

Montrose Borough
Susquehanna County, Pennsylvania

ORDINANCE NO 202306

AN ORDINANCE INCREASING THE INDEBTEDNESS OF MONTROSE BOROUGH, SUSQUEHANNA COUNTY, PENNSYLVANIA, BY THE ISSUE OF A GENERAL OBLIGATION NOTE IN THE AMOUNT OF \$700,000.00 FOR THE CONSTRUCTION OF A NEW BOROUGH GARAGE BUILDING; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; MAKING A COVENANT FOR THE PAYMENT OF THE DEBT SERVICE ON THE NOTE; PROVIDING FOR THE FILING OF THE REQUIRED DOCUMENT; PROVIDING FOR THE APPOINTMENT OF THE SINKING FUND DEPOSITORY FOR THE NOTE; AND AUTHORIZING EXECUTION, SALE AND DELIVERY THEREOF.

WHEREAS, it is necessary that the indebtedness of Montrose Borough, Susquehanna County, Pennsylvania, be increased for the purpose of the continued constructing a new borough garage building and the recoument of Borough funds already used for same; and

WHEREAS, Montrose Borough has received preliminary realistic cost estimates from professional consultants indicating the sum of \$700,000.00 will be needed to complete the project; and

WHEREAS, the proposed increase of debt, together with its nonelectoral indebtedness and its lease rental indebtedness presently outstanding, will not cause the limitations of the local government unit debt incurring power, pursuant to constitutional and statutory authority to be exceeded;

NOW THEREFORE, BE IT ORDAINED AND ENACTED by the Council of Montrose Borough, Susquehanna County, Pennsylvania, and it is hereby ordained and enacted by the authority of same as follows:

SECTION 1. That the aggregate principal amount of the Note of Montrose Borough, Susquehanna County, Pennsylvania, proposed to be issued is \$700,000.00, same to be issued for the foregoing purposes and same to be incurred as nonelectoral debt.

SECTION 2. The period of useful life of the improvements for which this obligation is to be issued is estimated to be in excess of 37 years.

SECTION 3. Said indebtedness shall be evidenced by one general obligation Note, in fully registered form, in the sum of \$700,000.00 dated and bearing interest from the earliest date of possible issue of said Note under the statutory time requirements as set forth in the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 28th day of April, 1978, being Act 52 of 1978 Session and known as the Local Government Unit Debt Act, at the rate of interest 5.00% initially per annum and up to a maximum of 6.25% per annum, (computed on the basis of 365/360 days to the year, U.S. Rule) payable on the unpaid balance of said Note on the annual anniversary date of said Note during the term of said Note, together with interest on the overdue principal, at the same rates, and to the extent permitted by law, until paid, which Note shall mature in installments on the annual anniversary date of said Note as follows:

SEE EXHIBIT "A" ATTACHED HERETO

Montrose Borough reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective payments dates thereof, without notice or penalty.

The principal and interest of said Note shall be payable at the office of the sinking fund depository selected for the Note as hereinafter provided.

SECTION 4. The said Note is hereby declared to be a general obligation of Montrose Borough, Susquehanna County, Pennsylvania. Montrose Borough hereby covenants that it shall include the amount of 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 Montrose Borough is hereby irrevocably pledged.

The amounts which Montrose Borough hereby covenants to pay in each of the following fiscal years on the basis of an interest rate of 5.00% are as follows:

SEE EXHIBIT "B" ATTACHED HERETO

SECTION 5. The form of said Note shall be substantially as set forth in the attached Exhibit "N".

SECTION 6. The said Note shall be executed in that name and under the corporate seal of Montrose Borough by President of the Council and attested by the Secretary of Montrose Borough. The Treasurer is hereby authorized and directed to deliver said Note to the purchaser and receive payment therefor on behalf of Montrose Borough. The President and Secretary of Montrose Borough are authorized and directed to prepare, verify and file the debt statement required by §8110 of the Act and to take other necessary action, including, if necessary or desirable,

any statements required to qualify any portion of debt from the appropriate debit limit as self-liquidating or subsidized debt.

SECTION 7. Peoples Security Bank & Trust is hereby designated as the Sinking Fund Depository for the obligation herein authorized, and there is hereby created and established a Sinking Fund, to be known as "Sinking Fund 2023 General Obligation Note" for the payment of the principal and interest thereon which shall be deposited into the Sinking Fund no later than the date upon which the same becomes due and payable. The Treasurer shall deposit into the Sinking Fund, which shall be maintained until such obligation is paid in full, sufficient amounts for payment of principal and interest on the obligation no later than the date upon which such payments shall become due. The Sinking Fund Depository shall, as and when said payments are due, without further action by the local government unit, withdraw available monies in the Sinking Fund and apply said monies to payment of principal and interest on the obligation.

SECTION 8. The President of the Council and Secretary of Montrose Borough are hereby authorized to contract with Peoples Security Bank & Trust for its services as Sinking Fund Depository for the Note and paying agent for the same.

