

TOWNSHIP OF EAST ROCKHILL  
BUCKS COUNTY, PENNSYLVANIA

ORDINANCE NO. 265

AN ORDINANCE OF EAST ROCKHILL TOWNSHIP, COUNTY OF BUCKS, PENNSYLVANIA, INCREASING THE NON-ELECTORAL INDEBTEDNESS OF THE TOWNSHIP UNDER THE LOCAL GOVERNMENT UNIT DEBT ACT IN THE PRINCIPAL AMOUNT OF \$1,200,000, REPRESENTING EAST ROCKHILL TOWNSHIP'S SHARE, AS CO-SIGNER AND CO-BORROWER, OF A PROMISSORY NOTE IN THE PRINCIPAL AMOUNT OF \$2,400,000 TO BE EXECUTED BY THE PENNRIDGE REGIONAL POLICE COMMISSION, AN ENTITY FORMED UNDER THE INTERGOVERNMENTAL COOPERATION ACT OF WHICH EAST ROCKHILL TOWNSHIP IS A PARTICIPATING MEMBER, THE PROCEEDS OF WHICH ARE TO BE APPLIED TOWARDS: (A) REFUNDING THE TOWNSHIP'S GENERAL OBLIGATION NOTE (GON #13221) ISSUED TO QNB BANK ON DECEMBER 22, 2010 IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,050,000.00 IN ORDER TO REDUCE THE INTEREST RATE DUE AND PAYABLE UNDER THAT NOTE, (B) TO PROVIDE \$150,000.00 IN ADDITIONAL FUNDS IN ORDER TO COMPLETE CONSTRUCTION OF AND PURCHASE FIXTURES AND EQUIPMENT FOR FIT-OUT OF THE NEW HEADQUARTERS BUILDING OF THE PENNRIDGE REGIONAL POLICE COMMISSION AND (C) TO PAY THE COSTS OF ISSUANCE OF THE NOTE; ACCEPTING A PROPOSAL TO PURCHASE THE NOTE; FIXING THE FORM, NUMBER, DATE, INTEREST, AND MATURITY THEREOF; PROVIDING FOR THE APPOINTMENT OF A SINKING FUND DEPOSITORY; MAKING A COVENANT FOR THE PAYMENT OF DEBT SERVICE ON THE NOTE; AUTHORIZING CERTAIN OFFICIALS TO EXECUTE AND DELIVER THE NOTE AND TO PREPARE AND FILE CERTAIN CERTIFICATES AND OTHER PROCEEDINGS; AND AUTHORIZING OTHER NECESSARY ACTION

*WHEREAS*, East Rockhill Township is a participating member of the Pennridge Regional Police Commission (herein, the "PRPC"), an entity formed under the Pennsylvania Intergovernmental Cooperation Act, 53 Pa. C.S.A. Section 2301, et. seq., for the purpose of providing regional police services to its participating members, West Rockhill Township and East Rockhill Township (the "Participating Members"); and

*WHEREAS*, the PRPC has substantially completed the new police headquarters building ("Building") located on Ridge Road, Sellersville, West Rockhill Township, Bucks County, Pennsylvania (the "Site") however due to certain changes to the construction additional funds are needed to complete the Building; and

**WHEREAS**, the PRPC is in need of equipment and fixtures to complete the fit-out of the Building and prepare it for occupancy; and

**WHEREAS**, the PRPC and its Participating Members have received preliminary realistic cost estimates for the completion of construction of the Building and acquisition of equipment and fixtures to complete the fit-out of the Building (collectively the **"PRPC Building Project"**) from professional consultants indicating the sum of \$300,000 will be needed to complete the PRPC Building Project; and

**WHEREAS**, on December 22, 2010 the Township issued nonelectoral debt evidenced by its General Obligation Note Series of 2010 in the amount of \$1,050,000 (DCED Approval No. GON – 13221) (**"2010 Note"**), which was issued to provide funds for and toward a capital project consisting of design and construction of the Building (the **"2010 Capital Project"**); and

**WHEREAS**, the Township has determined to undertake a refinancing program to achieve annual debt service savings through the refunding of the outstanding principal balance of the 2010 Note (the **"Refunding Program"**), the Refunding Program and the PRPC Building Project being referred to herein collectively as the **"2011 Capital Project"**; and

**WHEREAS**, the 2010 Note is fully advanced and/or accounted for and is stated to mature on June 30, 2037; and

**WHEREAS**, the 2010 Note does not contain a prepayment penalty; and

**WHEREAS**, the proposed maturity on the Note to be issued hereunder will have the same maturity date as the 2010 Note (June 30, 2037) and therefore the testing provisions of Section 8243 (b) of the Act are not applicable to the Refunding Program; and

**WHEREAS**, the PRPC and its Participating Members have received a commitment from QNB Bank for a loan to the PRPC as Borrower (the **"PRPC Loan"**), in the principal amount of \$2,400,000 the proceeds of which are to be applied towards the 2011 Capital Project, with the Participating Members to act as co-signers and Co-Borrowers of the PRPC Loan, subject to the limitation that the maximum liability of each Participating Member for repayment of principal on the PRPC Loan shall be \$1,200,000 (plus interest thereon) (herein, the **"Participating Member's Share"**); and

**WHEREAS**, the Board of Supervisors of East Rockhill, Bucks County, Pennsylvania, hereafter called "East Rockhill Township", "Township" or the "Local Government Unit", proposes to incur nonelectoral debt by the issuance of a general obligation note to finance East Rockhill Township's Participating Member's Share of the PRPC Loan the proceeds of which shall be applied to the Refunding Program and the PRPC Building Project; and

**WHEREAS**, the proposed increase in debt in the amount of \$1,200,000 to finance East Rockhill Township's Participating Member's Share of the PRPC Loan the proceeds of which are

to be applied to the 2011 Capital Project, 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; and

**WHEREAS**, QNB Bank, P.O. Box 9005, Quakertown, Pennsylvania, 18951 has submitted a Proposal ("**Proposal**") dated October 26, 2011 to purchase a General Obligation Note of East Rockhill Township, and East Rockhill Township desires by the adoption of this Ordinance, to accept such Proposal and authorize the issuance and sale of its General Obligation Note.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED** by the Township of East Rockhill, Bucks County, Pennsylvania, and it is hereby **ENACTED AND ORDAINED** by the authority of same, as follows:

1. East Rockhill Township hereby accepts the Proposal of QNB Bank dated October 26, 2011 and authorizes the issuance of a general obligation note to QNB Bank in the principal amount of \$1,200,000, said Note to be incurred as non-electoral, "bank-qualified" debt and issued for the foregoing purposes as set forth in the Preambles above. This indebtedness shall evidence the Local Government Unit's obligation as co-signer and co-borrower of the PRPC Loan, subject to the limitation that the maximum liability of East Rockhill Township for repayment of the PRPC Loan shall be as follows: principal of \$1,200,000 plus interest on such amount.

2. The period of useful life of the improvements comprising the PRPC Building Project for which a portion of this obligation is incurred is estimated to be in excess of thirty (30) years.

3. The estimated useful life of the 2010 Capital Project financed with the proceeds of the 2010 Note was determined by the Township under Ordinance 256, enacted on August 24, 2010, authorizing the 2010 Note, to be in excess of thirty (30) years. It is hereby determined that the useful life of the Refunding Program of the 2011 Capital Project is also in excess of thirty (30) years. Accordingly, the maturity date of the 2011 Note will not exceed the useful life of the 2011 Capital Project.

4. It is hereby determined and set forth that the purpose of the Refunding Program with respect to the refunding of the 2010 Note is to reduce the annual debt service in accordance with the Act and to reduce the rate of interest otherwise due and payable under the 2010 Note.

5. The indebtedness contemplated hereunder shall be evidenced by one general obligation note ("the 2011 Note"), in fully registered form, in the sum of \$1,200,000, representing East Rockhill Township's obligation for repayment of its Participating Member's Share of the PRPC Loan, shall bear interest from the earliest date of possible issue of said 2011 Note under the statutory requirements as set forth in the Act of General Assembly of the Commonwealth of Pennsylvania approved the 28<sup>th</sup> day of April, 1978, being Act 52 of 1978 Session, as amended and restated, and known as the Local Government Unit Debt Act (the "Act").

The 2011 Note shall bear interest at the initial tax-free interest rate of 3.125% until June 30, 2017 and thereafter at 80% of the Wall Street Journal Prime Rate in effect as of June 30, 2017, June 30, 2022, June 30, 2027 and June 30, 2032, for the five (5) year period after each such date, not to exceed a maximum tax-free interest rate over the life of the loan of 6% per annum, nor be less than a rate of 4% per annum. Principal and interest shall be payable on a monthly basis, with payments of interest to begin on the last day of the first calendar month following the date of the Note and payments of principal to begin on July 31, 2012, as follows:

SEE ATTACHED *Exhibit A* – REPAYMENT SCHEDULE

6. East Rockhill Township reserves the right to anticipate any or all installments of principal or any payment of interest at any time prior to the respective due dates thereof, without notice or penalty.

