

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

ORDINANCE NO. 6316
Bill No. 1682-16

OF THE CITY OF WILLIAMSPORT, LYCOMING COUNTY, PENNSYLVANIA, AUTHORIZING AND SECURING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2016, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$2,500,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO UNDERTAKE CAPITAL PROJECTS DESCRIBED HEREIN, AND TO PAY ISSUANCE COSTS; ACCEPTING A BANK LOAN PROPOSAL; SETTING FORTH THE TERMS AND CONTAINING THE FORM OF THE NOTE; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY FOR THE NOTE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS CITY TO SECURE THE NOTE; AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS.

WHEREAS, the Council and Mayor of the City of Williamsport, Lycoming County, Pennsylvania (the "City"), has obtained bids or professional cost estimates, as contemplated by the Act of the General Assembly of the Commonwealth of Pennsylvania (the "Commonwealth") known as the Local Government Unit Debt Act (the "Debt Act"), for capital project that are described in **Exhibit "A"** attached hereto (collectively, the "Projects"); and

WHEREAS, a loan proposal (the "Proposal") to finance the Projects has been received from Manufacturers and Traders Trust Company (the "Bank"), having an office in Williamsport, Pennsylvania; and

WHEREAS, this City desires to accept the Proposal, to award the Note (hereinafter defined) to the Bank, in a private sale by negotiation, and to incur nonelectoral debt in the amount of \$2,500,000, in the form of a general obligation note, pursuant to the Debt Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by this City as follows:

SECTION 1. This City hereby authorizes and secures the issuance of its General Obligation Note, Series of 2016 (the "Note"), in the maximum principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000), to the Bank, pursuant to this Ordinance and the Debt Act, to finance the Projects.

SECTION 2. This City expresses its finding that it is in its best financial interests to sell the Note in a private sale by negotiation.

SECTION 3. The reasonably estimated useful lives of the facilities to be constructed as part of the Projects vary between five (5) years and twelve (12) years, the expiration of which are reflected in the amortization of the principal of the Note.

SECTION 4. This City hereby accepts the Proposal of the Bank to purchase the Note, the original of which shall be placed on file with the City Clerk, at a maximum purchase price of \$2,500,000 (100% of the principal amount advanced).

SECTION 5. The Note, when issued, will be a general obligation note and constitute nonelectoral debt of this City.

SECTION 6. The Note shall be subject to a maximum, two-year, interest only draw period followed by a 10-year principal amortization period, at the respective interest rates described in the substantial form of the Note attached hereto as **Exhibit "B"**. The maximum

amounts payable in each fiscal year of this City on the Note are set forth in **Exhibit "C"** attached hereto.

SECTION 7. The Note shall be subject to prepayment prior to maturity, at the option of this City, under the conditions and at the times described in the attached form of Note.

SECTION 8. The principal of and interest on the Note shall be payable at the principal office or at any branch office of the Bank in lawful money of the United States of America.

SECTION 9. The Note shall be executed in the name of and on behalf of this City by the Mayor and City Controller of this City and the official seal of this City shall be affixed thereto and signed by the City Clerk in attestation thereof. Said officers are authorized to execute and to attest, as applicable, the Note.

SECTION 10. This City covenants to and with registered owners, from time to time, of the Note outstanding, from time to time, pursuant to this Ordinance, that this City: (i) shall include the amount of the debt service for the Note, for each fiscal year of this City in which such sums are payable, in its budget for that fiscal year; (ii) shall appropriate such amounts from its general revenues for the payment of such debt service; and (iii) shall duly and punctually pay or cause to be paid from the sinking fund created pursuant to Section 11 hereof or any other of its revenues or funds the principal of the Note and the interest thereon at the dates and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, this City shall and does pledge, irrevocably, its full faith, credit and taxing power. As provided in the Debt Act, the foregoing covenant of this City shall be enforceable specifically.

