

**ORDINANCE NO. \_\_\_\_\_**  
**OF THE BOROUGH COUNCIL**  
**OF THE**  
**BOROUGH OF GREEN LANE,**  
**MONTGOMERY COUNTY, PENNSYLVANIA**

TO AUTHORIZE AND DIRECT THE INCURRING OF NON-ELECTORAL DEBT THROUGH THE ISSUANCE OF A GENERAL OBLIGATION NOTE OF THE BOROUGH OF GREEN LANE, MONTGOMERY COUNTY, PENNSYLVANIA IN THE PRINCIPAL AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000) FOR THE PURPOSE OF PROVIDING FUNDS TO (I) THE ACQUISITION OF THE REAL PROPERTY LOCATED AT 209 WALNUT STREET, GREEN LANE BOROUGH, MONTGOMERY COUNTY, PENNSYLVANIA; (II) THE PLANNING, DESIGNING, CONSTRUCTING, EQUIPPING, FURNISHING AND FINANCING OF RENOVATIONS AND ADDITIONS TO THE PROPERTY; AND (III) PAY THE COSTS AND EXPENSES RELATED TO THE ISSUANCE OF THE NOTE; STATING THAT REALISTIC COST ESTIMATES HAVE BEEN MADE FOR THE CAPITAL PROJECT; STATING THE REALISTIC ESTIMATED USEFUL LIFE OF THE CAPITAL PROJECT FOR WHICH SAID NOTE IS ISSUED; DIRECTING THE PROPER OFFICERS OF THE BOROUGH TO PREPARE, CERTIFY AND FILE THE REQUIRED DEBT STATEMENT AND BORROWING BASE CERTIFICATE; COVENANTING THAT THE BOROUGH SHALL INCLUDE THE AMOUNT OF ANNUAL DEBT SERVICE IN ITS BUDGET FOR EACH FISCAL YEAR; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THE BOROUGH FOR THE PROMPT AND FULL PAYMENT OF THE NOTE; SETTING FORTH THE SUBSTANTIAL FORM OF THE NOTE; AUTHORIZING THE PROPER OFFICERS OF THE BOROUGH TO CONTRACT WITH A BANK OR BANK AND TRUST COMPANY FOR ITS SERVICES AS SINKING FUND DEPOSITORY, PAYING AGENT AND REGISTRAR AND STATING A COVENANT AS TO PAYMENT OF PRINCIPAL AND INTEREST WITHOUT DEDUCTION FOR CERTAIN TAXES; PROVIDING FOR THE EXECUTION, DELIVERY AND AUTHENTICATION OF THE NOTE AND THE DISPOSITION OF THE PROCEEDS THEREOF; AWARDING SUCH NOTE AT A PRIVATE SALE BY NEGOTIATION AND STATING THAT SUCH SALE IS IN THE BEST FINANCIAL INTEREST OF THE BOROUGH; CREATING A SINKING FUND AND APPROPRIATING ANNUAL AMOUNTS FOR

THE PAYMENT OF DEBT SERVICE ON THE NOTE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE BOROUGH TO CERTIFY AND TO FILE WITH THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT CERTIFIED COPIES OF THE NECESSARY PROCEEDINGS; UNDERTAKING CERTAIN TAX COVENANTS WITH REGARD TO THE NOTE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE BOROUGH TO DO ALL THINGS NECESSARY TO CARRY OUT THE ORDINANCE; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE BOROUGH TO PAY ISSUANCE COSTS; AUTHORIZING INCIDENTAL ACTIONS; RESCINDING INCONSISTENT ORDINANCES; AND STATING THE EFFECTIVE DATE.

The Borough Council (the “Governing Body”) of the Borough of Green Lane, Montgomery County, Pennsylvania (the “Borough”), pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the “Act”), hereby ORDAINS AND ENACTS as follows:

**Section 1. Incurrence of Debt; Amount and Purpose of the Note; Realistic Cost Estimates; Estimated Project Completion Date.** The Governing Body of the Borough hereby authorizes and directs the incurring of non-electoral debt through the issuance of its General Obligation Note, Series of 2026 (the “Note”) in the principal amount of Five Hundred Thousand Dollars (\$500,000) to provide funds for (i) the acquisition of the real property located at 209 Walnut Street, Green Lane Borough, Montgomery County, Pennsylvania (the “Property”); (ii) the planning, designing, constructing, equipping, furnishing and financing of renovations and additions to the Property ((i) and (ii) are referred to collectively as the “Capital Project”); and (iii) pay the costs of issuing the Note ((i) through (iii) are referred to collectively as the “Project”).

Realistic cost estimates have been obtained for the Capital Project through estimates made by qualified persons, as required by Section 8006 of the Act.

The Borough hereby reserves the right to undertake components of the Project in such order and at such time or times as it shall determine and to allocate the proceeds of the Note and other available moneys to the final costs of the Project in such amounts and order of priority as it shall determine; but the proceeds of the Note shall be used solely to pay the “costs,” as defined in the Act, of the Project described herein or, upon appropriate amendment hereto, to pay the costs of other capital projects for which the Borough is authorized to incur indebtedness.