SECTION 9. In compliance with §8161 of the Act, the members of the governing body have determined that a private sale by negotiation rather than public sale is in the best financial interest of Montrose Borough. Therefore, the general obligation Note in the amount of \$700,000.00, herein authorized to be issued and sold is hereby awarded and sold to Peoples Security Bank & Trust in accordance with its proposal to purchase the said Note at par; provided the said Note is dated the delivery thereof to the Peoples Security Bank & Trust and is in the form set forth in this Ordinance as Exhibit "N"; and further provided that the proceedings have been

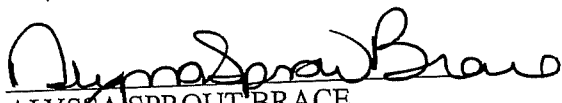
approved by the Department of Community and Economic Development is such approval is required under the provisions of the Act.


SECTION 10. The action of the proper officers and the advertising of a summary of this Ordinance as required by law in The Times-Tribune, a newspaper of general circulation, is ratified and confirmed. The advertisement in said paper of the enactment of the ordinance is hereby directed within fifteen (15) days following the day of final enactment.

SECTION 11. All Ordinances or parts of ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict herewith.

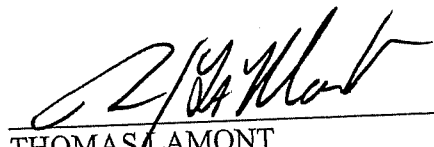
ORDAINED AND ENACTED THIS 4th day of December, 2023.

ATTEST:


ALYSSA SPROUT BRACE
Secretary of Montrose Borough


JUDITH KELLY
President of Montrose Borough

Approved this 4th day of December, 2023.


THOMAS LAMONT
Mayor of Montrose Borough

EXHIBIT

A

GENERAL OBLIGATION NOTE

December, 2023

Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the Interest rate over a year of 360 days multiplied by the outstanding principal balance multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

3. **Authorization.** This General Obligation Note has been duly authorized for issuance by the Borrower pursuant to the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as amended, and by resolution ("Resolution") of the Borrower adopted December, 2023.

4. **Applications of Proceeds.** The proceeds from the sale of the Note shall be used for the continuation of construction of a new building to house equipment and vehicles and to recoup some of Borrower's capital already invested in the construction project.

The Borrower certifies that this current obligation, if and to the extent invested, will be considered to be invested for temporary periods, and consequently is not an arbitrage bond for Federal Income Tax purposes. The Borrower further covenants that it will make no use of the proceeds of this Note which, if such use had been reasonably expected on the date of issue, would have caused the Note to be an arbitrage bond, and that it will comply with Internal Revenue Code.

5. **Qualified Tax Exempt Obligation.** This Note is designated by the Borrower as a "Qualified Tax Exempt Obligation" under §265 (b) (3) of the Internal Revenue Code of 1986, as amended, revised, or supplemented.

6. **Certification.** It is hereby certified that all actions required by the Local Government Unit Debt Act to be taken to render this Note valid and obligatory have been duly taken 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 and in the authorization and issuance of this Note exist, have happened and have been performed in regular and due form and manner and as required by law, and that all existing indebtedness of the Borrower is within every limitation prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania.

7. **Prepayment.** The Borrower shall have the privilege of prepaying the entire principal amount of this Note at any time, without restriction or penalty, and may make partial prepayments on account of the principal from time to time, provided that partial prepayments shall not be deemed to change the amount of or postpone the payment of any of the monthly installments of principal and interest specified in this Note.

8. **Events of Default.** At the sole discretion of Bank, any one (1) of the following shall be considered an event of default:

- a. Failure of the Borrower to make any payments of principal and/or interest on the Note when said payment(s) become due.
- b. If the Borrower shall apply for or consent to the appointment of a

receiver, trustee, or liquidator; or

- c. If the Borrower is unable to pay the Borrower's debts to Bank as they fall due; or
- d. If the Borrower makes a general assignment for the benefit of creditors; or
- e. If the Borrower is adjudicated as a bankrupt or insolvent, *or* files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, or takes advantage of any insolvency law or files any answer admitting the material allegations of a petition filed against Borrower in any bankruptcy, reorganization or insolvency proceeding, or if an involuntary petition in bankruptcy, is filed against Borrower and same is not dismissed or vacated within sixty (60) days of its filing.
- f. If a Writ of Execution or similar process has been issued against Borrower, and has not been vacated or released within thirty (30) days after the date of levy thereon.
- g. If Borrower shall fail in the performance of any of the agreements and covenants set forth herein, or in the Loan Agreement, or the Security Agreement, all of or about even date herewith, all of which are hereby incorporated by reference, other than the failure to pay principal and interest as listed herein, for which no cure period shall arise, and such failure continues for a period of thirty (30) days after transmittal by the Bank of written notice specifying such failure and demanding its cure.
- h. If any representation or warranty made herein by Borrower is untrue in any material respect, or if any written statement, certification, warranty, or representation required to be made by Borrower to the Bank is untrue in any material respect.
- i. If Borrower assigns, either voluntarily or by operation of law, any of Borrower's rights under this Agreement without the Bank's consent in writing.
- j. Default by Borrower pursuant to any other note, loan agreement, security agreement, or loan document executed by Borrower in favor of the Bank.

A default shall immediately accelerate the entire indebtedness hereunder and cause the said indebtedness to be immediately due and payable.

9. **Waiver of Due Process Rights to Pre-Judgment Hearing and for Notice Prior to Seizure of Assets.** Subject to notice and cure periods stated herein, upon the occurrence of an Event of Default, Borrower does hereby, knowingly, intelligently, and intentionally, waive all due process rights which Borrower may presently have, or which Borrower may have in the future, with respect to any Pre-Judgment Hearing, and/or Notice prior to seizure of assets of Borrower.