SECTION 11. There is created, pursuant to Section 8221 of the Debt Act, a sinking fund for the Note, to be known as “Sinking Fund - General Obligation Note, Series of 2016” (the “Sinking Fund”), which shall be established and administered in accordance with the Debt Act. This City hereby appoints the Bank as the sinking fund depository with respect to the Sinking Fund. The officers and agents of this City are authorized to contract with the Bank for its services as sinking fund depository in connection with the Sinking Fund and to establish a construction account to receive and administer the proceeds of the Note and related funds. This City covenants to make payments out of the Sinking Fund, or out of any other of its revenues or funds, at such times and in such annual amounts as shall be sufficient for prompt and full payment of all obligations of the Note when due.

SECTION 12. The President or Vice President, Mayor, Controller and the City Clerk of this City, which shall include their duly qualified successors in office, if applicable, are authorized: (a) to prepare, to certify and to file with the Department the debt statement required by the Debt Act; (b) to prepare and to file the application with the Department, together with a complete and accurate transcript of the proceedings relating to the incurring of debt, of which debt the Note, upon issue, will be evidence, as required by the Debt Act; (c) to prepare and to file, if applicable, any statements required by the Debt Act that are necessary to qualify all or any portion of nonelectoral and/or lease rental debt of this City that is subject to exclusion as self-liquidating or subsidized debt for exclusion from the appropriate debt limit as self-liquidating or subsidized debt; (d) to pay or to cause to be paid to the Department all proper filing fees required by the Debt Act in connection with the foregoing; and (e) to take other required, necessary and/or appropriate action.

Said officers of this City are authorized and directed to prepare an appropriate borrowing base certificate to be appended to the debt statement authorized herein.

SECTION 13. It is declared that the debt to be incurred hereby, together with any other indebtedness of this City, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of debt by this City, which is evidenced by the Note.

SECTION 14. The City Clerk is authorized and directed to deliver the Note, after proper execution and attestation thereof as provided for herein, to the Bank, but only after the Department has certified its approval pursuant to Section 8204 of the Debt Act.

SECTION 15. This City covenants that it will make no use of the proceeds of the Note that would cause it to be or become an “arbitrage bond” within the meaning of Section 103(b)(2) and Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations implementing said Sections that duly have been published in the Federal Register or with any other regulations implementing said Sections, and this City further covenants to comply with all other requirements of the Code if and to the extent applicable to maintain continuously the Federal income tax exemption of interest on the Note.

This City determines that it does not reasonably expect to issue tax-exempt obligations, together with all tax-exempt obligations reasonably expected to be issued by “all subordinate entities” (within the meaning of Section 265(b)(3)(E) of the Code) of this City, which, in the aggregate, exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2016 calendar year (excluding obligations issued to refund (other than to advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation) and, accordingly, this City hereby designates the Note as a “qualified tax-

exempt obligation”, as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

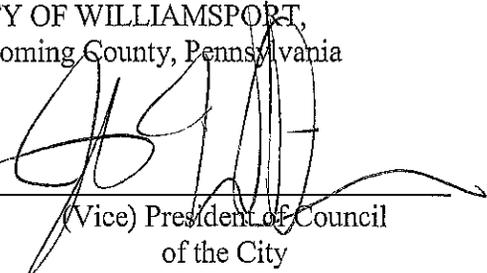
SECTION 16. In the event any provision, section, sentence, clause or part of this Ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, it being the intent of this City that such remainder shall be and shall remain in full force and effect.

SECTION 17. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 18. This Ordinance shall be effective in accordance with Section 8003 of the Debt Act.

DULY ENACTED AND ORDAINED, by the Council of the City of Williamsport,
Lycoming County, Pennsylvania, in lawful session duly assembled, this 4th day of August, 2016.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: 
(Vice) President of Council
of the City

ATTEST:


City Clerk

(SEAL)

DULY EXAMINED AND APPROVED this 4th day of August, 2016.