**Section 2. Realistic Estimated Useful Life.** The realistic estimated useful life of the Capital Project is estimated to be in excess of fifty (50) years. The principal amount of the Note equal to the cost of the Capital Project has been scheduled to mature two hundred and fifty eight months after the date of issuance of the Note, which is prior to the end of such useful life.

**Section 3. Debt Statement and Borrowing Base Certificate.** The President or Vice President of the Governing Body, the Secretary of the Borough, and/or any other duly authorized or appointed officer of the Borough (the “Proper Officers”), are hereby authorized and directed to prepare and certify a debt statement required by Section 8110 of the Act and a Borrowing Base Certificate.

**Section 4. Covenant to Pay Note.** It is covenanted with the holder of the Note that the Borough shall (i) include the amount of the debt service for the Note for each fiscal year in which the sums are payable in its budget for that year; (ii) appropriate those amounts from its general revenues for the payment of the debt service; and (iii) duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds the principal of, and the interest on, the Note at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Borough pledges its full faith, credit and taxing power. The covenants contained in this **Section 4** shall be specifically enforceable.

Neither the credit nor the taxing power of the County of Montgomery or of the Commonwealth of Pennsylvania will be pledged for the payment of the Note.

**Section 5. Form of Note; Description of Note.** The Note is substantially in the form set forth in Exhibit A, attached hereto. The Note shall be in registered form, without coupons, and shall be numbered in such manner as may be satisfactory to the Borough and the Purchaser (as such term is defined in **Section 7**, below). So long as the Note is held by the Purchaser and its participating bank or banks, if any, the Note shall not require numbering as recommended by the Committee on Uniform Security Identification Procedures (“CUSIP”).

The Note shall be issued in the stated principal amount of \$500,000, shall be dated the date of its issuance, and shall bear interest, until maturity or prior prepayment, at the rate or rates per annum, and shall mature in the amounts and in certain years, all as set forth as Exhibit B attached hereto and made a part hereof. The Note shall be issued in certificated form in the form of a single certificate for the entire principal amount of the Note with one maturity date and annual principal payments. The full principal amount of the Note will be available to the Borough on a draw down basis over a period of eighteen (18) months from the date of issuance.

If the date for payment of the principal of, or interest on, the 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 Paying Agent (hereinafter defined) is not authorized by law or under lawful authority to be closed.

The principal of and interest on the Note shall be payable in lawful money of the United States of America at the offices of the Paying Agent.

The Borough shall have the right to prepay the Note pursuant to the terms set forth in the Note.

**Section 6. Execution, Delivery and Authentication of Note; Disposition of Proceeds.** The Note shall be executed by the manual or facsimile signature of the President or

Vice President of the Governing Body and shall have the corporate seal of the Borough or a facsimile thereof impressed thereon, duly attested by the manual or facsimile signature of the Secretary of the Borough and such officers are hereby authorized and directed to execute the Note in such manner. In case any official of the Borough whose manual or facsimile signature shall appear on the Note shall cease to be such official before the authentication of the Note, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes the same as if such official had remained in office until authentication; and the Note may be signed on behalf of the Borough, even though at the date of authentication of such Note such person was not an official. The President and the Vice President of the Governing Body, or any one of them, are each authorized and directed to deliver, or cause to be delivered, the Note to the Purchaser as purchaser thereof against the full balance of the purchase price therefor.

**Section 7. Manner of Sale; Award of Note.** The Governing Body of the Borough after due deliberation and investigation has found that a sale by negotiation is in the best financial interest of the Borough and based upon such finding the Governing Body of the Borough hereby awards the Note to QNB Bank, a bank organized and existing under the laws of the Commonwealth of Pennsylvania (the “Purchaser”), for its own account, upon the terms set forth in its proposal for purchase of the Note dated as of May 7, 2026 (the “Purchase Contract”), a copy of which is attached hereto as Exhibit D and made a part hereof. Such details are hereby approved.

**Section 8. Appointment of Sinking Fund Depository; Sinking Fund; Appropriation of Annual Amounts for Payment of Debt Service.** The Proper Officers of the Borough are hereby authorized and directed to contract with QNB Bank, as paying agent (in such capacity, the “Paying Agent”) for its services as sinking fund depository, paying agent and registrar with respect to the Note and the Paying Agent is hereby appointed to act in such capacities with respect to the Note. There is hereby established a separate sinking fund for the Borough designated as “Sinking Fund – Borough of Green Lane – Series of 2026” (the “Sinking Fund”) and into the Sinking Fund there shall be paid, when and as required, all moneys necessary to pay the debt service on the Note, and the Sinking Fund shall be applied exclusively to the payment of the interest covenanted to be paid upon the Note and to the principal thereof at maturity or prior redemption and to no other purpose whatsoever, except as may be authorized by law, until the same shall have been fully paid. The Paying Agent as sinking fund depository shall, as and when said payments are due, without further action by the Borough, withdraw available monies in the Sinking Fund and apply said monies to the payment of the principal of and interest on the Note.