10. **Non-Waiver.** Any failure of the Bank to exercise any right or remedy hereunder shall not be construed as a waiver of the right to exercise the same or any other right or remedy at any other time.

11. **Interest Accrual upon Judgment.** In the event the Bank obtains any judgment against Borrower on this Note, whether such judgment is obtained by confession or otherwise, interest shall accrue on the judgment in the same manner and at the same rate as provided in this Note, until the Bank has received payment in full of all amounts due it pursuant to this Note.

12. **Notices.** Any notices required or permitted to be given pursuant hereto, or in connection herewith, shall be deemed to have been fully given when received if addressed and marked, certified, postage prepaid to Bank, or to Borrower, to the addresses listed within the Loan Agreement.

13. **Governing Law.** The Borrower intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the laws of Pennsylvania.

14. **Certification of Compliance.** It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the Borrower, is not in excess of any applicable limitation imposed by the Act upon the incurring of the debt of the Borrower which is evidenced by this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and the same to be attested to, all as of the date written above.

Signed and dated this _____ of December, 2023.

MONTROSE BOROUGH

By: _____
Judith E. Kelly, Council President

Attest: _____
Alyssa Sprout Brace, Secretary

EXHIBIT

B



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AMORTIZATION SCHEDULE

App. Date	Application No.	Loan Amount	Branch	Collateral	Officer	Init.
08-30-2022		700,000.00	25		219	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.						

Applicant: Montrose Borough
216 Cherry St.
Montrose, PA 18801

Lender: Peoples Security Bank and Trust Company
Central City (Scranton)
150 North Washington Avenue
Scranton, PA 18503

Disbursement Date: December 1, 2023
Interest Rate: 5.000

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	01-01-2024	4,648.09	3,013.89	1,634.20	698,365.80
2	02-01-2024	4,648.09	3,006.85	1,641.24	696,724.56
3	03-01-2024	4,648.09	2,806.25	1,841.84	694,882.72
4	04-01-2024	4,648.09	2,991.86	1,656.23	693,226.49
5	05-01-2024	4,648.09	2,888.44	1,759.65	691,466.84
6	06-01-2024	4,648.09	2,977.15	1,670.94	689,795.90
7	07-01-2024	4,648.09	2,874.15	1,773.94	688,021.96
8	08-01-2024	4,648.09	2,962.32	1,685.77	686,336.19
9	09-01-2024	4,648.09	2,955.06	1,693.03	684,643.16
10	10-01-2024	4,648.09	2,852.68	1,795.41	682,847.75
11	11-01-2024	4,648.09	2,940.04	1,708.05	681,139.70
12	12-01-2024	4,648.09	2,838.08	1,810.01	679,329.69
2024 TOTALS:		55,777.08	35,106.77	20,670.31	
13	01-01-2025	4,648.09	2,924.89	1,723.20	677,606.49
14	02-01-2025	4,648.09	2,917.47	1,730.62	675,875.87
15	03-01-2025	4,648.09	2,628.41	2,019.68	673,856.19
16	04-01-2025	4,648.09	2,901.33	1,746.76	672,109.43
17	05-01-2025	4,648.09	2,800.46	1,847.63	670,261.80
18	06-01-2025	4,648.09	2,885.85	1,762.24	668,499.56
19	07-01-2025	4,648.09	2,785.41	1,862.68	666,636.88
20	08-01-2025	4,648.09	2,870.24	1,777.85	664,859.03
21	09-01-2025	4,648.09	2,862.59	1,785.50	663,073.53
22	10-01-2025	4,648.09	2,762.81	1,885.28	661,188.25
23	11-01-2025	4,648.09	2,846.78	1,801.31	659,386.94
24	12-01-2025	4,648.09	2,747.45	1,900.64	657,486.30
2025 TOTALS:		55,777.08	33,933.69	21,843.39	
25	01-01-2026	4,648.09	2,830.84	1,817.25	655,669.05
26	02-01-2026	4,648.09	2,823.02	1,825.07	653,843.98
27	03-01-2026	4,648.09	2,542.73	2,105.36	651,738.62
28	04-01-2026	4,648.09	2,806.10	1,841.99	649,896.63
29	05-01-2026	4,648.09	2,707.90	1,940.19	647,956.44
30	06-01-2026	4,648.09	2,789.81	1,858.28	646,098.16
31	07-01-2026	4,648.09	2,692.08	1,956.01	644,142.15
32	08-01-2026	4,648.09	2,773.39	1,874.70	642,267.45
33	09-01-2026	4,648.09	2,765.32	1,882.77	640,384.68
34	10-01-2026	4,648.09	2,668.27	1,979.82	638,404.86
35	11-01-2026	4,648.09	2,748.69	1,899.40	636,505.46
36	12-01-2026	4,648.09	2,652.11	1,995.98	634,509.48
2026 TOTALS:		55,777.08	32,800.26	22,976.82	
37	01-01-2027	4,648.09	2,731.92	1,916.17	632,593.31
38	02-01-2027	4,648.09	2,723.67	1,924.42	630,668.89
39	03-01-2027	4,648.09	2,452.60	2,195.49	628,473.40
40	04-01-2027	4,648.09	2,705.93	1,942.16	626,531.24
41	05-01-2027	4,648.09	2,610.55	2,037.54	624,493.70
42	06-01-2027	4,648.09	2,688.79	1,959.30	622,534.40
43	07-01-2027	4,648.09	2,593.89	2,054.20	620,480.20
44	08-01-2027	4,648.09	2,671.51	1,976.58	618,503.62
45	09-01-2027	4,648.09	2,663.00	1,985.09	616,518.53
46	10-01-2027	4,648.09	2,568.83	2,079.26	614,439.27
47	11-01-2027	4,648.09	2,645.50	2,002.59	612,436.68
48	12-01-2027	4,648.09	2,551.82	2,096.27	610,340.41
2027 TOTALS:		55,777.08	31,608.01	24,169.07	