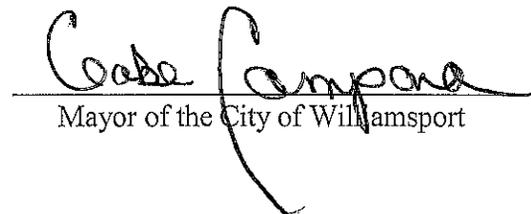

Mayor of the City of Williamsport

EXHIBIT "A"

Descriptions of Projects:

- 1. Renovations/improvements to City Administrative and Public Safety buildings;**
- 2. Public park improvement matching funds including the Bowman Field first base/right field grandstand deck addition;**
- 3. Infrastructure repairs and upgrades to the City's Levee System;**
- 4. CBD streetscape improvement matching funds; and**
- 5. East Third Street CBD (corridor running from Market St. east to Basin St. between Third and Fourth Streets including Lycoming College's Gateway Plan and Fourth St. between Franklin and Market St.) revitalization plan matching funds.**

EXHIBIT "B"

[FORM OF GENERAL OBLIGATION NOTE]

\$2,500,000

_____, 2016

**CITY OF WILLIAMSPORT,
LYCOMING COUNTY, PENNSYLVANIA**

GENERAL OBLIGATION NOTE, SERIES OF 2016

The CITY OF WILLIAMSPORT, in Lycoming County, Pennsylvania (the "City"), a city of the third class of the Commonwealth of Pennsylvania (the "Commonwealth"), promises to pay to the order of MANUFACTURERS AND TRADERS TRUST COMPANY (the "Bank"), or registered assigns, on _____, 2028 (the "Maturity Date"), unless this General Obligation Note, Series of 2016 (the "Note"), shall have been prepaid in full, the principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000), or such lesser particular sum advanced hereunder, from time to time, upon requisition of the City, on a draw-down basis, until the "Amortization Commencement Date" which shall be a date established by written notice from the City to the Bank not later than the second annual anniversary of the date of this Note. Interest only shall accrue on the outstanding principal balance hereof from the date of this Note until the Amortization Commencement Date (the "Draw-down Period"), at the Draw-down Rate (hereinafter defined), calculated from time to time and payable quarterly. Interest on this Note shall accrue during the 10 year period following the Amortization Commencement Date at the Amortization Rate (hereinafter defined), payable with principal in quarterly amortization installments sufficient to retire this Note as of the Maturity Date.

EXHIBIT "B"

Page 1 of 11

Interest shall accrue on the outstanding principal balance of this Note during the Draw-down Period (the "Draw-down Rate") at a rate per annum equal to 100% of the "Daily LIBOR Rate" plus 1.63% (computed on a 360/360 day year basis).

The interest rate applicable to this Note following the Amortization Commencement Date (the "Amortization Rate" and, together with the "Draw-down Rate," the "Tax Free Rate") shall be equal to 65% of the sum of: the Bank's "Ten Year Cost of Funds" in effect on the Amortization Date plus 2.80%. "Ten Year Cost of Funds" shall mean the sum of the yield on United States Treasury Obligations adjusted to a constant maturity of ten (10) years in effect two Business Days prior to the applicable adjustment date as published by the Board of Governors of the Federal Reserve System in the Federal Reserve Statistical Release H.15 (519), or by such other quoting service, index or commonly available source utilized by the Bank, plus the "ask side of the 10 year swap spread in effect two Business Days prior to the applicable adjustment date, as set forth in Bloomberg, L.P. or such other quoting service, index or commonly available service utilized by the Bank.

For purposes of this Note, "Daily LIBOR Rate" or "LIBOR" shall mean the rate per annum (rounded upward, if necessary, to the nearest 1/16th of 1%) obtained by dividing (i) the one-day interest period London Interbank Offered Rate fixed by the British Bankers Association for United States dollar deposits in the London interbank market at approximately 11:00 a.m. London, England time (or as soon thereafter as practicable) as determined by the Bank from any broker, quoting service or commonly available source utilized by the Bank by (ii) a percentage equal to 100% minus the stated maximum rate of all reserves required to be maintained against "Eurocurrency Liabilities" as specified in Regulation D (or against any

other category of extensions of credit or other assets which includes loans by a non-United States' office of a bank to United States residents) on such date to any member bank of the Federal Reserve System. Notwithstanding any provision above, the practice of rounding to determine LIBOR may be discontinued at any time in the Bank's sole discretion.