The maximum amounts set forth in Exhibit C attached hereto and made a part hereof shall be pledged in each of the fiscal years shown in Exhibit C to pay the debt service on the Note, and such maximum amounts are annually hereby appropriated to the Sinking Fund for the payment thereof.

**Section 9. Debt Proceedings.** The Secretary of the Borough is hereby authorized and directed to certify to and file with the Pennsylvania Department of Community and Economic Development, in accordance with the Act, a complete and accurate copy of the proceedings taken in connection with the increase of debt authorized hereunder, including the

debt statement and borrowing base certificate referred to hereinabove, and to pay the filing fees necessary in connection therewith.

**Section 10. Tax Covenants and Representations.** So long as the Note is outstanding, the Borough hereby represents and covenants that:

(1) The Borough shall make no use of the proceeds of the Note during the term thereof which would cause such Note to be an “arbitrage bond” within the meaning of section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and shall comply with the requirements of all Code sections necessary to ensure that the Note is described in Code section 103(a) and not described in Code section 103(b) throughout the term of the Note.

(2) If and to the extent the Borough is required to remit any amounts to the United States pursuant to Code section 148(f) (the “Rebate Amounts”) in order to cause the Note not to be an arbitrage bond, the Borough will remit the Rebate Amounts at such times and in the manner required by Code section 148(f) and the regulations thereunder. The obligation to remit the Rebate Amounts and to comply with all other requirements of this **Section 10** shall survive the defeasance and payment in full of the Note.

(3) The Borough shall file IRS Form 8038-G and any other forms or information required by the Code with respect to the Note to be filed in order to permit the interest on the Note to be excluded from gross income for federal income tax purposes.

(4) In order to ensure that the registered owner or owners of the Note, if they are financial institutions, will not be subject to certain provisions of the Code as a result of acquiring and carrying the Note, the Borough hereby designates the Note as a “qualified tax-exempt obligation,” within the meaning of Code section 265(b)(3)(B), and the Borough hereby covenants that it will take such steps as may be necessary to cause the Note to continue to be an obligation described in such Code section during the period in which the Note is outstanding. The Borough represents that it has not issued, and does not reasonably anticipate issuing, tax-exempt obligations which, when combined with the Note, will result in more than \$10,000,000 of tax-exempt obligations being issued in the calendar year in which the Note is issued. For purposes only of the foregoing sentence, the term “tax-exempt obligations” shall include any “qualified 501(c)(3) bond,” as defined in Code section 145, but shall not include any other “private activity bond,” as defined in Code section 141(a), any obligation which would be an “industrial development bond” or a “private loan bond” as defined in sections 103(b)(2) and 103(o)(2)(a) of the Internal Revenue Code of 1954, as amended, but for the fact that it is issued pursuant to section 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986, or any obligation issued to currently refund any obligation to the extent the amount thereof does not exceed the outstanding amount of the refunded obligation.

**Section 11. Note Register, Registrations and Transfer.** The Borough shall cause to be kept at the office of the Paying Agent a register for the Note (the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Borough shall provide for the registration of the Note and the registration of transfers thereof. No transfer or exchange of

the Note shall be valid unless made at such office and registered in the Note Register. A Note Register shall be attached to the Note as part of the Note.

The Note, upon any registration of transfer, shall be a valid obligation of the Borough, evidencing the same debt and entitled to the same benefits under this Ordinance as the Note surrendered for such registration of transfer.

The Note, if presented or surrendered for registration of transfer, shall be duly endorsed, or be accompanied by a written instrument of transfer, in form and with guaranty of signature satisfactory to the Borough and the Note Register, duly executed by the registered owner thereof or his duly authorized agent or legal representative.

No service charge shall be made for any transfer of the Note, but the Borough may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Note.

The Borough shall not be required to: (a) issue, or register the transfer of, the Note during a period of fifteen (15) business days before any payment of principal or interest under the Note or any date of selection for prepayment of the Note, if applicable; or (b) register the transfer of the Note after it has been selected for prepayment, in whole or in part.

**Section 12. Settlement Account; Project Fund.** The Borough hereby establishes with the Paying Agent a special fund to be known as the “Borough of Green Lane – 2026 Note Settlement Account” (the “Settlement Account”). On the date of issuance and delivery of the Note, the proceeds derived from the initial draw on the Note shall be deposited in the Settlement Account and shall be disbursed, transferred or deposited as directed in a closing receipt duly executed and delivered by the President or Vice President of the Governing Body. Additional draws on the Note shall be made by the Borough from time to time in accordance with the provisions of the Note upon submission by the Borough of a written requisition to the Purchaser in the form attached hereto as Exhibit E.