7. Upon delivery of the 2011 Note, the proceeds of said 2011 Note shall be applied to pay off the outstanding 2010 Note in its entirety whereupon the 2010 Note shall no longer be deemed to be outstanding in accordance with Section 8250(b) of the Act. The balance of the proceeds of the 2011 Note shall be held by QNB and advanced to the PRPC, upon request, for application towards the PRPC Building Project, provided that all such advances must be drawn no later than June 30, 2012.

8. The said 2011 Note is hereby declared to be a general obligation of the Township of East Rockhill, Bucks County, Pennsylvania, and constitutes nonelectoral debt under the Act. In addition, the 2011 Note will become part of the promissory note to be issued by the PRPC under the PRPC Loan from QNB Bank, a copy of which is attached hereto and incorporated herein as *Exhibit B*. The principal and interest of the Note shall be payable at the office of the sinking fund depository selected for the 2011 Note as hereinafter provided.

9. The amounts which East Rockhill Township hereby covenants to pay in each of the fiscal years commencing with 2011 and ending in 2037, on the basis of the indicated interest rates, are as set forth in *Exhibit C* attached hereto and made part hereof.

10. East Rockhill Township 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 pay or cause to be paid the principal of the Note thereon at the dates and places and in the manner stated in the Note according to the true intent and meaning thereof, and for proper budgeting, appropriation, and payment, the full faith, credit and taxing power of East Rockhill Township is hereby irrevocably pledged.

11. The form of the 2011 Note shall be substantially as set forth in *Exhibit D* which is attached hereto and made part hereof.

12. The said 2011 Note shall be executed in the name and under the corporate seal of East Rockhill Township by any one of the Chairman or Vice Chairman or Treasurer of the Board of Supervisors and attested to by the Secretary. The Chairman, Vice Chairman or Treasurer of the Board of Supervisors is hereby authorized and directed to deliver the 2011 Note to the purchaser and receive payment therefore on behalf of East Rockhill Township. The Chairman, Vice Chairman or Treasurer of the Board of Supervisors and the Secretary of the Township are authorized and directed to prepare, verify and file the debt statement required by Section 8110 of the Act and to take other necessary action, 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.

13. In compliance with Section 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 interest of East Rockhill Township. Therefore, the 2011 Note in the amount of \$1,200,000 herein authorized to be issued and sold is hereby awarded and sold to QNB Bank in accordance with its proposal to purchase the said 2011 Note at par, provided that said 2011 Note is dated the date of delivery thereof to QNB Bank and is in the form set forth in Section 11 of this Ordinance; and further provided that the proceedings have been approved by the Department of Community and Economic Development. A copy of QNB Bank's signed Proposal is attached hereto as *Exhibit E*.

14. The proper officers of the Township are authorized to contract with QNB in connection with the performance of its duties as the Paying Agent and Sinking Fund Depository on usual and customary terms, including an agreement to observe and comply with the provisions of this Ordinance and of the Act.

15. QNB Bank 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 2011 General Obligation Note", for the payment of the principal 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.

16. The Township hereby further authorizes the prepayment in full of the 2010 Note on the date of execution and funding of the 2011 Note. The officers of the Township are hereby authorized and directed to execute all documents and to take such other action as may be necessary or advisable to effect the payoff of the 2010 Note. That portion of the proceeds of the 2011 Note issued to finance the Refunding Program shall be applied to the payment of the 2010 Note.

17. The Township covenants for the benefit of the owners of the 2011 Note: (i) that no use of the proceeds of the 2011 Note will be made, and no other action will be taken, which

would cause the 2011 Note to be an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "Code"); (ii) that all action with respect to the 2011 Note required to be taken to avoid characterization of the 2011 Note as an "arbitrage bond" under Section 148 of the Code shall be taken; (iii) that the Township will take all reasonable steps to ensure that interest on the 2011 Note is not included in gross income of the owner of the 2011 Note for purposes of federal income taxation; and (iv) that the Township will take no action to cause the 2011 Note to become a "private activity bond" as that term is used in Section 141(a) of the Code. The Chairman and Secretary are authorized and directed to take all appropriate action to maintain the exclusion from gross income of interest on the 2011 Note for federal income tax purposes including the payment of any arbitrage rebate to the United States, if required, and the establishment of special accounts in connection therewith.

18. For purposes of Section 265(b)(3) of the Code, the Township and all entities that issue on behalf of the Township, do not anticipate issuing more than \$10,000,000.00 of tax-exempt obligations in the calendar year of 2011 (including the 2011 Note). The Township hereby designates the 2011 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Code.

19. The action of the proper officers and the advertising of the summary of this Ordinance, as required by law, in the *Intelligencer*, a newspaper with general circulation, is ratified and confirmed. The advertising in said paper of the enactment of the Ordinance is hereby directed within 15 days following the day of final enactment.

20. All covenants, obligations and agreements of the Township set forth in this Ordinance and in the documents authorized hereby shall be deemed to be the covenants, obligations and agreements of the Township to the full extent authorized or permitted by law, and all such covenants, obligations and agreements shall be binding upon the Township and its successors from time to time and upon any board or body to which any powers or duties affecting the same shall be transferred by or in accordance with law. Except as otherwise provided in this Ordinance, all rights, powers and privileges conferred and duties and liabilities imposed upon the Township or the members thereof by the provisions of this Ordinance or the documents authorized hereby shall be exercised or performed, by such members, officers or other representatives of the Township as may be required or permitted by law to exercise or perform the same. No covenant, obligation or agreement herein contained or contained in any documents authorized hereby shall be deemed to be a covenant, obligation or agreement of any supervisor, officer, agent or employee of the Township in his or her individual capacity and neither the Supervisors of the Township nor any officer executing the other documents authorized by this Ordinance shall be liable personally thereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

21. The Township hereby appoints Grim, Biehn and Thatcher to act as Note Counsel to the Township with respect to the transactions contemplated by this Ordinance.

22. The proper officers of the Township are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices and otherwise comply with the provisions of this Ordinance and the Act in the name and on behalf of the Township.

23. In case any one or more of the provisions contained in this Ordinance or in any Note 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 2011 Note, and this Ordinance or said 2011 Note shall be construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained therein.

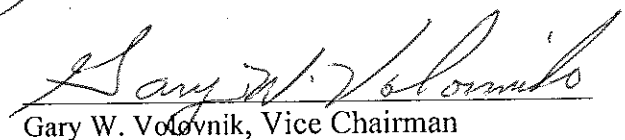
24. All Ordinances and/or parts of Ordinances heretofore enacted to the extent that the same are inconsistent herewith are hereby repealed.

25. This Ordinance shall take effect on the earliest date permitted by the Act.

*ENACTED AND ORDAINED*, this 4<sup>th</sup> day of November, A.D., 2011.

EAST ROCKHILL TOWNSHIP  
BOARD OF SUPERVISORS

  
John R. Cressman, Chairman

  
Gary W. Volovnik, Vice Chairman

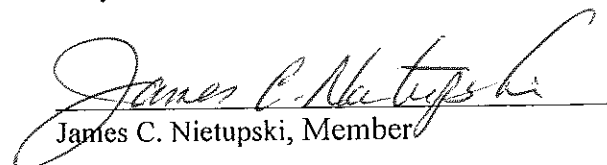
  
James C. Nietupski, Member

EXHIBIT "A"  
Repayment Schedule

# AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call/ Coll	Account	Officer	Initials
\$1,200,000.00	10-31-2010	06-30-2037		157/00			

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.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** East Rockhill Township Share of  
Pennridge Regional Police Commission Loan