If the Bank shall determine that for any reason adequate and reasonable means do not exist for ascertaining LIBOR for purposes of calculating the Draw-down Rate or the Taxable Rate (hereinafter defined), the Bank will give notice of such determination to the City. Thereafter, the Bank may not maintain the loan hereunder at the Draw-down Rate or the Taxable Rate until the Bank revokes such notice in writing. Upon receipt of such notice, any notice of conversion to the Draw-down Rate or the Taxable Rate received from the City shall be deemed withdrawn, and the City may revoke any pending request the City previously made for the Draw-down Rate or the Taxable Rate. If the City does not revoke any such request, the City may continue to draw on the Note in the amount specified in the applicable request submitted by the City, but the Note shall be continued at the Base Rate (hereinafter defined) instead of the Draw-down Rate, or at the Prime Rate (hereinafter defined) instead of the Taxable Rate.

For purposes of this Note, "Base Rate" shall mean 113 basis points below the rate of interest announced by the Bank from time to time as its prime rate of interest (the "Prime Rate"). While in the Base Rate or the Prime Rate, interest shall accrue each day, from and including the first date the Base Rate or the Prime Rate apply to this Note to, but not including, the date the outstanding balance of this Note is paid in full under the Base Rate or the Prime Rate, at a rate per annum equal to the Base Rate or the Prime Rate in effect each day. Any

change in the Base Rate resulting from a change in the Prime Rate shall be effective on the date of such change.

If the Bank shall determine that the introduction of any law (statutory or common), treaty, rule, regulation, guideline or determination of an arbitrator or of a governmental authority or in the interpretation or administration thereof, has made it unlawful, or that any central bank or other governmental authority has asserted that it is unlawful for the Bank to make loans at based on LIBOR then, on notice thereof by the Bank to the City, the Bank may suspend the maintaining of the loan hereunder at the LIBOR rate until the Bank shall have notified the City that the circumstances giving rise to such determination shall no longer exist. If the Bank shall determine that it is unlawful to maintain the loan hereunder based on LIBOR, the Bank may convert the interest rate from the LIBOR rate to the Base Rate or the Prime Rate, as applicable.

So long as no Determination of Taxability (as defined below) has occurred, interest upon the principal hereof shall be paid at the Tax Free Rate. However, upon the occurrence of such Determination of Taxability, interest shall accrue on the unpaid principal balance of this Note at the Taxable Rate (hereinafter defined). Installments of principal and interest shall continue to be due and payable as provided above; provided, however, that in addition to the foregoing payments of principal and interest, whenever the amount of the foregoing payment of principal and interest was determined based on the Tax Free Rate, the City shall pay to the Bank an additional installment of interest which shall be equal to the difference between (i) the interest on the unpaid principal balance of this Note at the Taxable Rate, and (ii) interest on the unpaid principal balance of this Note at the then applicable Tax Free Rate. During the Draw-down

Period, the Taxable Rate shall be equal to the sum of LIBOR plus 3% (calculated on a 360/360-day basis). Following the Amortization Commencement Date, the Taxable Rate shall be equal to the Bank's Ten Year Costs of Funds plus 3%.

For purposes of this Note, "Determination of Taxability" shall mean (a) the issuance by the Internal Revenue Service to the Bank or other holder of this Note of a letter proposing to assess a deficiency with respect to the interest on this Note (a "30-Day Letter"), the receipt of which shall establish that an Event of Taxability with respect to the Note has occurred; or (b) the delivery of written notice to the Borrower by the Bank or other holder of this Note declaring that an Event of Taxability has occurred on a specified date (other than by reason of the event described in (a) above).