AMORTIZATION SCHEDULE (Continued)

Page 2

Loan No: EXHIBIT B

49	01-01-2028	4,648.09	2,627.85	2,020.24	608,320.17
50	02-01-2028	4,648.09	2,619.16	2,028.93	606,291.24
51	03-01-2028	4,648.09	2,442.01	2,206.08	604,085.16
52	04-01-2028	4,648.09	2,600.92	2,047.17	602,037.99
53	05-01-2028	4,648.09	2,508.49	2,139.60	599,898.39
54	06-01-2028	4,648.09	2,582.90	2,065.19	597,833.20
55	07-01-2028	4,648.09	2,490.97	2,157.12	595,676.08
56	08-01-2028	4,648.09	2,564.72	2,083.37	593,592.71
57	09-01-2028	4,648.09	2,555.75	2,092.34	591,500.37
58	10-01-2028	4,648.09	2,464.58	2,183.51	589,316.86
59	11-01-2028	4,648.09	2,537.34	2,110.75	587,206.11
60	12-01-2028	4,648.09	2,446.69	2,201.40	585,004.71
2028 TOTALS:		55,777.08	30,441.38	25,335.70	
61	01-01-2029	4,648.09	2,518.77	2,129.32	582,875.39
62	02-01-2029	4,648.09	2,509.60	2,138.49	580,736.90
63	03-01-2029	4,648.09	2,258.42	2,389.67	578,347.23
64	04-01-2029	4,648.09	2,490.11	2,157.98	576,189.25
65	05-01-2029	4,648.09	2,400.79	2,247.30	573,941.95
66	06-01-2029	4,648.09	2,471.14	2,176.95	571,765.00
67	07-01-2029	4,648.09	2,382.35	2,265.74	569,499.26
68	08-01-2029	4,648.09	2,452.01	2,196.08	567,303.18
69	09-01-2029	4,648.09	2,442.56	2,205.53	565,097.65
70	10-01-2029	4,648.09	2,354.57	2,293.52	562,804.13
71	11-01-2029	4,648.09	2,423.18	2,224.91	560,579.22
72	12-01-2029	4,648.09	2,335.75	2,312.34	558,266.88
2029 TOTALS:		55,777.08	29,039.25	26,737.83	
73	01-01-2030	4,648.09	2,403.65	2,244.44	556,022.44
74	02-01-2030	4,648.09	2,393.99	2,254.10	553,768.34
75	03-01-2030	4,648.09	2,153.54	2,494.55	551,273.79
76	04-01-2030	4,648.09	2,373.54	2,274.55	548,999.24
77	05-01-2030	4,648.09	2,287.50	2,360.59	546,638.65
78	06-01-2030	4,648.09	2,353.58	2,294.51	544,344.14
79	07-01-2030	4,648.09	2,268.10	2,379.99	541,964.15
80	08-01-2030	4,648.09	2,333.46	2,314.63	539,649.52
81	09-01-2030	4,648.09	2,323.49	2,324.60	537,324.92
82	10-01-2030	4,648.09	2,238.85	2,409.24	534,915.68
83	11-01-2030	4,648.09	2,303.11	2,344.98	532,570.70
84	12-01-2030	4,648.09	2,219.04	2,429.05	530,141.65
2030 TOTALS:		55,777.08	27,651.85	28,125.23	
85	01-01-2031	4,648.09	2,282.55	2,365.54	527,776.11
86	02-01-2031	4,648.09	2,272.37	2,375.72	525,400.39
87	03-01-2031	4,648.09	2,043.22	2,604.87	522,795.52
88	04-01-2031	4,648.09	2,250.93	2,397.16	520,398.36
89	05-01-2031	4,648.09	2,168.33	2,479.76	517,918.60
90	06-01-2031	4,648.09	2,229.93	2,418.16	515,500.44
91	07-01-2031	4,648.09	2,147.92	2,500.17	513,000.27
92	08-01-2031	4,648.09	2,208.75	2,439.34	510,560.93
93	09-01-2031	4,648.09	2,198.25	2,449.84	508,111.09
94	10-01-2031	4,648.09	2,117.13	2,530.96	505,580.13
95	11-01-2031	4,648.09	2,176.80	2,471.29	503,108.84
96	12-01-2031	4,648.09	2,096.29	2,551.80	500,557.04
2031 TOTALS:		55,777.08	26,192.47	29,584.61	
97	01-01-2032	4,648.09	2,155.18	2,492.91	498,064.13
98	02-01-2032	4,648.09	2,144.44	2,503.65	495,560.48
99	03-01-2032	4,648.09	1,996.01	2,652.08	492,908.40
100	04-01-2032	4,648.09	2,122.24	2,525.85	490,382.55
101	05-01-2032	4,648.09	2,043.26	2,604.83	487,777.72
102	06-01-2032	4,648.09	2,100.15	2,547.94	485,229.78
103	07-01-2032	4,648.09	2,021.79	2,626.30	482,603.48
104	08-01-2032	4,648.09	2,077.88	2,570.21	480,033.27
105	09-01-2032	4,648.09	2,066.81	2,581.28	477,451.99
106	10-01-2032	4,648.09	1,989.38	2,658.71	474,793.28
107	11-01-2032	4,648.09	2,044.25	2,603.84	472,189.44
108	12-01-2032	4,648.09	1,967.46	2,680.63	469,508.81
2032 TOTALS:		55,777.08	24,728.85	31,048.23	
109	01-01-2033	4,648.09	2,021.50	2,626.59	466,882.22
110	02-01-2033	4,648.09	2,010.19	2,637.90	464,244.32
111	03-01-2033	4,648.09	1,805.39	2,842.70	461,401.62
112	04-01-2033	4,648.09	1,986.59	2,661.50	458,740.12
	05-01-2033	4,648.09	1,911.42	2,736.67	456,003.45