The Borough hereby creates with the Paying Agent a special fund to be known as the Borough of Green Lane – 2026 Capital Project Fund” (the “Project Fund”). The Project Fund shall be held in trust for the benefit of the Borough until disbursed in accordance with the provisions hereof. The proceeds of the Note on deposit in the Project Fund shall be used, upon written requisition by any one of the Proper Officers of the Borough, to pay the costs of the Capital Project or other eligible Capital Project costs. Proceeds of the Note remaining on deposit in the Project Fund upon completion of the Capital Project shall, upon the advice of and as directed by Bond Counsel, be either (i) transferred to the Sinking Fund and used by the Borough to pay debt service on the Note, or (ii) used by the Borough to optionally redeem the Note, as appropriate, pursuant to the redemption provisions of this Ordinance.

**Section 13. Appointment of Bond Counsel.** The Borough hereby ratifies and confirms the appointment of McNeese Wallace & Nurick LLC, Plymouth Meeting, Pennsylvania, as bond counsel for the Note.

**Section 14. Incidental Actions.** The Proper Officers of the Borough are hereby authorized, directed and empowered on behalf of the Borough to execute any and all papers and

documents and to do or cause to be done any and all acts and things necessary or proper for the carrying out of the provisions of this Ordinance, and the issuance and delivery of the Note.

**Section 15. Payment of Issuance Costs.** The proper officers of the Borough are hereby authorized and directed to pay the costs of issuing the Note at the time of delivery of the Note to the Purchaser.

**Section 16. Rescinding Inconsistent Ordinances.** All ordinances or parts of ordinances inconsistent herewith be and the same hereby are rescinded, cancelled and annulled.

**Section 17. Severability.** In the case any one or more of the provisions of this Ordinance shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance, and this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

**Section 18. Effective Date.** This Ordinance shall become effective on the earliest date permitted by the Act.

**ORDAINED AND ENACTED** into law by the Borough Council of the Borough of Green Lane, Montgomery County, Pennsylvania, in lawful session assembled on the 11th day of June, 2026.

Attest:

BOROUGH OF GREEN LANE,  
Montgomery County, Pennsylvania

\_\_\_\_\_  
Secretary/Treasurer

By: \_\_\_\_\_  
(Vice) President  
Borough Council

(Borough Seal)

**CERTIFICATE OF SECRETARY**

I, the undersigned, the Secretary/Treasurer of the Borough of Green Lane, Montgomery County, Pennsylvania (the "Borough"), hereby certify that the foregoing and attached is a true copy of an Ordinance which was duly enacted at a meeting of the Borough Council of the Borough held June 11, 2026, at which a quorum was present and acting throughout, after due notice to the members of the Borough Council and to the public and which was at all time open to the public; that the same was duly recorded in the Borough's Ordinance Book; a notice with respect to the intent to enact said Ordinance has been published as required by law; said Ordinance was available for inspection by any interested citizen requesting the same in accordance with the requirements of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania.

I further certify that the Borough Council of the Borough met the advance notice and public comment and agenda posting and availability requirements of the Sunshine Act, 65 Pa. Cons. Stat. §701 *et seq.*, by advertising the time and place of said meeting, by posting the agenda of said meeting on the Borough's website, by posting prominently a notice of said meeting and the agenda of said meeting at the principal office of the Borough and at the public building in which said meeting was held, by making copies of the agenda available for the public at the meeting, and by providing a reasonable opportunity for public comment at such meeting prior to enactment of said Ordinance, all as required by such Act.

I further certify that the total number of members of the Borough Council is five (5) and that the vote upon said Ordinance was called and duly recorded upon the minutes of the Borough Council and that the members of the Borough Council voted in the manner following:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Brian Carpenter, President	_____	_____	_____	_____
Gerald Godshall, Vice President	_____	_____	_____	_____
Jack Findley	_____	_____	_____	_____
Darren Landis	_____	_____	_____	_____
Micheal Glass	_____	_____	_____	_____

WITNESS my hand and seal of the Borough of Green Lane this 11th day of June, 2026.

\_\_\_\_\_  
Secretary/Treasurer

[SEAL]

**EXHIBIT A**

**FORM OF NOTE**

BOROUGH OF GREEN LANE  
MONTGOMERY COUNTY, PENNSYLVANIA

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GENERAL OBLIGATION NOTE, SERIES OF 2026

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<u>Principal Amount</u>	<u>Date of Issuance</u>	<u>Maturity Date</u>
\$500,000	_____, 20__	_____, 20__

FOR VALUE RECEIVED, BOROUGH OF GREEN LANE, MONTGOMERY COUNTY, PENNSYLVANIA (the “Borough”), existing under the laws of the Commonwealth of Pennsylvania, for value received, hereby acknowledges itself indebted and promises to pay QNB Bank (the “Purchaser”), Quakertown, Pennsylvania, or registered assigns, the principal sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000) (or such lesser amount outstanding), in monthly installments of principal and interest following an eighteen (18) month interest-only draw period, amortized fully over twenty (20) years, as more particularly described herein and in the maximum amounts set forth on Schedule A attached hereto.