**Lender:** QNB Bank  
320 W. Broad St.  
P. O. Box 9005  
Quakertown, PA 18951-9005

Disbursement Date: November 30, 2011

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

Payment Number	Payment Date	Interest Rate	Payment Amount	Interest Paid	Principal Paid	Balance
1	11-30-2011	3.125	0.00	0.00	0.00	1,200,000.00
2	12-31-2011	3.125	3,229.16	3,229.16	0.00	1,200,000.00
<b>2011 TOTALS:</b>			<b>3,229.16</b>	<b>3,229.16</b>	<b>0.00</b>	
3	01-31-2012	3.125	3,229.17	3,229.17	0.00	1,200,000.00
4	02-29-2012	3.125	3,020.83	3,020.83	0.00	1,200,000.00
5	03-31-2012	3.125	3,229.17	3,229.17	0.00	1,200,000.00
6	04-30-2012	3.125	3,125.00	3,125.00	0.00	1,200,000.00
7	05-31-2012	3.125	3,229.17	3,229.17	0.00	1,200,000.00
8	06-30-2012	3.125	3,125.00	3,125.00	0.00	1,200,000.00
9	07-31-2012	3.125	5,797.22	3,229.16	2,568.06	1,197,431.94
10	08-31-2012	3.125	5,797.22	3,222.26	2,574.96	1,194,856.98
11	09-30-2012	3.125	5,797.22	3,111.60	2,685.62	1,192,171.36
12	10-31-2012	3.125	5,797.22	3,208.10	2,589.12	1,189,582.24
13	11-30-2012	3.125	5,797.22	3,097.87	2,699.35	1,186,882.89
14	12-31-2012	3.125	5,797.22	3,193.87	2,603.35	1,184,279.54
<b>2012 TOTALS:</b>			<b>53,741.66</b>	<b>38,021.20</b>	<b>15,720.46</b>	
15	01-31-2013	3.125	5,797.22	3,186.87	2,610.35	1,181,669.19
16	02-28-2013	3.125	5,797.22	2,872.11	2,925.11	1,178,744.08
17	03-31-2013	3.125	5,797.22	3,171.97	2,625.25	1,176,118.83
18	04-30-2013	3.125	5,797.22	3,062.81	2,734.41	1,173,384.42
19	05-31-2013	3.125	5,797.22	3,157.54	2,639.68	1,170,744.74
20	06-30-2013	3.125	5,797.22	3,048.82	2,748.40	1,167,996.34
21	07-31-2013	3.125	5,797.22	3,143.04	2,654.18	1,165,342.16
22	08-31-2013	3.125	5,797.22	3,135.91	2,661.31	1,162,680.85
23	09-30-2013	3.125	5,797.22	3,027.81	2,769.41	1,159,911.44
24	10-31-2013	3.125	5,797.22	3,121.29	2,675.93	1,157,235.51
25	11-30-2013	3.125	5,797.22	3,013.63	2,783.59	1,154,451.92
26	12-31-2013	3.125	5,797.22	3,106.60	2,690.62	1,151,761.30
<b>2013 TOTALS:</b>			<b>69,566.64</b>	<b>37,048.40</b>	<b>32,518.24</b>	
27	01-31-2014	3.125	5,797.22	3,099.36	2,697.86	1,149,063.44
28	02-28-2014	3.125	5,797.22	2,792.86	3,004.36	1,146,059.08
29	03-31-2014	3.125	5,797.22	3,084.01	2,713.21	1,143,345.87
30	04-30-2014	3.125	5,797.22	2,977.47	2,819.75	1,140,526.12
31	05-31-2014	3.125	5,797.22	3,069.12	2,728.10	1,137,798.02
32	06-30-2014	3.125	5,797.22	2,963.02	2,834.20	1,134,963.82
33	07-31-2014	3.125	5,797.22	3,064.15	2,743.07	1,132,220.75
34	08-31-2014	3.125	5,797.22	3,046.78	2,750.44	1,129,470.31
35	09-30-2014	3.125	5,797.22	2,941.33	2,855.89	1,126,614.42
36	10-31-2014	3.125	5,797.22	3,031.69	2,765.53	1,123,848.89
37	11-30-2014	3.125	5,797.22	2,926.69	2,870.53	1,120,978.36
38	12-31-2014	3.125	5,797.22	3,016.52	2,780.70	1,118,197.66
<b>2014 TOTALS:</b>			<b>69,566.64</b>	<b>36,003.00</b>	<b>33,563.64</b>	
39	01-31-2015	3.125	5,797.22	3,009.04	2,788.18	1,115,409.48
40	02-28-2015	3.125	5,797.22	2,711.06	3,086.16	1,112,323.32
41	03-31-2015	3.125	5,797.22	2,993.23	2,803.99	1,109,519.33
42	04-30-2015	3.125	5,797.22	2,889.38	2,907.84	1,106,611.49
43	05-31-2015	3.125	5,797.22	2,977.86	2,819.36	1,103,792.13
44	06-30-2015	3.125	5,797.22	2,874.45	2,922.77	1,100,869.36
45	07-31-2015	3.125	5,797.22	2,962.41	2,834.81	1,098,034.55
46	08-31-2015	3.125	5,797.22	2,954.78	2,842.44	1,095,192.11
47	09-30-2015	3.125	5,797.22	2,852.07	2,945.15	1,092,246.96
48	10-31-2015	3.125	5,797.22	2,939.20	2,858.02	1,089,388.94
49	11-30-2015	3.125	5,797.22	2,836.95	2,960.27	1,086,428.67
50	12-31-2015	3.125	5,797.22	2,923.55	2,873.67	1,083,555.00
<b>2015 TOTALS:</b>			<b>69,566.64</b>	<b>34,923.98</b>	<b>34,642.60</b>	

**AMORTIZATION SCHEDULE  
(Continued)**

51	01-31-2016	3.125	5,797.22	2,915.82	2,881.40	1,080,673.60
52	02-29-2016	3.125	5,797.22	2,720.44	3,076.78	1,077,596.82
53	03-31-2016	3.125	5,797.22	2,899.79	2,897.43	1,074,699.39
54	04-30-2016	3.125	5,797.22	2,798.69	2,998.53	1,071,700.86
55	05-31-2016	3.125	5,797.22	2,883.92	2,913.30	1,068,787.56
56	06-30-2016	3.125	5,797.22	2,783.30	3,013.92	1,065,773.64
57	07-31-2016	3.125	5,797.22	2,867.97	2,929.25	1,062,844.39
58	08-31-2016	3.125	5,797.22	2,860.08	2,937.14	1,069,907.26
59	09-30-2016	3.125	5,797.22	2,760.18	3,037.04	1,066,870.21
60	10-31-2016	3.125	5,797.22	2,844.01	2,953.21	1,063,917.00
61	11-30-2016	3.125	5,797.22	2,744.57	3,052.65	1,060,884.35
62	12-31-2016	3.125	5,797.22	2,827.85	2,969.37	1,047,894.98
<b>2016 TOTALS:</b>			<b>69,566.64</b>	<b>33,906.62</b>	<b>35,660.02</b>	
63	01-31-2017	3.125	5,797.22	2,819.86	2,977.36	1,044,917.62
64	02-28-2017	3.125	5,797.22	2,539.73	3,267.49	1,041,660.13
65	03-31-2017	3.125	5,797.22	2,803.08	2,994.14	1,038,665.99
66	04-30-2017	3.125	5,797.22	2,704.86	3,092.37	1,035,573.62
67	05-31-2017	3.125	5,797.22	2,786.70	3,010.52	1,032,563.10
68	06-30-2017	3.125	5,797.22	2,688.97	3,108.25	1,029,454.85
69	07-30-2017	6.000	7,427.35	5,147.28	2,260.07	1,027,174.78
70	08-30-2017	6.000	7,427.35	5,307.06	2,120.29	1,025,054.49
71	09-30-2017	6.000	7,427.35	5,296.12	2,131.23	1,022,923.26
72	10-30-2017	6.000	7,427.35	6,114.62	2,312.73	1,020,610.53
73	11-30-2017	6.000	7,427.35	6,273.16	2,154.20	1,018,456.33
74	12-30-2017	6.000	7,427.35	6,092.28	2,335.07	1,016,121.26
<b>2017 TOTALS:</b>			<b>79,347.42</b>	<b>47,573.70</b>	<b>31,773.72</b>	
75	01-30-2018	6.000	7,427.35	5,249.96	2,177.39	1,013,943.87
76	02-28-2018	6.000	7,427.35	4,900.73	2,526.62	1,011,417.25
77	03-30-2018	6.000	7,427.35	5,057.09	2,370.26	1,009,046.99
78	04-30-2018	6.000	7,427.35	5,213.41	2,213.94	1,006,833.05
79	05-30-2018	6.000	7,427.35	5,034.16	2,393.19	1,004,439.86
80	06-30-2018	6.000	7,427.35	5,189.61	2,237.74	1,002,202.12
81	07-30-2018	6.000	7,427.35	5,011.01	2,416.34	999,785.78
82	08-30-2018	6.000	7,427.35	5,165.56	2,261.79	997,523.99
83	09-30-2018	6.000	7,427.35	5,153.87	2,273.48	995,250.51
84	10-30-2018	6.000	7,427.35	4,976.25	2,451.10	992,799.41
85	11-30-2018	6.000	7,427.35	5,129.47	2,297.88	990,501.53
86	12-30-2018	6.000	7,427.35	4,952.51	2,474.84	988,026.69
<b>2018 TOTALS:</b>			<b>89,128.20</b>	<b>61,033.63</b>	<b>28,094.57</b>	
87	01-30-2019	6.000	7,427.35	5,104.80	2,322.55	985,704.14
88	02-28-2019	6.000	7,427.35	4,764.24	2,663.11	983,041.03
89	03-30-2019	6.000	7,427.35	4,915.20	2,512.15	980,528.88
90	04-30-2019	6.000	7,427.35	5,066.07	2,361.28	978,167.60
91	05-30-2019	6.000	7,427.35	4,890.84	2,536.51	975,631.09
92	06-30-2019	6.000	7,427.35	5,040.76	2,386.59	973,244.50
93	07-30-2019	6.000	7,427.35	4,866.22	2,561.13	970,683.37
94	08-30-2019	6.000	7,427.35	5,015.20	2,412.15	968,271.22
95	09-30-2019	6.000	7,427.35	5,002.73	2,424.62	965,846.60
96	10-30-2019	6.000	7,427.35	4,829.23	2,598.12	963,248.48
97	11-30-2019	6.000	7,427.35	4,976.79	2,450.56	960,797.92
98	12-30-2019	6.000	7,427.35	4,803.99	2,623.36	958,174.56
<b>2019 TOTALS:</b>			<b>89,128.20</b>	<b>59,276.07</b>	<b>29,852.13</b>	
99	01-30-2020	6.000	7,427.35	4,950.57	2,476.78	955,697.78
100	02-29-2020	6.000	7,427.35	4,778.48	2,648.87	953,048.91
101	03-30-2020	6.000	7,427.35	4,765.25	2,662.10	950,386.81
102	04-30-2020	6.000	7,427.35	4,910.33	2,517.02	947,869.79
103	05-30-2020	6.000	7,427.35	4,739.36	2,688.00	945,181.79
104	06-30-2020	6.000	7,427.35	4,883.44	2,543.91	942,637.88
105	07-30-2020	6.000	7,427.35	4,713.19	2,714.16	939,923.72
106	08-30-2020	6.000	7,427.35	4,856.27	2,571.08	937,352.64
107	09-30-2020	6.000	7,427.35	4,842.99	2,584.36	934,768.28
108	10-30-2020	6.000	7,427.35	4,673.84	2,753.51	932,014.77
109	11-30-2020	6.000	7,427.35	4,815.41	2,611.94	929,402.83
110	12-30-2020	6.000	7,427.35	4,647.02	2,780.33	926,622.50
<b>2020 TOTALS:</b>			<b>89,128.20</b>	<b>57,576.14</b>	<b>31,552.06</b>	
111	01-30-2021	6.000	7,427.35	4,787.54	2,639.81	923,982.69
112	02-28-2021	6.000	7,427.35	4,465.92	2,961.43	921,021.26
113	03-30-2021	6.000	7,427.35	4,606.11	2,822.24	918,199.02
114	04-30-2021	6.000	7,427.35	4,744.03	2,683.32	915,515.70
115	05-30-2021	6.000	7,427.35	4,577.57	2,849.78	912,665.92