AMORTIZATION SCHEDULE (Continued)

Page 3

Loan No: EXHIBIT B

114	06-01-2033	4,648.09	1,963.35	2,684.74	453,318.71
115	07-01-2033	4,648.09	1,888.83	2,759.26	450,559.45
116	08-01-2033	4,648.09	1,939.91	2,708.18	447,851.27
117	09-01-2033	4,648.09	1,928.25	2,719.84	445,131.43
118	10-01-2033	4,648.09	1,854.71	2,793.38	442,338.05
119	11-01-2033	4,648.09	1,904.51	2,743.58	439,594.47
120	12-01-2033	4,648.09	1,831.64	2,816.45	436,778.02
2033 TOTALS:		55,777.08	23,046.29	32,730.79	
121	01-01-2034	4,648.09	1,880.57	2,767.52	434,010.50
122	02-01-2034	4,648.09	1,868.66	2,779.43	431,231.07
123	03-01-2034	4,648.09	1,677.01	2,971.08	428,259.99
124	04-01-2034	4,648.09	1,843.90	2,804.19	425,455.80
125	05-01-2034	4,648.09	1,772.73	2,875.36	422,580.44
126	06-01-2034	4,648.09	1,819.44	2,828.65	419,751.79
127	07-01-2034	4,648.09	1,748.97	2,899.12	416,852.67
128	08-01-2034	4,648.09	1,794.78	2,853.31	413,999.36
129	09-01-2034	4,648.09	1,782.50	2,865.59	411,133.77
130	10-01-2034	4,648.09	1,713.06	2,935.03	408,198.74
131	11-01-2034	4,648.09	1,757.52	2,890.57	405,308.17
132	12-01-2034	4,648.09	1,688.78	2,959.31	402,348.86
2034 TOTALS:		55,777.08	21,347.92	34,429.16	
133	01-01-2035	4,648.09	1,732.34	2,915.75	399,433.11
134	02-01-2035	4,648.09	1,719.78	2,928.31	396,504.80
135	03-01-2035	4,648.09	1,541.96	3,106.13	393,398.67
136	04-01-2035	4,648.09	1,693.80	2,954.29	390,444.38
137	05-01-2035	4,648.09	1,626.85	3,021.24	387,423.14
138	06-01-2035	4,648.09	1,668.07	2,980.02	384,443.12
139	07-01-2035	4,648.09	1,601.85	3,046.24	381,396.88
140	08-01-2035	4,648.09	1,642.13	3,005.96	378,390.92
141	09-01-2035	4,648.09	1,629.18	3,018.91	375,372.01
142	10-01-2035	4,648.09	1,564.05	3,084.04	372,287.97
143	11-01-2035	4,648.09	1,602.91	3,045.18	369,242.79
144	12-01-2035	4,648.09	1,538.51	3,109.58	366,133.21
2035 TOTALS:		55,777.08	19,561.43	36,215.65	
145	01-01-2036	4,648.09	1,576.41	3,071.68	363,061.53
146	02-01-2036	4,648.09	1,563.18	3,084.91	359,976.62
147	03-01-2036	4,648.09	1,449.91	3,198.18	356,778.44
148	04-01-2036	4,648.09	1,536.13	3,111.96	353,666.48
149	05-01-2036	4,648.09	1,473.61	3,174.48	350,492.00
150	06-01-2036	4,648.09	1,509.06	3,139.03	347,352.97
151	07-01-2036	4,648.09	1,447.30	3,200.79	344,152.18
152	08-01-2036	4,648.09	1,481.77	3,166.32	340,985.86
153	09-01-2036	4,648.09	1,468.13	3,179.96	337,805.90
154	10-01-2036	4,648.09	1,407.52	3,240.57	334,565.33
155	11-01-2036	4,648.09	1,440.49	3,207.60	331,357.73
156	12-01-2036	4,648.09	1,380.66	3,267.43	328,090.30
2036 TOTALS:		55,777.08	17,734.17	38,042.91	
157	01-01-2037	4,648.09	1,412.61	3,235.48	324,854.82
158	02-01-2037	4,648.09	1,398.68	3,249.41	321,605.41
159	03-01-2037	4,648.09	1,250.69	3,397.40	318,208.01
160	04-01-2037	4,648.09	1,370.06	3,278.03	314,929.98
161	05-01-2037	4,648.09	1,312.21	3,335.88	311,594.10
162	06-01-2037	4,648.09	1,341.59	3,306.50	308,287.60
163	07-01-2037	4,648.09	1,284.53	3,363.56	304,924.04
164	08-01-2037	4,648.09	1,312.87	3,335.22	301,588.82
165	09-01-2037	4,648.09	1,298.51	3,349.58	298,239.24
166	10-01-2037	4,648.09	1,242.66	3,405.43	294,833.81
167	11-01-2037	4,648.09	1,269.42	3,378.67	291,455.14
168	12-01-2037	4,648.09	1,214.40	3,433.69	288,021.45
2037 TOTALS:		55,777.08	15,708.23	40,068.85	
169	01-01-2038	4,648.09	1,240.09	3,408.00	284,613.45
170	02-01-2038	4,648.09	1,225.42	3,422.67	281,190.78
171	03-01-2038	4,648.09	1,093.52	3,554.57	277,636.21
172	04-01-2038	4,648.09	1,195.38	3,452.71	274,183.50
173	05-01-2038	4,648.09	1,142.43	3,505.66	270,677.84
174	06-01-2038	4,648.09	1,165.42	3,482.67	267,195.17
175	07-01-2038	4,648.09	1,113.31	3,534.78	263,660.39
176	08-01-2038	4,648.09	1,135.20	3,512.89	260,147.50
177	09-01-2038	4,648.09	1,120.08	3,528.01	256,619.49
178	10-01-2038	4,648.09	1,069.25	3,578.84	253,040.65
179	11-01-2038	4,648.09	1,089.48	3,558.61	249,482.04

