.

If any payment of principal or interest is not received by Bank by the fifteenth (15th) day following the due date, a late charge of 5.0% of such overdue amount will, at Bank's option, be payable by the Borough.

If the date for payment of the principal of, or interest on, this Note is not a business day, then the date of such payment shall be the next succeeding day which is a business day.

Payment on such subsequent business day shall have the same force and effect as if made on the nominal date of payment. A business day shall be any day in which the Bank is not authorized by law or under lawful authority to be closed.

The Borough shall have the option to redeem and prepay this Note at any time or to pay any installment of principal or interest, in whole or in part, at any time prior to the date on which such amount is due, without penalty or premium. Any prepayment will reduce the amount of the unpaid principal of the Note. Prepayment of less than the total outstanding principal shall not postpone any regularly scheduled principal payment.

The Borough hereby designates this Note as a "qualified tax-exempt obligation" for the purposes and with the affect set forth in Section 265(b) of the Internal Revenue Code (the "Code") as amended.

Any redemption or prepayment of principal, as hereinbefore authorized, shall be upon written notice addressed to the Bank or its registered assigns, at the address shown in the records of the Borough to be kept by the Paying Agent for such purpose, provided, however, that such notice may be waived by the registered owner. Such redemption or prepayment shall be effective upon deposit with the Paying Agent of the principal amount to be repaid plus any accrued interest, and delivery or deposit in the United States mails of the required written notice.

Both principal and interest are payable in such coin or currency as at the respective dates of payment thereof shall be legal tender for the payment of public and private debts, at the principal office of the Bank at Quakertown, Pennsylvania, and the Bank shall be the "Paying Agent" and "Registrar" for this Note.

It is hereby recited that this Note is nonelectoral debt authorized to be issued in accordance with the Local Government Unit Debt Act, being Act No. 177 of the General Assembly of the Commonwealth of Pennsylvania, approved December 19, 1996, as amended (the "Act"), and pursuant to Ordinance No. 1-2024 of the Council of the Borough adopted March 12, 2024 (the "Ordinance"). The Act, as such shall have been in effect when the Note was authorized, and the Ordinance shall constitute a contract between the Borough and the Bank or registered owner or owners, from time to time, of the Note.

If, at any time hereafter, either before or after the payment of the entire principal of and interest on this Note, there occurs a Determination of Taxability, as herein defined, then the per annum rate of interest on this Note shall be readjusted and increased an annual rate of interest equal to the Wall Street Journal Prime Rate on a floating basis with a ceiling of ten percent (10.0%) (the "Taxable Rate").

For purposes hereof, a "Determination of Taxability" shall mean: (i) a determination that interest payable on account of this Note is not exempt from both federal and Pennsylvania income taxation, the date of which determination shall be considered as made on the earliest of: (x) the day after expiration of the period for filing a petition in the United States Tax Court or in

the Pennsylvania courts in the case of Pennsylvania taxes with respect to any income tax deficiency asserted against the Bank with respect to any such interest; if no such petition is filed, (y) the day on which a decision by the United States Tax Court or a judgment, decree or other order by any court of competent jurisdiction, holding that such interest is taxable, becomes final or the day on which the Bank and the United States Internal Revenue Service or the Pennsylvania Department of Revenue shall reach a settlement resulting in such interest becoming taxable, or (z) the effective date of any legislation, final regulation or ruling making such interest taxable; or (ii) a final determination by a court of competent jurisdiction that this Note is not a "qualified tax-exempt obligation" within the meaning of section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

If a Determination of Taxability does occur, then: (i) the unpaid principal balance of the Note shall thereafter bear interest at a rate per annum equal to the Taxable Rate; and (ii) within thirty (30) days after notice of the Determination of Taxability, there shall also be paid as additional interest to the Bank, the difference between the total amount of interest on this Note which would have been due by the Borough under this Note at the Taxable Rate and the total amount of interest actually paid during all periods prior to the date of the Determination of Taxability for which federal income tax is collectable with respect to interest on this Note; and an amount equal to all interest and penalties due by the Bank under this Note by reason of having excluded any such interest from the Bank's taxable income.