**AMORTIZATION SCHEDULE**  
(Continued)

116	06-30-2021	6,000	7,427.35	4,715.44	2,711.91	909,954.01
117	07-30-2021	6,000	7,427.35	4,549.77	2,877.58	907,076.43
118	08-30-2021	6,000	7,427.35	4,686.67	2,740.78	904,335.65
119	09-30-2021	6,000	7,427.35	4,672.40	2,754.95	901,680.70
120	10-30-2021	6,000	7,427.35	4,507.90	2,919.45	898,661.25
121	11-30-2021	6,000	7,427.35	4,643.08	2,784.27	895,876.98
122	12-30-2021	6,000	7,427.35	4,479.39	2,947.96	892,929.02
<b>2021 TOTALS:</b>			<b>89,128.20</b>	<b>55,434.72</b>	<b>33,693.48</b>	
123	01-30-2022	6,000	7,427.35	4,613.47	2,813.88	890,115.14
124	02-28-2022	6,000	7,427.35	4,302.22	3,125.13	886,990.01
125	03-30-2022	6,000	7,427.35	4,434.95	2,992.40	883,997.61
126	04-30-2022	6,000	7,427.35	4,567.32	2,860.03	881,137.58
127	05-30-2022	6,000	7,427.35	4,405.69	3,021.66	878,115.92
128	06-30-2022	6,000	7,427.35	4,536.93	2,890.42	875,225.50
129	07-30-2022	6,000	7,427.35	4,376.13	3,051.22	872,174.28
130	08-30-2022	6,000	7,427.35	4,506.23	2,921.12	869,253.16
131	09-30-2022	6,000	7,427.35	4,491.14	2,936.21	866,316.95
132	10-30-2022	6,000	7,427.35	4,331.59	3,095.76	863,221.19
133	11-30-2022	6,000	7,427.35	4,459.97	2,967.38	860,253.81
134	12-30-2022	6,000	7,427.35	4,301.27	3,126.08	857,127.73
<b>2022 TOTALS:</b>			<b>89,128.20</b>	<b>53,326.91</b>	<b>35,801.29</b>	
135	01-30-2023	6,000	7,427.35	4,428.50	2,998.85	854,128.88
136	02-28-2023	6,000	7,427.35	4,128.29	3,299.06	850,829.82
137	03-30-2023	6,000	7,427.35	4,254.14	3,173.21	847,656.61
138	04-30-2023	6,000	7,427.35	4,379.56	3,047.79	844,608.82
139	05-30-2023	6,000	7,427.35	4,223.05	3,204.30	841,404.52
140	06-30-2023	6,000	7,427.35	4,347.25	3,080.10	838,324.42
141	07-30-2023	6,000	7,427.35	4,191.63	3,235.72	835,088.70
142	08-30-2023	6,000	7,427.35	4,314.62	3,112.73	831,975.97
143	09-30-2023	6,000	7,427.35	4,298.54	3,128.81	828,847.16
144	10-30-2023	6,000	7,427.35	4,144.24	3,283.11	825,564.05
145	11-30-2023	6,000	7,427.35	4,265.41	3,161.94	822,402.11
146	12-30-2023	6,000	7,427.35	4,112.01	3,315.34	819,086.77
<b>2023 TOTALS:</b>			<b>89,128.20</b>	<b>51,087.24</b>	<b>38,040.96</b>	
147	01-30-2024	6,000	7,427.35	4,231.95	3,195.40	815,891.37
148	02-28-2024	6,000	7,427.35	4,079.46	3,347.89	812,543.48
149	03-30-2024	6,000	7,427.35	4,062.72	3,364.63	809,178.85
150	04-30-2024	6,000	7,427.35	4,180.75	3,246.60	806,932.25
151	05-30-2024	6,000	7,427.35	4,029.67	3,397.68	802,534.57
152	06-30-2024	6,000	7,427.35	4,148.42	3,280.93	799,253.64
153	07-30-2024	6,000	7,427.35	3,996.27	3,431.08	795,822.56
154	08-30-2024	6,000	7,427.35	4,111.75	3,316.60	792,506.96
155	09-30-2024	6,000	7,427.35	4,094.62	3,332.73	789,174.23
156	10-30-2024	6,000	7,427.35	3,945.87	3,481.48	785,692.75
157	11-30-2024	6,000	7,427.35	4,059.42	3,367.93	782,324.82
158	12-30-2024	6,000	7,427.35	3,911.62	3,515.73	778,809.09
<b>2024 TOTALS:</b>			<b>89,128.20</b>	<b>48,850.52</b>	<b>40,277.68</b>	
159	01-30-2025	6,000	7,427.35	4,023.85	3,403.50	775,406.59
160	02-28-2025	6,000	7,427.35	3,747.79	3,679.56	771,726.03
161	03-30-2025	6,000	7,427.35	3,858.63	3,668.72	768,157.31
162	04-30-2025	6,000	7,427.35	3,968.81	3,458.54	764,698.77
163	05-30-2025	6,000	7,427.35	3,823.50	3,803.85	761,094.92
164	06-30-2025	6,000	7,427.35	3,932.32	3,495.03	757,599.89
165	07-30-2025	6,000	7,427.35	3,788.00	3,639.35	753,960.54
166	08-30-2025	6,000	7,427.35	3,895.46	3,531.89	750,428.65
167	09-30-2025	6,000	7,427.35	3,877.22	3,550.13	746,878.52
168	10-30-2025	6,000	7,427.35	3,734.39	3,692.96	743,185.56
169	11-30-2025	6,000	7,427.35	3,839.79	3,587.56	739,598.00
170	12-30-2025	6,000	7,427.35	3,697.99	3,729.36	735,868.64
<b>2025 TOTALS:</b>			<b>89,128.20</b>	<b>46,187.75</b>	<b>42,940.45</b>	
171	01-30-2026	6,000	7,427.35	3,801.99	3,625.36	732,243.28
172	02-28-2026	6,000	7,427.35	3,539.18	3,888.17	728,355.11
173	03-30-2026	6,000	7,427.35	3,641.77	3,785.58	724,569.53
174	04-30-2026	6,000	7,427.35	3,743.61	3,683.74	720,885.79
175	05-30-2026	6,000	7,427.35	3,604.43	3,822.92	717,062.87
176	06-30-2026	6,000	7,427.35	3,704.82	3,722.53	713,340.34
177	07-30-2026	6,000	7,427.35	3,566.71	3,860.64	709,479.70
178	08-30-2026	6,000	7,427.35	3,665.64	3,761.71	705,717.99
179	09-30-2026	6,000	7,427.35	3,646.21	3,781.14	701,936.85
180	10-30-2026	6,000	7,427.35	3,509.69	3,917.66	698,019.19
181	11-30-2026	6,000	7,427.35	3,606.43	3,820.92	694,198.27