AMORTIZATION SCHEDULE (Continued)

Page 4

Loan No: EXHIBIT B

180	12-01-2038	4,648.09	1,039.51	3,608.58	245,873.46
2038 TOTALS:		55,777.08	13,629.09	42,147.99	
181	01-01-2039	4,648.09	1,058.62	3,589.47	242,283.99
182	02-01-2039	4,648.09	1,043.17	3,604.92	238,679.07
183	03-01-2039	4,648.09	928.20	3,719.89	234,959.18
184	04-01-2039	4,648.09	1,011.63	3,636.46	231,322.72
185	05-01-2039	4,648.09	963.84	3,684.25	227,638.47
186	06-01-2039	4,648.09	980.11	3,667.98	223,970.49
187	07-01-2039	4,648.09	933.21	3,714.88	220,255.61
188	08-01-2039	4,648.09	948.32	3,699.77	216,555.84
189	09-01-2039	4,648.09	932.39	3,715.70	212,840.14
190	10-01-2039	4,648.09	886.83	3,761.26	209,078.88
191	11-01-2039	4,648.09	900.20	3,747.89	205,330.99
192	12-01-2039	4,648.09	855.55	3,792.54	201,538.45
2039 TOTALS:		55,777.08	11,442.07	44,335.01	
193	01-01-2040	4,648.09	867.73	3,780.36	197,758.09
194	02-01-2040	4,648.09	851.46	3,796.63	193,961.46
195	03-01-2040	4,648.09	781.23	3,866.86	190,094.60
196	04-01-2040	4,648.09	818.46	3,829.63	186,264.97
197	05-01-2040	4,648.09	776.10	3,871.99	182,392.98
198	06-01-2040	4,648.09	785.30	3,862.79	178,530.19
199	07-01-2040	4,648.09	743.88	3,904.21	174,625.98
200	08-01-2040	4,648.09	751.86	3,896.23	170,729.75
201	09-01-2040	4,648.09	735.09	3,913.00	166,816.75
202	10-01-2040	4,648.09	695.07	3,953.02	162,863.73
203	11-01-2040	4,648.09	701.22	3,946.87	158,916.86
204	12-01-2040	4,648.09	662.15	3,985.94	154,930.92
2040 TOTALS:		55,777.08	9,169.55	46,607.53	
205	01-01-2041	4,648.09	667.06	3,981.03	150,949.89
206	02-01-2041	4,648.09	649.92	3,998.17	146,951.72
207	03-01-2041	4,648.09	571.48	4,076.61	142,875.11
208	04-01-2041	4,648.09	615.16	4,032.93	138,842.18
209	05-01-2041	4,648.09	578.51	4,069.58	134,772.60
210	06-01-2041	4,648.09	580.27	4,067.82	130,704.78
211	07-01-2041	4,648.09	544.60	4,103.49	126,601.29
212	08-01-2041	4,648.09	545.09	4,103.00	122,498.29
213	09-01-2041	4,648.09	527.42	4,120.67	118,377.62
214	10-01-2041	4,648.09	493.24	4,154.85	114,222.77
215	11-01-2041	4,648.09	491.79	4,156.30	110,066.47
216	12-01-2041	4,648.09	458.61	4,189.48	105,876.99
2041 TOTALS:		55,777.08	6,723.15	49,053.93	
217	01-01-2042	4,648.09	455.86	4,192.23	101,684.76
218	02-01-2042	4,648.09	437.81	4,210.28	97,474.48
219	03-01-2042	4,648.09	379.07	4,269.02	93,205.46
220	04-01-2042	4,648.09	401.30	4,246.79	88,958.67
221	05-01-2042	4,648.09	370.66	4,277.43	84,681.24
222	06-01-2042	4,648.09	364.60	4,283.49	80,397.75
223	07-01-2042	4,648.09	334.99	4,313.10	76,084.65
224	08-01-2042	4,648.09	327.59	4,320.50	71,764.15
225	09-01-2042	4,648.09	308.98	4,339.11	67,425.04
226	10-01-2042	4,648.09	280.94	4,367.15	63,057.89
227	11-01-2042	4,648.09	271.50	4,376.59	58,681.30
228	12-01-2042	4,648.09	244.51	4,403.58	54,277.72
2042 TOTALS:		55,777.08	4,177.81	51,599.27	
229	01-01-2043	4,648.09	233.70	4,414.39	49,863.33
230	02-01-2043	4,648.09	214.69	4,433.40	45,429.93
231	03-01-2043	4,648.09	176.67	4,471.42	40,958.51
232	04-01-2043	4,648.09	176.35	4,471.74	36,486.77
233	05-01-2043	4,648.09	152.03	4,496.06	31,990.71
234	06-01-2043	4,648.09	137.74	4,510.35	27,480.36
235	07-01-2043	4,648.09	114.50	4,533.59	22,946.77
236	08-01-2043	4,648.09	98.80	4,549.29	18,397.48
237	09-01-2043	4,648.09	79.21	4,568.88	13,828.60
238	10-01-2043	4,648.09	57.62	4,590.47	9,238.13
239	11-01-2043	4,648.09	39.78	4,608.31	4,629.82
240	12-01-2043	4,648.09	18.27	4,629.82	0.00
2043 TOTALS:		55,777.08	1,499.36	54,277.72	
TOTALS:		1,115,541.60	415,541.60	700,000.00	