The debt of which this Note is evidence is non-electoral debt pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. §8001 *et seq.*, as amended (the “Act”). The issuance and sale of this Note to the Purchaser at private sale by negotiation has been found and determined by the Borough Council, on the basis of all information available, to be in the best financial interest of the Borough.

The Note shall bear interest from the Date of Issuance of the Note on the unpaid balance of principal, payable as set forth below, commencing \_\_\_\_\_, 20\_\_, and at maturity or earlier payment, at (i) a fixed rate of interest equal to 4.900% per annum, from the Date of Issuance through and including \_\_\_\_\_, 20\_\_ (the “Initial Reset Date”), and (ii) a variable rate of interest equal to 70% of the Wall Street Journal Prime Rate (or its equivalent) from the Initial Reset Date through and including \_\_\_\_\_, 20\_\_ (the “Maturity Date”); provided, however, that in no instance shall the interest rate applicable to the Note exceed 5.750% per annum. For purposes hereof, “Prime Rate” shall mean the rate published from time to time as the “prime rate:” in the Money Rates table of *The Wall Street Journal*. The Prime Rate does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

The interest rate referenced in this Note shall be computed on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

The proceeds of the Note shall be advanced by QNB Bank, as paying agent for the Note (the "Paying Agent") on a draw down basis through and including \_\_\_\_\_, 20\_\_, as follows:

(a) On the date hereof, a portion of the proceeds of the Note in the amount of \$\_\_\_\_\_ ("Initial Advance") shall be advanced by the Paying Agent to the Borough and deposited in the Settlement account create dunder the terms of the Ordinance of the Borough duly enacted on June 11, 2026 (the "Ordinance") (all capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance), and the Payng Agent shall make payment and deposits as set forth in the Closing Receipt pursuant to Section 12 of the Ordinance.

(b) After the date hereof, at any time and from time to time through and including \_\_\_\_\_, 20\_\_, upon requisition of the Borough in accordance with the Ordinance.

During the Draw Period, no payments of principal shall be due, and the Borrower shall pay to the Paying Agent all accrued interest monthly, on the last day of each month, as billed. The Draw Period shall be a period of eighteen (18) months from the Date of Issuance of this Note.

Commencing on the last day of the month following the expiration of the Draw Period, and continuing on the last day of each month thereafter for the remainder of the initial fixed rate period ending on the Initial Reset Date, the Borough shall pay to the Paying Agent monthly installments of principal and interest calculated based upon (i) the total outstanding principal amount of this Note, (ii) the twenty (20) year amortization schedule, and (iii) the fixed rate of interest of 4.900% per annum. Such monthly installments of principal and interest shall be in the amounts set forth on Schedule A attached hereto.

After the Initial Reset Date, the monthly payment of principal and interest for each succeeding twelve (12) month period shall be recalculated based upon (i) the then outstanding principal balance of this Note, (ii) the remaining term based on the original twenty (20) year amortization, and (iii) a variable rate of interest equal to 70% of the Wall Street Journal Prime Rate, with a ceiling of 5.750% per annum, as more fully set forth herein.

The Maturity Date of this Note shall be two hundred and fifty-eight (258) months after the Date of Issuance, at which time all outstanding principal, accrued interest, and any other sums outstanding under this Note shall be due and payable.

The principal of and interest on this Note shall be made in any coin or currency of the United States of America which, at the time of payment, shall be legal tender for payment of public and private debts, at the office of the Paying Agent stated above, as paying agent (which term shall include any duly appointed alternate or successor paying agent). If the Paying Agent shall be the registered owner of this Note, payment of any part of the principal of and interest on this Note by or on behalf of the Borough shall be valid and effective to satisfy and discharge fully the obligations of the Borough or its paying agent, with respect to such payments of principal and interest. If the registered owner of this Note shall not be the Paying Agent, payment

of any part of the principal of and interest on this Note shall be made only upon surrender hereof by the registered owner at the principal office of the paying agent (or the designated office of any successor paying agent). Final payment of principal and interest appertaining hereto shall be made only upon complete surrender hereof to the paying agent.

If the date for payment of the principal of, or interest on, the 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 Paying Agent is not authorized by law or under lawful authority to be closed.

The principal amount of the Note shall be subject to prepayment prior to maturity, at the option of the Borough, as a whole or, from time to time, in part, on any date, upon payment of the principal amount to be redeemed together with accrued interest thereon to the date fixed for prepayment and without any premium or penalty. Any partial prepayment of principal may be credited against such stated installments of principal on this Note as the Borough designate in writing to the Bank at the time of prepayment; otherwise, a partial prepayment shall be applied against the principal installments last, by date, due and payable.