**AMORTIZATION SCHEDULE  
(Continued)**

182	12-30-2026	6.000	7,427.35	3,470.99	3,956.36	690,241.91
<b>2026 TOTALS:</b>			<b>89,128.20</b>	<b>43,501.47</b>	<b>45,526.73</b>	
183	01-30-2027	6.000	7,427.35	3,566.25	3,861.10	686,380.81
184	02-28-2027	6.000	7,427.35	3,317.51	4,109.84	682,270.97
185	03-30-2027	6.000	7,427.35	3,411.36	4,016.00	678,254.97
186	04-30-2027	6.000	7,427.35	3,604.32	3,923.03	674,331.94
187	05-30-2027	6.000	7,427.35	3,371.66	4,055.69	670,276.25
188	06-30-2027	6.000	7,427.35	3,463.09	3,964.26	666,311.99
189	07-30-2027	6.000	7,427.35	3,331.56	4,095.79	662,216.20
190	08-30-2027	6.000	7,427.35	3,421.46	4,005.90	658,210.30
191	09-30-2027	6.000	7,427.35	3,400.76	4,026.59	654,183.71
192	10-30-2027	6.000	7,427.35	3,270.91	4,156.44	650,027.27
193	11-30-2027	6.000	7,427.35	3,358.48	4,068.87	645,958.40
194	12-30-2027	6.000	7,427.35	3,229.79	4,197.56	641,760.84
<b>2027 TOTALS:</b>			<b>89,128.20</b>	<b>40,647.13</b>	<b>48,481.07</b>	
195	01-30-2028	6.000	7,427.35	3,315.76	4,111.59	637,649.25
196	02-29-2028	6.000	7,427.35	3,188.25	4,239.10	633,410.16
197	03-30-2028	6.000	7,427.35	3,167.05	4,260.30	629,149.86
198	04-30-2028	6.000	7,427.35	3,250.61	4,176.74	624,973.11
199	05-30-2028	6.000	7,427.35	3,124.86	4,302.49	620,670.62
200	06-30-2028	6.000	7,427.35	3,206.80	4,220.55	616,450.07
201	07-30-2028	6.000	7,427.35	3,082.25	4,345.10	612,104.97
202	08-30-2028	6.000	7,427.35	3,162.55	4,264.80	607,840.17
203	09-30-2028	6.000	7,427.35	3,140.50	4,286.85	603,553.32
204	10-30-2028	6.000	7,427.35	3,017.77	4,409.58	599,143.74
205	11-30-2028	6.000	7,427.35	3,095.58	4,331.77	594,811.97
206	12-30-2028	6.000	7,427.35	2,974.06	4,453.29	590,358.68
<b>2028 TOTALS:</b>			<b>89,128.20</b>	<b>37,726.04</b>	<b>51,402.16</b>	
207	01-30-2029	6.000	7,427.35	3,050.18	4,377.17	585,981.51
208	02-28-2029	6.000	7,427.35	2,832.25	4,595.10	581,386.41
209	03-30-2029	6.000	7,427.35	2,906.93	4,520.42	576,865.99
210	04-30-2029	6.000	7,427.35	2,980.47	4,446.88	572,419.11
211	05-30-2029	6.000	7,427.35	2,862.10	4,566.25	567,863.86
212	06-30-2029	6.000	7,427.35	2,933.91	4,493.44	563,360.42
213	07-30-2029	6.000	7,427.35	2,816.80	4,610.55	568,749.87
214	08-30-2029	6.000	7,427.35	2,886.88	4,540.47	564,209.40
215	09-30-2029	6.000	7,427.35	2,863.41	4,563.94	549,645.46
216	10-30-2029	6.000	7,427.35	2,748.23	4,679.12	544,966.34
217	11-30-2029	6.000	7,427.35	2,815.66	4,611.69	540,354.65
218	12-30-2029	6.000	7,427.35	2,701.77	4,725.58	535,629.07
<b>2029 TOTALS:</b>			<b>89,128.20</b>	<b>34,398.59</b>	<b>54,729.81</b>	
219	01-30-2030	6.000	7,427.35	2,767.42	4,659.93	530,969.14
220	02-28-2030	6.000	7,427.35	2,566.35	4,861.00	526,108.14
221	03-30-2030	6.000	7,427.35	2,630.54	4,796.81	521,311.33
222	04-30-2030	6.000	7,427.35	2,693.44	4,733.91	516,577.42
223	05-30-2030	6.000	7,427.35	2,582.89	4,844.46	511,732.96
224	06-30-2030	6.000	7,427.35	2,643.95	4,783.40	506,949.56
225	07-30-2030	6.000	7,427.35	2,534.75	4,892.60	502,056.96
226	08-30-2030	6.000	7,427.35	2,593.96	4,833.39	497,223.57
227	09-30-2030	6.000	7,427.35	2,568.99	4,858.36	492,365.21
228	10-30-2030	6.000	7,427.35	2,461.83	4,965.52	487,399.69
229	11-30-2030	6.000	7,427.35	2,518.23	4,909.12	482,490.57
230	12-30-2030	6.000	7,427.35	2,412.45	5,014.90	477,475.67
<b>2030 TOTALS:</b>			<b>89,128.20</b>	<b>30,974.80</b>	<b>58,153.40</b>	
231	01-30-2031	6.000	7,427.35	2,466.96	4,960.39	472,515.28
232	02-28-2031	6.000	7,427.35	2,283.82	5,143.53	467,371.75
233	03-30-2031	6.000	7,427.35	2,336.86	5,090.49	462,281.26
234	04-30-2031	6.000	7,427.35	2,388.46	5,038.90	457,242.36
235	05-30-2031	6.000	7,427.35	2,286.22	5,141.13	452,101.23
236	06-30-2031	6.000	7,427.35	2,335.85	5,091.50	447,009.73
237	07-30-2031	6.000	7,427.35	2,235.05	5,192.30	441,817.43
238	08-30-2031	6.000	7,427.35	2,282.72	5,144.63	436,672.80
239	09-30-2031	6.000	7,427.35	2,256.15	5,171.20	431,501.60
240	10-30-2031	6.000	7,427.35	2,157.50	5,269.86	426,231.75
241	11-30-2031	6.000	7,427.35	2,202.20	5,225.16	421,006.60
242	12-30-2031	6.000	7,427.35	2,105.03	5,322.32	415,684.28
<b>2031 TOTALS:</b>			<b>89,128.20</b>	<b>27,336.81</b>	<b>61,791.39</b>	
243	01-30-2032	6.000	7,427.35	2,147.71	5,279.64	410,404.64
244	02-28-2032	6.000	7,427.35	2,062.02	5,375.33	405,029.31

**AMORTIZATION SCHEDULE  
(Continued)**

245	03-30-2032	6.000	7,427.35	2,025.15	5,402.20	399,627.11
246	04-30-2032	6.000	7,427.35	2,064.74	5,362.61	394,264.50
247	05-30-2032	6.000	7,427.35	1,971.32	5,456.03	388,808.47
248	06-30-2032	6.000	7,427.35	2,008.84	5,418.51	383,389.96
249	07-30-2032	6.000	7,427.35	1,916.95	5,510.40	377,879.56
250	08-30-2032	6.000	7,427.35	1,952.38	5,474.97	372,404.59
251	09-30-2032	6.000	7,427.35	1,924.09	5,503.26	366,901.33
252	10-30-2032	6.000	7,427.35	1,834.51	5,592.84	361,308.49
253	11-30-2032	6.000	7,427.35	1,866.76	5,560.59	355,747.90
254	12-30-2032	6.000	7,427.35	1,778.74	5,648.61	350,099.29

<b>2032 TOTALS:</b>			<b>89,128.20</b>	<b>23,543.21</b>	<b>65,584.99</b>	
255	01-30-2033	6.000	7,427.35	1,808.84	5,618.51	344,480.78
256	02-28-2033	6.000	7,427.35	1,664.99	5,762.36	338,718.42
257	03-30-2033	6.000	7,427.35	1,693.60	5,733.75	332,984.67
258	04-30-2033	6.000	7,427.35	1,720.42	5,706.93	327,277.74
259	05-30-2033	6.000	7,427.35	1,636.39	5,790.96	321,486.78
260	06-30-2033	6.000	7,427.35	1,661.01	5,766.34	315,720.44
261	07-30-2033	6.000	7,427.35	1,578.60	5,848.75	309,871.69
262	08-30-2033	6.000	7,427.35	1,601.01	5,826.34	304,045.35
263	09-30-2033	6.000	7,427.35	1,570.90	5,856.45	298,188.90
264	10-30-2033	6.000	7,427.35	1,490.94	5,936.41	292,252.49
265	11-30-2033	6.000	7,427.35	1,509.97	5,917.38	286,335.11
266	12-30-2033	6.000	7,427.35	1,431.68	5,995.67	280,339.44