Loan No: EXHIBIT B

AMORTIZATION SCHEDULE (Continued)

Page 5

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

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EXHIBIT

N

UNITED STATES OF AMERICA
MONTROSE BOROUGH
COUNTY OF SUSQUEHANNA
COMMONWEALTH OF PENNSYLVANIA
\$700,000.00 AGGREGATE PRINCIPAL AMOUNT
TERM NOTE SECURED BY TAXES AND REVENUE
OF MONTROSE BOROUGH, SERIES OF 2023

GENERAL OBLIGATION NOTE

\$700,000.00

Seven Hundred Thousand Dollars

December, 2023

1. **Terms.** Montrose Borough, a Pennsylvania Municipal Corporation having a principal address of P.O. Box 216, 89 Cherry Street, Montrose Susquehanna County, Pennsylvania 18801 (the "Borrower"), for value received, hereby promises to pay to the Peoples Security Bank and Trust Company (the "Bank"), on or before December, 2043, at the office of the Bank located at 150 N. Washington Avenue, Lackawanna County, Pennsylvania, the sum of Seven Hundred Thousand Dollars (\$700,000.00) in lawful money of the United States of America, with interest thereon, from the date hereof to maturity, payable at maturity, at the following rates.

Commencing on December ____, 2023, and on the same day of each month thereafter for a period of two hundred thirty-nine (239) consecutive months, Borrower shall make monthly payments of principal and interest in an amount not less than _____ (\$_____), based upon a fixed rate of interest of five percent (5.00%) per annum.

This Note evidences a Loan to be advanced from the Bank to the Borrower in accordance with the terms and conditions of a Loan Agreement of or about even date herewith, incorporated herein by reference.

2. **Alternative Interest Rate.** The interest rate specified above is based on the assumption that interest income from this Loan is exempt from federal income taxes. If the tax exempt status of the Loan's interest income is revoked, or if the Internal Revenue Code is changed to adversely affect the tax exempt status of this Loan's interest income, then the Bank, at its sole discretion, may retroactively increase the interest rate from the date of determination specified above to six and one-quarter percent (6.25%) per annum.

Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the Interest rate over a year of 360 days multiplied by the outstanding principal balance multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

3. **Authorization.** This General Obligation Note has been duly authorized for issuance by the Borrower pursuant to the Local Government Unit Debt Act, Act No. 185 of the 1972 General Assembly of the Commonwealth of Pennsylvania, approved July 12, 1972, as amended, and by resolution ("Resolution") of the Borrower adopted December, 2023.

4. **Applications of Proceeds.** The proceeds from the sale of the Note shall be used for the continuation of construction of a new building to house equipment and vehicles and to recoup some of Borrower's capital already invested in the construction project.

The Borrower certifies that this current obligation, if and to the extent invested, will be considered to be invested for temporary periods, and consequently is not an arbitrage bond for Federal Income Tax purposes. The Borrower further covenants that it will make no use of the proceeds of this Note which, if such use had been reasonably expected on the date of issue, would have caused the Note to be an arbitrage bond, and that it will comply with Internal Revenue Code.

5. **Qualified Tax Exempt Obligation.** This Note is designated by the Borrower as a "Qualified Tax Exempt Obligation" under §265 (b) (3) of the Internal Revenue Code of 1986, as amended, revised, or supplemented.

6. **Certification.** It is hereby certified that all actions required by the Local Government Unit Debt Act to be taken to render this Note valid and obligatory have been duly taken 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 and in the authorization and issuance of this Note exist, have happened and have been performed in regular and due form and manner and as required by law, and that all existing indebtedness of the Borrower is within every limitation prescribed by the Constitution and the statutes of the Commonwealth of Pennsylvania.