The appropriate officer of the Borough shall deposit money sufficient for the payment of the principal of and interest on this Note into a sinking fund before the date of each such payment of principal or interest. Such sinking fund, known as the "Sinking Fund – Borough of Green Lane – Series of 2026," has been established at the office of the Paying Agent at which this Note is payable.

This Note, immediately upon execution and delivery hereof by the Borough, shall be registered, both as to principal and interest, in the name of the owner, on records of the Borough to be kept for that purpose by the Paying Agent, as paying agent, such registration to be noted hereon by a duly authorized representative of the paying agent on the attached Certificate of Registration. After such registration, no transfer hereof shall be valid unless made by the registered owner hereof in person, or by a duly authorized attorney, and similarly noted upon the attached Certificate of Registration. Rights of any registered owner hereof, subsequent to the initial registered owner hereof, shall not exceed rights of the predecessor registered owner hereof.

This Note is issued in accordance with the provisions of the Act and by virtue of an ordinance of the Borough duly enacted on June 11, 2026 (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, Harrisburg, Pennsylvania. It is hereby certified and recited that all conditions, acts, and things required to exist, to have been performed and to have happened precedent to and in connection with the issuance of this Note do exist, have been performed and have happened and that this Note is within every debt and other limitation prescribed by law.

It is covenanted with the holder of this Note that the Borough shall (i) include the amount of the debt service for each fiscal year in which the sums are payable in its budget for that year until this Note is paid in full, (ii) appropriate those amounts from its taxes and other

general revenues for the payment of debt service, and (iii) duly and punctually pay or cause to be paid from its sinking fund or any other of its taxes and other general revenues or funds the principal hereof and the interest on this Note at the dates and places and in the manner stated in this Note, according to the true intent and meaning thereof. For such budgeting, appropriation and payment, the Borough irrevocably pledges its full faith, credit and taxing power. As provided in the Act, this covenant shall be specifically enforceable; subject, however, as to the enforceability of remedies to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. Neither the credit nor the taxing power of the County of Montgomery or of the Commonwealth of Pennsylvania will be pledged for the payment of the Note.

The Borough hereby covenants that it will make no use of the proceeds of this Note during the term thereof which would cause such Note to be an "arbitrage bond" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and that it will comply with the requirements of all Code sections necessary to ensure that this Note is described in Code section 103(a) and not described in Code section 103(b) throughout the term of the Note.

It is hereby certified that the approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania for the Borough to issue and deliver this Note has been duly given pursuant to the Act; that all acts, conditions and things required by the Laws of the Commonwealth of Pennsylvania to exist, to have happened or to have been performed, precedent to or in the issuance of this Note or in the creation of the debt of which this Note is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; and that this Note, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania.

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.

No recourse shall be had for the payment of the principal of, or interest on, this Note, or for any claim based hereon or on the Ordinance, against any member, officer or employee, past, present, or future, of the Borough or of any successor body, either directly or through the Borough or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the execution and issuance of this Note.

This Note may be transferred only in accordance with the provisions of the Ordinance.

This Note is designated, or deemed designated, as a “qualified tax-exempt obligation,” as such term is defined in Section 265(b)(3)(B) of the Code.

IN WITNESS WHEREOF, the Borough has caused this Note to be executed in its name and on its behalf by the manual or facsimile signature of the President or Vice President of Borough Council and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary, all as of the Date of Issuance.

Attest:

BOROUGH OF GREEN LANE,  
Montgomery County, Pennsylvania

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
(Vice) President  
Borough Council

(Borough Seal)

**SCHEDULE A**  
(Debt Service Schedule)

See Attached Schedule



**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR EMPLOYER  
IDENTIFICATION NUMBER OF ASSIGNEE

\_\_\_\_\_

\_\_\_\_\_ the  
within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ attorney to  
transfer said Note on the books of the within named Paying Agent, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Notice: This signature on this Assignment must correspond with the name as it appears on the  
Paying Agent's Certificate of Registration in every particular, without alteration or any change  
whatsoever.

## EXHIBIT B<sup>1</sup>

### MATURITY SCHEDULE

<b>Date of Issuance:</b>	Estimated July 10, 2026
<b>Principal Amount:</b>	\$500,000
<b>Fixed Rate (Years 1-7):</b>	4.90%
<b>Variable Rate Ceiling (Years 8+):</b>	5.75%
<b>Interest-Only Period:</b>	18 months (Aug 2026 - Dec 2027)
<b>Amortization:</b>	20 years (240 months), beginning Jan 2028
<b>Maturity:</b>	258 months from closing (~Jan 2048)
<b>Interest Basis:</b>	30/360
<b>Fiscal Year:</b>	Calendar Year (January 1 - December 31)