<b>2033 TOTALS:</b>			<b>89,128.20</b>	<b>19,368.35</b>	<b>69,759.85</b>	
267	01-30-2034	6.000	7,427.35	1,448.42	5,978.93	274,360.51
268	02-28-2034	6.000	7,427.35	1,326.08	6,101.27	268,259.24
269	03-30-2034	6.000	7,427.35	1,341.29	6,086.06	262,173.18
270	04-30-2034	6.000	7,427.35	1,354.66	6,072.79	256,100.39
271	05-30-2034	6.000	7,427.35	1,280.51	6,146.84	249,963.65
272	06-30-2034	6.000	7,427.35	1,291.42	6,135.93	243,817.62
273	07-30-2034	6.000	7,427.35	1,219.09	6,208.26	237,609.36
274	08-30-2034	6.000	7,427.35	1,227.65	6,199.70	231,409.66
275	09-30-2034	6.000	7,427.35	1,195.61	6,231.74	225,177.92
276	10-30-2034	6.000	7,427.35	1,125.89	6,301.46	218,876.46
277	11-30-2034	6.000	7,427.35	1,130.87	6,296.48	212,579.98
278	12-30-2034	6.000	7,427.35	1,062.90	6,364.45	206,215.53

<b>2034 TOTALS:</b>			<b>89,128.20</b>	<b>15,004.29</b>	<b>74,123.91</b>	
279	01-30-2035	6.000	7,427.35	1,065.44	6,361.91	199,853.62
280	02-28-2035	6.000	7,427.35	965.96	6,461.39	193,392.23
281	03-30-2035	6.000	7,427.35	966.96	6,460.39	186,931.84
282	04-30-2035	6.000	7,427.35	965.82	6,461.53	180,470.31
283	05-30-2035	6.000	7,427.35	902.35	6,525.00	173,945.31
284	06-30-2035	6.000	7,427.35	898.72	6,528.63	167,416.68
285	07-30-2035	6.000	7,427.35	837.08	6,590.27	160,826.41
286	08-30-2035	6.000	7,427.35	830.94	6,596.41	154,230.00
287	09-30-2035	6.000	7,427.35	796.86	6,630.50	147,599.50
288	10-30-2035	6.000	7,427.35	738.00	6,689.35	140,910.15
289	11-30-2035	6.000	7,427.35	728.03	6,699.32	134,210.83
290	12-30-2035	6.000	7,427.35	671.06	6,756.29	127,454.54

<b>2035 TOTALS:</b>			<b>89,128.20</b>	<b>10,367.21</b>	<b>78,760.99</b>	
291	01-30-2036	6.000	7,427.35	668.51	6,768.84	120,685.70
292	02-29-2036	6.000	7,427.35	603.43	6,823.92	113,861.78
293	03-30-2036	6.000	7,427.35	569.31	6,858.04	107,003.74
294	04-30-2036	6.000	7,427.35	552.85	6,874.50	100,129.24
295	05-30-2036	6.000	7,427.35	500.65	6,926.70	93,202.54
296	06-30-2036	6.000	7,427.35	481.56	6,945.80	86,256.74
297	07-30-2036	6.000	7,427.35	431.28	6,996.07	79,260.67
298	08-30-2036	6.000	7,427.35	409.51	7,017.84	72,242.83
299	09-30-2036	6.000	7,427.35	373.26	7,054.09	65,188.74
300	10-30-2036	6.000	7,427.35	325.94	7,101.41	58,087.33
301	11-30-2036	6.000	7,427.35	300.12	7,127.23	50,960.10
302	12-30-2036	6.000	7,427.35	254.80	7,172.55	43,787.55

<b>2036 TOTALS:</b>			<b>89,128.20</b>	<b>5,461.21</b>	<b>83,666.99</b>	
303	01-30-2037	6.000	7,427.35	228.24	7,201.11	36,586.44
304	02-28-2037	6.000	7,427.35	176.83	7,250.52	29,335.92
305	03-30-2037	6.000	7,427.35	146.68	7,280.87	22,055.25
306	04-30-2037	6.000	7,427.35	113.95	7,313.40	14,741.85
307	05-30-2037	6.000	7,427.35	73.71	7,353.64	7,388.21
308	06-30-2037	6.000	7,426.38	38.17	7,388.21	0.00

<b>2037 TOTALS:</b>			<b>44,563.13</b>	<b>775.58</b>	<b>43,787.55</b>	
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AMORTIZATION SCHEDULE  
(Continued)

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TOTALS:	2,152,683.73	952,583.73	1,200,000.00
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NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

EXHIBIT "B"  
PRPC Note

**UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA  
PENNRIDGE REGIONAL POLICE COMMISSION  
PROMISSORY NOTE- SERIES 2011**

\$2,400,000.00

Dated: December \_\_, 2011

For value received and intending to be legally bound hereby, the undersigned, an entity formed under the Pennsylvania Intergovernmental Cooperation Act (the "Act"), 53 Pa. C.S.A. Section 2301, et. seq (the "Borrower") by its participating members, West Rockhill Township and East Rockhill Township, both of which are Pennsylvania Townships of the Second Class located in Bucks County, Pennsylvania, promises to pay to the order of QNB BANK (the "Bank"), or registered assigns, at its office located at P.O. Box 9005, Quakertown, Pennsylvania, 18951, the principal sum ("Principal Sum") set forth above in installments on the dates and in the amounts set forth below ("Loan").

The Borrower consists of two participating members, East Rockhill Township and West Rockhill Township, which on June 25, 1991 and on January 16, 2008, executed Articles of Agreement ("Articles of Agreement") to form a regional police department, known as the Pennridge Regional Police Department, administered by the Borrower under the Act.

As more fully set forth in the Loan Agreement ("Loan Agreement") accompanying this Note, the Loan proceeds shall be use first to payoff in full the Borrower's existing Series 2010 Promissory Note ("2010 Note") dated December 22, 2010 in the principal amount of \$2,100,000 with the balance thereof to be held on account at the Bank pending advancement to the Borrower under this Note; the Borrower shall be permitted to draw the balance of the principal sum as needed for the purposes set forth in the Loan Agreement, provided that the entire principal sum shall be drawn by June 30, 2012 and the aggregate of all draws (including the payoff of the 2010 Note) shall not exceed \$2,400,000.00.

This Note is being issued pursuant to the Act, the Articles of Agreement and the Loan Agreement for the purpose of providing funds to the Borrower to finance the cost of the Project defined in the Loan Agreement.

This Note shall bear interest from the date hereof on the unpaid balance of principal at the tax-exempt rates of interest set forth below and shall be repaid as more fully set forth herein. If not sooner paid the entire principal balance outstanding and any accrued but unpaid interest shall be due and payable on June 30, 2037 (the "Maturity Date").

The repayment schedule of this Note shall be as follows:

(a) Commencing December 31, 2011 and thereafter on the last day of each succeeding month, Borrower shall pay interest only, on a monthly basis, on the advanced and unpaid balance of principal, until June 30, 2012, at an interest rate of 3.125% per annum (the "Initial Rate").

(b) Commencing on July 31, 2012 (herein, the "Principal Repayment Commencement Date") and thereafter on the last day of each succeeding month for a period of sixty (60) months, Borrower shall repay the Principal Sum of this Note, together with interest thereon at the fixed rate of 3.125%, in equal successive monthly payments of Eleven Thousand Five Hundred Ninety-Four Dollars and Forty-Four Cents (\$11,594.44).

(c) On the fifth (5<sup>th</sup>), tenth (10<sup>th</sup>), fifteenth (15<sup>th</sup>) and twentieth (20<sup>th</sup>) anniversary dates of the Principal Repayment Commencement Date (each such date being an "Interest Rate Adjustment Date"), the interest rate payable hereunder shall be reset to a fixed rate equivalent to 80% of the Wall Street Journal Prime Rate (subject to the interest rate minimum set forth below) in effect as of the applicable Interest Rate Adjustment Date (each such rate, the "Adjusted Rate") and shall reset the principal and interest repayment schedule to continue the full amortization of the Loan at the new interest rate over the remaining term of the Loan ending on the Maturity Date. Borrower shall then repay the Principal Sum plus interest in accordance with the new repayment schedule as reset on each Interest Reset Adjustment Date. All payments shall be due and payable on the last day of each month.

(d) The rates of interest set forth above are hereinafter called the "Tax-Exempt Rates".

**(e) Any provision in this Note to the contrary notwithstanding, the Tax-Exempt Rates of interest on this Note shall at no time exceed 6.00% per annum, nor after the first Interest Rate Adjustment Date be less than the floor rate of 4.00%.**

(f) Interest hereunder shall be calculated on the basis of the annual rate per day over a year of three hundred sixty (360) days.

The principal and interest on this Note shall be payable at the office of the Bank, located at P.O. Box 9005, Quakertown, Pennsylvania, 18951 in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

Upon the enactment of any legislation, promulgation of regulations, issuance or occurrence of a ruling or decision by judicial or administrative authority, or written assessment, assertion or claim by the Internal Revenue Service, the Commonwealth of Pennsylvania or an applicable regulatory body that subjects the interest on the Note to Federal or State income taxes, or as a result of which the Borrower incurs any taxes, income or otherwise, including by disallowance or reallocation of deductions (other than as in effect on the date of issuance of this Note), or in the event at any time during the term hereof this Note is found not to be "bank qualified", then notwithstanding any other provision of this Note, the Borrower shall pay interest on the Note at a variable per annum rate of interest equal to the Bank's Base Rate, as adjusted from time to time, plus One Percent (1%), but in no event shall the aggregate rate be more than 14.00%, nor less than 5.00%, (the "Taxable Rate"), retroactive to the effective date of such legislation, court decision or regulation or the determination that the Note is not "bank qualified". In the event of such change in interest rate, the Borrower agrees to adjust its monthly payments of interest to reflect the new interest rate at the Taxable Rate.