7. **Prepayment.** The Borrower shall have the privilege of prepaying the entire principal amount of this Note at any time, without restriction or penalty, and may make partial prepayments on account of the principal from time to time, provided that partial prepayments shall not be deemed to change the amount of or postpone the payment of any of the monthly installments of principal and interest specified in this Note.

8. **Events of Default.** At the sole discretion of Bank, any one (1) of the following shall be considered an event of default:

- a. Failure of the Borrower to make any payments of principal and/or interest on the Note when said payment(s) become due.
- b. If the Borrower shall apply for or consent to the appointment of a

receiver, trustee, or liquidator; or

- c. If the Borrower is unable to pay the Borrower's debts to Bank as they fall due; or
- d. If the Borrower makes a general assignment for the benefit of creditors; or
- e. If the Borrower is adjudicated as a bankrupt or insolvent, *or* files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, or takes advantage of any insolvency law or files any answer admitting the material allegations of a petition filed against Borrower in any bankruptcy, reorganization or insolvency proceeding, or if an involuntary petition in bankruptcy, is filed against Borrower and same is not dismissed or vacated within sixty (60) days of its filing.
- f. If a Writ of Execution or similar process has been issued against Borrower, and has not been vacated or released within thirty (30) days after the date of levy thereon.
- g. If Borrower shall fail in the performance of any of the agreements and covenants set forth herein, or in the Loan Agreement, or the Security Agreement, all of or about even date herewith, all of which are hereby incorporated by reference, other than the failure to pay principal and interest as listed herein, for which no cure period shall arise, and such failure continues for a period of thirty (30) days after transmittal by the Bank of written notice specifying such failure and demanding its cure.
- h. If any representation or warranty made herein by Borrower is untrue in any material respect, or if any written statement, certification, warranty, or representation required to be made by Borrower to the Bank is untrue in any material respect.
- i. If Borrower assigns, either voluntarily or by operation of law, any of Borrower's rights under this Agreement without the Bank's consent in writing.
- j. Default by Borrower pursuant to any other note, loan agreement, security agreement, or loan document executed by Borrower in favor of the Bank.

A default shall immediately accelerate the entire indebtedness hereunder and cause the said indebtedness to be immediately due and payable.

9. **Waiver of Due Process Rights to Pre-Judgment Hearing and for Notice Prior to Seizure of Assets.** Subject to notice and cure periods stated herein, upon the occurrence of an Event of Default, Borrower does hereby, knowingly, intelligently, and intentionally, waive all due process rights which Borrower may presently have, or which Borrower may have in the future, with respect to any Pre-Judgment Hearing, and/or Notice prior to seizure of assets of Borrower.

10. **Non-Waiver.** Any failure of the Bank to exercise any right or remedy hereunder shall not be construed as a waiver of the right to exercise the same or any other right or remedy at any other time.

11. **Interest Accrual upon Judgment.** In the event the Bank obtains any judgment against Borrower on this Note, whether such judgment is obtained by confession or otherwise, interest shall accrue on the judgment in the same manner and at the same rate as provided in this Note, until the Bank has received payment in full of all amounts due it pursuant to this Note.

12. **Notices.** Any notices required or permitted to be given pursuant hereto, or in connection herewith, shall be deemed to have been fully given when received if addressed and marked, certified, postage prepaid to Bank, or to Borrower, to the addresses listed within the Loan Agreement.

13. **Governing Law.** The Borrower intends this to be a sealed instrument and to be legally bound hereby. All issues arising hereunder shall be governed by the laws of Pennsylvania.

14. **Certification of Compliance.** It is hereby certified that: (i) all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to and in issuance of this Note or in creation of the debt of which this Note is evidence have been done, have happened or have been performed in due and regular form and manner, as required by law; and (ii) the debt represented by this Note, together with any other indebtedness of the Borrower, is not in excess of any applicable limitation imposed by the Act upon the incurring of the debt of the Borrower which is evidenced by this Note.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and the same to be attested to, all as of the date written above.

Signed and dated this _____ of December, 2023.

MONTROSE BOROUGH

By: _____
Judith E. Kelly, Council President

Attest: _____
Alyssa Sprout Brace, Secretary

CERTIFICATION

I, the undersigned Secretary of Borough of Montrose, Susquehanna County, Pennsylvania, do hereby certify that the foregoing and attached is a true and correct copy of an Ordinance of said local government unit, which was duly enacted by the affirmative vote of the members of the governing body at a meeting thereof duly called and held on the 4th day of December 2023, after due notice to the members and to the public and which was at all times open to the public, that the same was examined and approved by the members of the governing body and was duly recorded in the Ordinance Book of said local government unit and was published as required by law in the Scranton Times, a newspaper of general circulation in said local government unit.

I further certify that the total number of members of the governing body of the local government unit is 7; that the vote upon said Ordinance was called and duly recorded on the minutes of said meeting and that the members voted in the manner following:

Craig Heimel Aye
Tom Follett Aye
Judy Kelly Aye
Ed Herd Aye
Todd Chombarain Aye
Randy Schuster Aye
Sean Cronahan Aye

WITNESS my hand and the seal of the Borough of Montrose, Susquehanna County, Pennsylvania, this 4th day of December 2023.

Duma Spradburn

Borough of Montrose, Secretary

SEAL