For purposes of this Note, "Event of Taxability" shall mean (a) a change in law or fact (or the interpretation thereof), (b) the occurrence or recognition of a fact, circumstance or situation, (c) a determination, regulation, ruling or decision issued and made in regard to Sections 103, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150 or 265 or any other provision of the Code (hereinafter defined) relating to the tax-exempt instruments by any court or judicial or quasi-judicial body or by the Commissioner or any district director of the Internal Revenue Service, or (d) the enactment, amendment or adoption of any law, by which, with respect to any of the foregoing, recognized bond counsel selected by the Bank (which counsel may be the Bank's counsel) is of the opinion that (i) the Bank is or has become subject to any taxes, income or otherwise, to which it would not be subject to or incur if it did not hold the Note or receive interest income therefrom, including the inclusion of interest payable on the Note in the gross income of the Bank or (ii) the Note is not a "qualified tax-exempt obligation" under Section 265 of the Code or there is any

limitation on or whole or partial disallowance of deductions of interest on funds borrowed to acquire or carry the Note applicable to tax-exempt obligations.

Upon failure by the City to make any payment when due (whether at the stated maturity, by acceleration or otherwise) of the amounts due under this Note, the Bank may, at its option, in addition to remedies afforded to it under Ordinance No. 6316 (the "Ordinance") of the City and the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), increase the interest rate on this Note to a rate equal to the Default Rate, commencing on the date of the Bank's election until the Event of Default is cured. The Default Rate shall be equal to the then applicable interest rate plus 5.0%.

Should any date on which interest is to be paid not be a Business Day (defined as any day other than a Saturday, Sunday or legal holiday), the interest payment will be made on the first Business Day following the regularly scheduled date on which interest is to be paid.

Notwithstanding the foregoing provisions, the effective rate of interest applicable to this Note at any time shall not exceed 7.07%, or be less than 2.07%, per annum.

Payments shall be made in immediately available United States funds at any banking office of the Bank. Interest will continue to accrue until payment is actually received. If payment is not received within five days of its due date, the City shall pay a late charge equal to the greatest of (a) 5% of the delinquent amount, (b) the Bank's then-current late charge as announced from time to time, or (c) \$50.00. Payments may be applied in any order in the sole discretion of the Bank but, prior to default, shall be applied first to past due interest, Expenses, late charges and principal, then to current interest, Expenses, late charges and principal, and last to remaining principal.

Prior to the Amortization Commencement Date, the City may prepay in whole or in part, any of the outstanding principal of the Note without premium or penalty. Following the Amortization Commencement Date, the City may prepay on a date prior to the date the principal payment would be otherwise due hereunder, in whole or in part, any of the outstanding principal of the Note provided that together with such prepayment, the City shall pay to the Bank a premium equal to: (a) five percent (5%) of any principal prepaid during the first year after the Amortization Commencement Date; (b) four percent (4%) of any principal prepaid during the second year after the Amortization Commencement Date; (c) three percent (3%) of any principal prepaid during the third year after the Amortization Commencement Date; (d) two percent (2%) of any principal prepaid during the fourth year after the Amortization Commencement Date; (e) one percent (1%) of any principal prepaid during the fifth year after the Amortization Commencement Date; and (f) no premium on principal prepaid after the fifth annual anniversary of the Amortization Commencement Date.

Any prepayment, as hereinbefore authorized, in whole, shall be upon written notice addressed to the registered owner hereof at the time of such prepayment, as such registered owner and address shall appear upon books of the City to be kept by the Bank for such purpose, by deposit of such written notice in the United States mail at least ten (10) days prior to the date designated for prepayment. On the date designated for prepayment, notice having been given as aforesaid, and money for payment of the principal and accrued interest being held by the Bank, interest hereon or on any part of the principal hereof so called for prepayment, as applicable, shall cease to accrue. If this Note shall have been repaid in full, this Note shall cease to be entitled to

any benefit or security under the Ordinance (hereinafter defined) authorizing issuance of this Note, and the registered owner of this Note shall have no rights with respect thereto.