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

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

(b) The Borrower shall default in the performance or observance of any covenant, agreement, condition, provision, or duty contained in the Loan Agreement or any other document executed in connection herewith and such default shall not be remedied for a period of thirty (30) days after written notice thereof to the Borrower from the holder of this Note; or

(c) Any certificate or financial statement furnished pursuant to the provisions of the Resolution or the Loan Agreement (as hereinafter defined) shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(d) If the Borrower 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 Borrower property, or shall make a general assignment for the benefit of the creditors or shall fail to 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 aid of debtors, any court of competent jurisdiction shall assume custody or control of the Borrower or of any part of its property and such custody or control shall not be terminated or stayed within 90 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 Borrower 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. Upon the occurrence of an Event of Default and during the continuance thereof, this Note shall bear interest at a rate per annum (based on a year of 360 days and actual days elapsed) which shall be equal to the interest rate then in effect, plus three percentage points (3%) but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note.

The participating members ("Participating Members") of the Borrower, West Rockhill Township and East Rockhill Township, have each executed and delivered to Bank, General Obligation Notes, evidencing their respective obligations as co-signers and Co-Borrowers of this Note to repay one-half of the outstanding principal sum of this Note plus interest thereon at the applicable rate. Each of such General Obligation Notes is in the amount of \$1,200,000 and both are attached hereto and incorporated herein by reference. In no event shall a Participating Member be liable for repayment of more than the one-half of the outstanding principal sum of this Note plus interest thereon at the applicable rate. The General Obligation Notes of the Participating Members have been issued under the authority of the Pennsylvania Local Government Unit Debt Act, constituting Title 53, Subpart B, Part VII of the Pennsylvania Consolidated Statutes, as amended, (the "Act"), and pursuant to the Ordinances of West Rockhill Township and East Rockhill Township duly ordained and enacted on November 4, 2011 by the governing bodies of the Participating Members. Proceedings with respect to the issuance of the General Obligation Notes of the Participating Members were approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania and it is hereby certified and recited that all conditions, acts, and things required by law to exist, to have been performed and to have precedent to and in connection with issuance of the General Obligation Notes of the Participating Members do exist, have been performed and have happened and that those General Obligation Notes are within every debt and other limitation prescribed by law.

The Note may be prepaid or redeemed in whole or in part in accordance with the prepayment calculation as follows: The Borrower shall have the right at any time and from time to time to prepay this Note in whole or in part without notice, premium or penalty.

If any payment which is to be made hereunder is not paid within fifteen (15) days after the date when due, the Borrower shall pay to the Bank a late charge of five cents (\$0.05) for each dollar which is so overdue for the purpose of defraying the expense incident to handling such delinquency. This provision shall not be deemed to affect or lengthen the time to cure any default hereunder.

The Borrower hereby covenants with the holder hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, appropriate such amounts to the payment of such debt service, and duly and punctually pay or cause to be paid the entire principal hereof and the interest thereof on the dates, at the place, and in the manner set forth above, according to the true intent and meaning hereof.

The Borrower hereby covenants that it will make no investment or other use of the proceeds of this Note which will cause this Note to be an "arbitrage bond" under Section 148 of the Code and the regulations thereunder.

This Note is designated as a "qualified tax-exempt obligation", as such term is defined in section 265(b)(3)(B) of the Code.

WITNESS the due execution hereof by the two officers of the Borrower thereunto duly authorized.

PENNRIDGE REGIONAL POLICE  
COMMISSION

By: \_\_\_\_\_  
James C. Nietupski, Chairman

Attest: \_\_\_\_\_  
Jay Keyser, Secretary

EXHIBIT "C"

TOWNSHIP OF EAST ROCKHILL  
 Principal Amortization Schedule and Pro Forma Debt Service  
 Schedule at 3.125% Interest Rate\* until June 30, 2017,  
 Then 6% for 20 Years

<u>Year Ending</u>	<u>Principal Payments (Pd. Monthly)</u>	<u>Maximum Interest Rate</u>	<u>Maximum Interest Payments (Pd. Monthly)</u>	<u>Total Debt Service</u>
December 31, 2011	\$ 0	3.125%	\$ 3,229.16	\$ 3,229.16
December 31, 2012	\$ 15,720.46	3.125%	\$ 38,021.20	\$ 53,741.66
December 31, 2013	\$ 32,518.24	3.125%	\$ 37,048.40	\$ 69,566.64
December 31, 2014	\$ 33,563.64	3.125%	\$ 36,003.00	\$ 69,566.64
December 31, 2015	\$ 34,642.66	3.125%	\$ 34,923.98	\$ 69,566.64
December 31, 2016	\$ 35,660.02	3.125%	\$ 33,906.62	\$ 69,566.64
December 31, 2017	\$ 31,773.72	3.125%/6.00%**	\$ 47,573.70	\$ 79,347.42
December 31, 2018	\$ 28,094.57	6.00%	\$ 61,033.63	\$ 89,128.20
December 31, 2019	\$ 29,852.13	6.00%	\$ 59,276.07	\$ 89,128.20
December 31, 2020	\$ 31,552.06	6.00%	\$ 57,576.14	\$ 89,128.20
December 31, 2021	\$ 33,693.48	6.00%	\$ 55,434.72	\$ 89,128.20
December 31, 2022	\$ 35,801.29	6.00%	\$ 53,326.91	\$ 89,128.20
December 31, 2023	\$ 38,040.96	6.00%	\$ 51,087.24	\$ 89,128.20
December 31, 2024	\$ 40,277.68	6.00%	\$ 48,850.52	\$ 89,128.20
December 31, 2025	\$ 42,940.45	6.00%	\$ 46,187.75	\$ 89,128.20
December 31, 2026	\$ 45,626.73	6.00%	\$ 43,501.47	\$ 89,128.20
December 31, 2027	\$ 48,481.07	6.00%	\$ 40,647.13	\$ 89,128.20
December 31, 2028	\$ 51,402.16	6.00%	\$ 37,726.04	\$ 89,128.20
December 31, 2029	\$ 54,729.61	6.00%	\$ 34,398.59	\$ 89,128.20
December 31, 2030	\$ 58,153.40	6.00%	\$ 30,974.80	\$ 89,128.20
December 31, 2031	\$ 61,791.39	6.00%	\$ 27,336.81	\$ 89,128.20
December 31, 2032	\$ 65,584.99	6.00%	\$ 23,543.21	\$ 89,128.20
December 31, 2033	\$ 69,759.85	6.00%	\$ 19,368.35	\$ 89,128.20
December 31, 2034	\$ 74,123.91	6.00%	\$ 15,004.29	\$ 89,128.20
December 31, 2035	\$ 78,760.99	6.00%	\$ 10,367.21	\$ 89,128.20
December 31, 2036	\$ 83,666.99	6.00%	\$ 5,461.21	\$ 89,128.20
December 31, 2037	\$ 43,787.55	6.00%	\$ 775.58	\$ 44,563.13

\* Assumes loan dated November 30, 2011, with principal payments due the last day of each month beginning July 31, 2012 and interest payments due the last day of each month period beginning December 31, 2011.

\*\* From July 31, 2017 to June 30, 2037 the maximum interest rate will be 6%.

EXHIBIT "D"  
East Rockhill Township General Obligation Note

UNITED STATES OF AMERICA  
COMMONWEALTH OF PENNSYLVANIA

TOWNSHIP OF EAST ROCKHILL

GENERAL OBLIGATION NOTE- SERIES 2011

\$1,200,000.00

Dated: December \_\_, 2011

For value received and intending to be legally bound hereby, the undersigned Local Government Unit (the "Municipal Unit"), East Rockhill Township, a Township of the Second Class located in Bucks County, Pennsylvania, promises to pay to the order of QNB BANK (the "Bank") or registered assigns at its office located at P.O. Box 9005, Quakertown, Pennsylvania, 18951, the principal sum set forth above in installments equal to one-half of the installments of principal and interest due under that certain Promissory Note of the Penridge Regional Police Commission (herein, the "PRPC") dated even date herewith (the "PRPC Note"), to which this Note is attached.

The Municipal Unit has sold and awarded this Note to Bank as a Participating Member of the PRPC, an entity formed under the Pennsylvania Intergovernmental Cooperation Act, 53 Pa. C.S.A. Section 2301, et. seq., for the purpose of providing regional police services to its participating members, West Rockhill Township and East Rockhill Township (the "Participating Members"). This Note memorializes the obligations of the Municipal Unit as a co-signer and Co-Borrower of the PRPC Note, subject to the limitation that the maximum liability of the Municipal Unit for repayment of the outstanding principal balance of the PRPC Note shall be the lesser of one-half of the outstanding principal balance of the PRPC Note, or \$1,200,000 (plus interest thereon).