This Note is issued in accordance with the provisions of the Act and by virtue of the Ordinance, and the sworn statement of the duly authorized officers of the Borough as appears on record in the office of the Pennsylvania Department of Community and Economic Development ("DCED"), Harrisburg, Pennsylvania. It is hereby certified that the approval of the DCED for the Borough to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions, and things required to be done, to happen, and to be performed precedent to and in the issuance of this Note or in the creation of the debt of which it is evidence, have been done, have happened, and have been performed in regular and due form and manner as required by law; and that the indebtedness created by this Note, together with all other indebtedness of the Borough is not in excess of any constitutional or statutory limitation; and for the proper budgeting, appropriation, and the prompt and full payment of all the obligations of this Note the entire faith, credit, and taxing power of the Borough, as well as the Borough's revenues, are hereby irrevocably pledged.

It is hereby further certified that the Borough has effectively covenanted to include the amount of the debt service on this Note in each fiscal year for which such sums are due, in its budget for that year, to appropriate such amounts to the payment of such debt service, and to duly and punctually pay or cause to be paid the principal and interest thereon at the dates and places and in the manner stated herein, according to the true intent and meaning hereof; the Borough has established with the Paying Agent a sinking fund for the Note and shall deposit therein amounts sufficient to pay the principal of and interest on the Note as the same shall become due and payable.

In the event that for any reason one or more of the provisions of this Note or its 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.

If any one or more of the following events shall occur and be continuing or shall exist, that is to say:

(a) The Borough shall default in the payment of any installment of principal or interest on this Note when due and such default shall continue unremedied for a period of fifteen (15) days thereafter; or

(b) The Borough shall default in the performance or observance of any covenant, agreement, condition, provision, or duty contained in the Ordinance and such default shall not be remedied in a period of thirty (30) days after written notice thereof to the Borough from the holder of this Note; or

(c) Any certificate or financial statement furnished pursuant to the provisions of the Ordinance, or the Act shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(d) If the Borough shall commence a voluntary case under any applicable bankruptcy, insolvency, or other similar law, or shall consent to the appointment of or the taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of or for any substantial part of the Borough property, or shall make a general assignment for the benefit of creditors or shall fail generally to pay its debts as they become due, or shall take any corporate action in the furtherance of any of the foregoing; or

(e) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Borough or of any part of its property and such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control;

then, and in any such event, the holder of this Note shall be entitled by written notice to the Borough to declare this Note and interest accrued thereon to be forthwith due and payable without presentment, demand, protest, or other notice of any other kind, all of which are hereby expressly waived, and shall have such other rights as may be vested in such holder by the provisions of the Act.


This Note shall be transferable by the Bank or by any subsequent registered owner, in person, or by his attorney duly authorized, in writing, at the principal office of the Paying Agent,

but only upon notation of such registration hereon and on the records of the Borough to be kept for that purpose at the principal office of the Paying Agent by a duly authorized representative of the Paying Agent. The Borough and the Paying Agent may deem and treat the Bank or any other person, from time to time, in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of redemption hereof prior to maturity and for all other purposes.

[signature page follows]

IN WITNESS WHEREOF, the Borough has caused this Note to be properly executed by the President of the Borough Council of the Borough of Pennsburg and the Secretary of the Borough of Pennsburg, and its corporate seal to be hereto affixed, attested to by the Secretary of the Borough of Pennsburg, as of the 2 day of March, 2024

BOROUGH OF PENNSBURG

By: 
Name: Patrick L. Suter
Title: President of Borough Council

Attest: 
Name: Lisa Hiltz
Title: Secretary/Treasurer

(BOROUGH SEAL)