This Note is issued in accordance with provisions of the Debt Act, and by virtue of the Ordinance. The Debt Act, as such shall have been in effect when this Note was authorized, and the Ordinance shall constitute a contract between the City and the registered owner or registered owners, from time to time, of this Note.

It hereby is 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 City, is not in excess of any applicable limitation imposed by the Debt Act upon the incurring of the debt of the City which is evidenced by this Note.

The City has covenanted, in the Ordinance, to and with registered owners, from time to time, of this Note, outstanding, from time to time, pursuant to the Ordinance, that the City: (i) shall include the amount of the debt service for this Note, for each fiscal year of the City in which such sums are payable, in its budget for that fiscal year, (ii) shall appropriate such amounts from its general revenues for the payment of such debt service, and (iii) shall duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance or any other of its revenues or funds the principal of this Note and the interest thereon at the dates and place and in the manner stated herein, according to the true intent and meaning hereof; and, for such budgeting, appropriation and payment, the City has pledged and does pledge, irrevocably, its full faith, credit

and taxing power. The Debt Act provides that the foregoing covenant of the City shall be enforceable specifically.

The City, in the Ordinance, has established a sinking fund with the Bank, as the sinking fund depository, into which funds for the payment of the principal of and the interest on this Note shall be deposited not later than the date fixed for the disbursement thereof. The City has covenanted, in the Ordinance, to make payments out of such sinking fund or out of any other of its revenues or funds, at such times in such annual amounts, as shall be sufficient for prompt and full payment of all obligations of this Note.

This Note has been designated by the City as a "qualified tax-exempt obligation", as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes and effect contemplated by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

This Note is transferable by the Bank, or by any subsequent registered owner in person or by his attorney duly authorized, in writing, at the principal office or at any branch office of the Bank, but only upon notation of such registration hereon and on the records of the City to be kept for that purpose at the principal office or at any branch office of the Bank by a duly authorized representative of the Bank acting in behalf of the City. The City and the Bank may deem and treat the person, from time to time, in whose name this Note shall be registered as the absolute owner hereof for the purpose of receiving payment hereof and of interest due hereon, for the purpose of prepayment hereof prior to maturity and for all other purposes.

IN WITNESS WHEREOF, the CITY OF WILLIAMSPORT, Lycoming County, Pennsylvania, as provided by the Debt Act and in the Ordinance, has caused this Note to be executed by the Mayor and City Controller of the City and the official seal of the City to be affixed hereto and executed by the City Clerk in attestation thereof, all as of the 4th day of August, 2016.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: *Coabe Campone*
Mayor

By: *Margaret J. Goodwin*
Controller

ATTEST:

Jamice M. Frank
City Clerk

(SEAL)

REGISTRATION RECORD

NOTHING TO BE WRITTEN HERE EXCEPT BY A DULY AUTHORIZED REPRESENTATIVE OF MANUFACTURERS AND TRADERS TRUST COMPANY, AS PAYING AGENT, OR OF ANY SUCCESSOR PAYING AGENT, ACTING AS REGISTRAR, ON BEHALF OF THE CITY OF WILLIAMSPORT, LYCOMING COUNTY, PENNSYLVANIA

Date of Registry	Name of Registered Owner	Registrar (Authorized Representative)
_____, 2016	Manufacturers and Traders Trust Company	Manufacturers and Traders Trust Company

EXHIBIT "C"

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania
\$2,500,000 Maximum Principal Amount
General Obligation Note, Series of 2016

<u>Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
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SEE ATTACHED SHEET¹

¹Assumes the following: (a) the Note is issued by the City to the Bank on September 8, 2016, and the entire principal amount is advanced on that date; (b) the Note accrues interest, payable quarterly, at the maximum rate of 7.07%, per annum during the two year Draw-down Period; (c) principal and interest is payable in quarterly installments during the Amortization Period on March 8, June 8, September 8 and December 8 of each year, beginning on December 8, 2018, at the maximum rate of 7.07%; and (e) the Note matures and is due in full on September 8, 2028.