Calendar Year	Annual Principal	Annual Interest	Total Debt Service	Ending Balance
2026	\$0	\$11,569	\$11,569	\$500,000
2027	\$0	\$24,500	\$24,500	\$500,000
2028	\$15,103	\$24,164	\$39,267	\$484,897
2029	\$15,860	\$23,407	\$39,267	\$469,037
2030	\$16,655	\$22,612	\$39,267	\$452,383
2031	\$17,489	\$21,777	\$39,267	\$434,894
2032	\$18,366	\$20,901	\$39,267	\$416,528
2033	\$18,758	\$21,410	\$40,168	\$397,770
2034	\$19,056	\$22,375	\$41,430	\$378,714
2035	\$20,181	\$21,250	\$41,430	\$358,533
2036	\$21,372	\$20,058	\$41,430	\$337,161
2037	\$22,634	\$18,796	\$41,430	\$314,527
2038	\$23,970	\$17,460	\$41,430	\$290,557
2039	\$25,386	\$16,045	\$41,430	\$265,171
2040	\$26,884	\$14,546	\$41,430	\$238,287
2041	\$28,472	\$12,959	\$41,430	\$209,815
2042	\$30,153	\$11,278	\$41,430	\$179,663
2043	\$31,933	\$9,498	\$41,430	\$147,730
2044	\$33,818	\$7,612	\$41,430	\$113,912
2045	\$35,815	\$5,616	\$41,430	\$78,098
2046	\$37,929	\$3,501	\$41,430	\$40,168
2047	\$40,168	\$1,262	\$41,430	\$0

<sup>1</sup> Subject to review by both Borough of Green Lane and QNB Bank.

<b>TOTAL</b>	<b>\$500,000</b>	<b>\$352,597</b>	<b>\$852,597</b>
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*\* After the initial 7 year fixed rate period, debt service is calculated using the maximum interest rate ceiling of 5.75% per annum. The actual interest rate during this period will be a variable rate equal to 70% of the Wall Street Journal Prime Rate, which may be lower than the ceiling rate shown. Actual debt service during the variable rate period may therefore be less than the amounts shown above.*

*Interest is paid monthly during the term of the loan.*

*Note: The 2026 debt service reflects a partial year (5 months). The first interest payment (August 31, 2026) includes interest accrued from the July 10, 2026 closing date, calculated on a 30/360 basis (50 days).*

## EXHIBIT C<sup>2</sup>

### MAXIMUM ANNUAL AMOUNTS APPROPRIATED TO SINKING FUND

2026	\$11,569
2027	\$24,500
2028	\$39,267
2029	\$39,267
2030	\$39,267
2031	\$39,267
2032	\$39,267
2033	\$40,168
2034	\$41,430
2035	\$41,430
2036	\$41,430
2037	\$41,430
2038	\$41,430
2039	\$41,430
2040	\$41,430
2041	\$41,430
2042	\$41,430
2043	\$41,430
2044	\$41,430
2045	\$41,430
2046	\$41,430
2047	\$41,430

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<sup>2</sup> Subject to review by both Borough of Green Lane and QNB Bank.

**EXHIBIT D**

**PURCHASE CONTRACT**

See Attached Pages.



May 7, 2026

Mary T. Garber  
Green Lane Borough  
PO Box 514, 214 Main Street  
Green Lane, PA 18054

Re: Borough of Green Lane, General Obligation Note

Dear Ms. Garber:

QNB Bank is pleased to provide Green Lane Borough the following Commitment for a General Obligation Note in an amount of \$500,000. The Note will fund the acquisition and renovation of the Borough's new municipal building along with the costs of issuing the Note.

The Commitment, however, is hereby expressly conditioned upon and subject to the following terms, conditions and covenants:

**Borrower:** Borough of Green Lane  
**Amount:** \$500,000 Bank Qualified Non-Revolving Draw Down Line/Term Loan  
**Interest Rate:** 4.90% (tax-free) fixed for seven (7) years

After the initial fixed rate period the rate will adjust annually to 70% of the Wall Street Journal (WSJ) Prime rate. At no time will the rate on this loan exceed 5.75% (tax-free).

The interest rate(s) established herein, are predicated on the tax exempt and "bank qualified" status of the Loan. For the purposes of this letter, the term "bank qualified" means that the loan has been designated as and is a qualified tax-exempt obligation as set forth under Section 265 of the Internal Revenue Code of 1986, as amended.

In the event this loan shall be deemed to be a taxable loan or not "bank qualified", in whole or in part, for any reason whatsoever, then in such case, the interest rate(s) established herein shall be modified to the equivalent of the WSJ Prime Rate, floating with a ceiling of ten percent (10%) per annum. The imposition of this rate shall apply from the date that the loan is deemed to either be not tax exempt or not bank qualified, as will be more fully described in the loan documentation for this transaction.

**Interest Basis:** 30/360

**Term/Amortization:** The loan shall amortize fully over twenty (20) years following an 18-month interest only draw period.

**Repayment:** The Borrower(s) shall pay to the Bank all accrued interest monthly during the draw down period as billed. Commencing on the last day of the month following the Interest Only/Draw-down Period and continuing on the last day of the month thereafter for the remainder of the initial seven (7) year period, the Borrower(s) shall pay principal and interest on the loan in monthly payments calculated based upon the total amount of the note, the twenty (20) year amortization schedule, and the quoted interest rate.