This Note shall bear interest from the date of the Note on the unpaid balance of principal at the rates of interest set forth in the PRPC Note and shall be repaid as more fully set forth therein, provided that in no event shall the Municipal Unit be liable for payment of more than one-half of the outstanding principal balance of the PRPC Note plus interest on such amount at the rates set forth in the PRPC Note. If not sooner paid the entire principal balance outstanding and any accrued but unpaid interest shall be due and payable by the "Maturity Date" as defined in the PRPC Note.

**Any provision in this Note to the contrary notwithstanding, the Tax-Exempt Rates of Interest (as defined in the PRPC Note) payable under this Note shall at no time exceed 6.00% per annum, nor after the first Interest Rate Adjustment Date (as defined in the PRPC Note) be less than the floor rate of 4.00%.** Interest hereunder shall be calculated on the basis of the annual rate per day over a year of three hundred sixty (360) days.

The principal and interest on this Note shall be payable at the office of the Bank, located at P.O. Box 9005, Quakertown, Pennsylvania, 18951 in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

Upon the enactment of any legislation, promulgation of regulations, issuance or occurrence of a ruling or decision by judicial or administrative authority, or written assessment, assertion or claim by the Internal Revenue Service, the Commonwealth of Pennsylvania or an applicable regulatory body that subjects the interest on the Note to Federal or State income taxes, or as a result of which the Municipal Unit incurs any taxes, income or otherwise, including by disallowance or reallocation of deductions (other than as in effect on the date of issuance of this Note), or in the event at any time during the term hereof this Note is found not to be "bank qualified", then notwithstanding any other provision of this Note, the Municipal Unit shall pay interest on the Note at a variable per annum rate of interest equal to the Bank's Base Rate, as adjusted from time to time, plus One Percent (1%), but in no event shall the aggregate rate

be more than 14.00%, nor less than 5.00%, (the "Taxable Rate"), retroactive to the effective date of such legislation, court decision or regulation or the determination that the Note is not "bank qualified". In the event of such change in interest rate, the Municipal Unit agrees to adjust its monthly payments of interest to reflect the new interest rate at the Taxable Rate.

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

(a) The Municipal Unit shall default in the payment of principal on this Note when due; or

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

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

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

(e) If the Municipal Unit 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 Municipal Unit property, or shall make a general assignment for the benefit of the creditors or shall fail to generally to pay its debts as they become due, or shall take any corporate action in the furtherance of any of the foregoing; or

(f) If, under the provisions of any other law for the relief aid of debtors, any court of competent jurisdiction shall assume custody or control of the Municipal Unit or of any part of its property and such custody or control shall not be terminated or stayed within 90 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 Municipal Unit 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. Upon the occurrence of an Event of Default and during the continuance thereof, this Note shall bear interest at the Default Rate as defined in the PRPC Note.

This Note is issued under the authority of the Pennsylvania Local Government Unit Debt Act, constituting Title 53, Subpart B, Part VII of the Pennsylvania Consolidated Statutes, as amended, (the "Act"), and pursuant to the Ordinance of the Municipal Unit duly ordained and enacted on November 4, 2011, by the governing body of the Municipal Unit. Proceedings with respect to the issuance of this Note were approved by the Department of Community and Economic Development of the Commonwealth of Pennsylvania and it is hereby certified and recited that all conditions, acts, and things required by law to exist, to have been performed and to have precedent to and in connection with 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.

The Treasurer of the Municipal Unit 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 Municipal Fund, known as the "General Obligation Note Series 2011 Sinking

Fund" of the Municipal Unit, shall be established at the P.O. Box 9005, Quakertown, Pennsylvania, 18951 office of the Bank.

The Note may be prepaid or redeemed in whole or in part in accordance with the prepayment calculation as follows: The Municipal Unit shall have the right at any time and from time to time to prepay this Note in whole or in part without premium or penalty.

The Municipal Unit hereby covenants with the holder hereof that it will include the amount of the debt service payable hereunder in its budget for the applicable fiscal year, appropriate such amounts to the payment of such debt service, and duly and punctually pay or cause to be paid the entire principal hereof and the interest thereof on the dates, at the place, and in the manner set forth above, according to the true intent and meaning hereof; and for such budgeting, appropriation, and payment, the Municipal Unit hereby pledges its full faith, credit, and taxing power.

The Municipal Unit hereby covenants that it will make no investment or other use of the proceeds of this Note which will cause this Note to be an "arbitrage bond" under Section 148 of the Code and the regulations thereunder.

This Note is designated as a "qualified tax-exempt obligation", as such term is defined in section 265(b)(3)(B) of the Code.

WITNESS the due execution hereof by the two officers of the municipal Unit thereunto duly authorized.

EAST ROCKHILL TOWNSHIP

By: John R. Cressman  
John R. Cressman, Chairman

[Municipal Unit Seal]

Attest: \_\_\_\_\_  
Anne W. Klepfer, Secretary

EXHIBIT "E"  
QNB Bank Proposal



P.O. Box 9005  
Quakertown, PA 18951-9005  
215-538-5600  
800-491-9070  
www.QNB.com

October 26, 2011

Chief David A. Mettin  
Pennridge Regional Police Commission  
1027 Ridge Road  
Sellersville, Pa 18960

QNB Bank is pleased to provide to the Pennridge Regional Police Commission (Police Commission) the following commitment for a \$2,400,000.00 Note to provide funds to complete construction/furnishing of a new police administration building (\$300,000) and to payoff existing construction note (\$2,100,000).

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

**Borrower:** Pennridge Regional Police Commission

**Co-Borrowers:** East Rockhill Township- 50% (\$1,200,000)  
West Rockhill Township- 50% (\$1,200,000)

**Amount:** \$2,400,000.00

**Interest Rate:**

1. 3.125% (tax free) per annum fixed until 6/30/17 (approximately 5 years 8 months), including the interest only period. Thereafter, rate will reprice for succeeding five year periods at 80% of the WSJ Prime.

Upon reprice the rate will be subject to a rate ceiling of 6.0% (tax free) and a rate floor, after initial fixed rate period of 4.00% (tax free).

The interest rates quoted herein will remain in effect until December 31, 2011.

The interest rate(s) established herein, are predicated on the tax exempt and "bank qualified" status of the Loan. 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 a rate equal to QNB Bank's announced Base Rate plus one percent (1.0%) on a floating basis with a floor of five percent (5.0%) per annum and a ceiling of fourteen percent (14.0%) per annum. The imposition of these rates 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. 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.

**Amortization:**

This loan will amortize over a 25 year period following an interest only period until 6/30/2012.

**Draw Down Feature:**

The Police Commission shall have until 6/30/2012 to draw the funds; principal repayment will begin at the end of the first month after the draw down period.

**Repayment:**

Payments for this loan will be interest only during the draw down period. Beginning at the end of the month following the interest only draw down period, monthly payments of principal and interest based on the current interest rate, total amount borrowed and twenty-five (25) year amortization will commence.

**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 monthly principal payment.

**Expenses:**

All closing costs will be paid by the Borrower at the time of settlement, including any legal and documentation expenses which are estimated to be less than \$2,000.00. There will be no bank fee associated with this loan facility.

**Security:**

This loan shall be a General Obligation of East and West Rockhill Townships and as such shall be secured by the full faith, credit, and taxing powers of each Township, subject to the limitation that each Township is liable for only one-half of the principal sum outstanding plus interest.

**Miscellaneous General Terms and Conditions:**

1. This loan is an obligation of the Pennridge Regional Police Commission and shall be conditioned upon all documentation being reviewed or prepared by Grim, Biehn & Thatcher.
2. The Police Commission 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 Police Commission has taken all actions to duly authorize and approve the entering into and completion of the loans herein, and has received all consents, approvals and orders as may be necessary to complete the transaction;
4. The Police Commission remains in good standing.
5. The Bank shall receive an opinion from the Police Commission and each Township's Solicitor which shall state, among other things, their 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 Police Commission and/or the Townships shall provide to the Bank evidence of all necessary ordinances, resolutions and approvals for this transaction.

**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 Police Commission but not later than December 30, 2011.

**Commitment Expiration Date:**

The commitment contained herein shall automatically expire on November 30, 2011, 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 commitment available to you and looks forward to a mutually beneficial relationship. If there are any additional questions concerning this commitment, please do not hesitate to call.

Sincerely,

QNB BANK



Thomas R. Klee  
Vice President

ACCEPTANCE

Intending to be legally bound, the undersigned hereby accept the foregoing commitment and agrees to the terms and conditions this \_\_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
Pennridge Regional Police Commission  
Authorized Signer

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Pennridge Regional Police Commission  
Authorized Signer

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East Rockhill Township  
Authorized Signer

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