After the initial seven (7) year fixed rate period, the monthly payment of principal and interest for the succeeding twelve (12) months shall be calculated based upon the outstanding principal balance, the remaining loan term based on the original amortization, and an interest rate equal to 70% of the WSJ Prime Rate, with a ceiling of 5.75%. The maturity of the Note shall be 258 months after closing the loan, at which time all the outstanding principal, interest and any other sums outstanding under the loan shall be due and payable.

**Prepayment:** This loan may be paid in whole or in part without penalty at any time during the term of the loan. However, prepayments of less than the total outstanding principal shall not postpone any regularly scheduled principal payment.

**Expenses:** Fees and costs associated with this type of financing would be limited to the Bank's legal counsel fee, which would be comprised for actual incurred expenses resulting from review and/or preparing of documentation and representation on behalf of the Bank. There will be no Bank related fees.

**Security:** This loan shall be secured by the full faith, credit, and taxing power of the Borough.

#### **Miscellaneous General Terms and Conditions**

1. This loan is a general obligation of the Borough of Green Lane and shall be conditioned upon all documentation being reviewed and approved by Bank Counsel.
2. The Borough of Green Lane has properly authorized this transaction and has complied with all aspects of the law, including, but not limited to, the Pennsylvania Local Government Unit Debt Act, as applicable.
3. The Borough of Green Lane has taken all actions to duly authorize and approve the entering into and completion of the loan herein, and has received all consents, approvals and orders as may be necessary to complete the transaction.
4. The Borough of Green Lane remains in good standing.

5. The Bank shall receive an opinion from the Borough's solicitor or designated qualified party acceptable to QNB Bank which shall state, among other things, the Borough's ability to enter into a transaction as such, that the interest on said loan is indeed exempt from federal taxation and that it qualifies as a Bank Qualified tax-exempt obligation as set forth under section 265 (b) (3) (B) of the Internal Revenue Code of 1986, as amended and any other certain matters as may be requested by the Bank.
6. The Borough will establish a deposit relationship with QNB Bank at or prior to closing.
7. The Bank shall receive an audited financial statement from the Borough of Green Lane annually.

**Termination of Commitment:**

Upon the occurrence of any of the following, the Bank may terminate the commitment contained herein:

- a) Failure of the Borrower to comply with any of the terms or conditions of this commitment.
- b) Any material adverse change in the financial affairs of the Borrower.
- c) Any change in the laws which would prohibit the Bank from making the loan.

This loan is subject to such other terms and conditions as QNB Bank may require as shall be set forth in the loan documentation prepared in connection with this loan.

**Settlement:**

Settlement shall occur at the convenience of the Borough but not later than July 31, 2026.

**Commitment Expiration Date:**

The commitment contained herein shall automatically expire on July 10, 2026, unless accepted prior to such date in its entirety, in writing, as evidenced by the Borrower executing the consents set forth below and the Bank receives such consents.

The Bank appreciates the opportunity to make this proposal available to you. If there are any additional questions concerning this proposal, please do not hesitate to call.

Sincerely,

*Stephanie Zajkowski*

Stephanie Zajkowski  
Vice President  
NMLS #1742898

**ACCEPTANCE**

Intending to be legally bound, the undersigned hereby accept the foregoing commitment and agrees to the terms and conditions this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_  
Borough of Green Lane, Authorized Signer

\_\_\_\_\_  
Borough of Green Lane, Authorized Signer

**EXHIBIT E**

**FORM OF REQUISITION**

QNB Bank  
P.O. Box 9005  
Quakertown, PA 18951

RE: Requisition No. \_\_\_\_

On behalf of the Borough of Green Lane (the "Borough"), I, the undersigned duly authorized officer of the Borough, hereby request that you advance funds to or for the account of the Borough from its General Obligation Note, Series of 2026 in accordance with the Ordinance of the Borough duly enacted on June 11, 2026, in the following amounts to the following named persons:

<u>Payee</u>	<u>Amount</u>
[Complete]	[Complete]

TOTAL: \$

I hereby certify as follows:

1. The nature of the property and amount of the costs of the Capital Project, as such term is defined in the Ordinance, covered by this Requisition are described herein.
2. The amounts requisitioned hereunder (a) are for costs of Capital Project which have not been the basis of a prior or contemporaneous requisition; and (b) are for equipment or other property actually supplied for the Capital Project.
3. The equipment or other property covered by this Requisition has been delivered to the Borough and is in accordance in all material respects with all applicable rules and regulations, all applicable grant, reimbursement and insurance requirements; and all permits, licenses and approvals required for the items covered by this Requisition have been obtained.

Date: \_\_\_\_\_

BOROUGH OF GREEN LANE,  
MONTGOMERY COUNTY, PENNSYLVANIA

By: \_\_\_\_\_