Williamsport City - General Obligation Note, Series of 2016

Compound Period: Quarterly

Nominal Annual Rate: 7.070 %

CASH FLOW DATA

	Event	Date	Amount	Number	Period	End Date
1	Loan	09/08/2016	2,500,000.00	1		
2	Payment	12/08/2016	Interest Only	8	Quarterly	09/08/2018
3	Payment	12/08/2018	87,704.24	40	Quarterly	09/08/2028

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	09/08/2016				2,500,000.00
1	12/08/2016	44,187.50	44,187.50	0.00	2,500,000.00
2016 Totals		44,187.50	44,187.50	0.00	
2	03/08/2017	44,187.50	44,187.50	0.00	2,500,000.00
3	06/08/2017	44,187.50	44,187.50	0.00	2,500,000.00
4	09/08/2017	44,187.50	44,187.50	0.00	2,500,000.00
5	12/08/2017	44,187.50	44,187.50	0.00	2,500,000.00
2017 Totals		176,750.00	176,750.00	0.00	
6	03/08/2018	44,187.50	44,187.50	0.00	2,500,000.00
7	06/08/2018	44,187.50	44,187.50	0.00	2,500,000.00
8	09/08/2018	44,187.50	44,187.50	0.00	2,500,000.00
9	12/08/2018	87,704.24	44,187.50	43,516.74	2,456,483.26
2018 Totals		220,266.74	176,750.00	43,516.74	
10	03/08/2019	87,704.24	43,418.34	44,285.90	2,412,197.36
11	06/08/2019	87,704.24	42,635.59	45,068.65	2,367,128.71
12	09/08/2019	87,704.24	41,839.00	45,865.24	2,321,263.47
13	12/08/2019	87,704.24	41,028.33	46,675.91	2,274,587.56
2019 Totals		350,816.96	168,921.26	181,895.70	
14	03/08/2020	87,704.24	40,203.34	47,500.90	2,227,086.66
15	06/08/2020	87,704.24	39,363.76	48,340.48	2,178,746.18

	16	09/08/2020	87,704.24	38,509.34	49,194.90	2,129,551.28
	17	12/08/2020	87,704.24	37,639.82	50,064.42	2,079,486.86
	2020 Totals		350,816.96	155,716.26	195,100.70	
	18	03/08/2021	87,704.24	36,754.93	50,949.31	2,028,537.55
	19	06/08/2021	87,704.24	35,854.40	51,849.84	1,976,687.71
	20	09/08/2021	87,704.24	34,937.96	52,766.28	1,923,921.43
	21	12/08/2021	87,704.24	34,005.31	53,698.93	1,870,222.50
	2021 Totals		350,816.96	141,552.60	209,264.36	
	22	03/08/2022	87,704.24	33,056.18	54,648.06	1,815,574.44
	23	06/08/2022	87,704.24	32,090.28	55,613.96	1,759,960.48
	24	09/08/2022	87,704.24	31,107.30	56,596.94	1,703,363.54
	25	12/08/2022	87,704.24	30,106.95	57,597.29	1,645,766.25
	2022 Totals		350,816.96	126,360.71	224,456.25	
	26	03/08/2023	87,704.24	29,088.92	58,615.32	1,587,150.93
	27	06/08/2023	87,704.24	28,052.89	59,651.35	1,527,499.58
	28	09/08/2023	87,704.24	26,998.56	60,705.68	1,466,793.90
	29	12/08/2023	87,704.24	25,925.58	61,778.66	1,405,015.24
	2023 Totals		350,816.96	110,065.95	240,751.01	
	30	03/08/2024	87,704.24	24,833.64	62,870.60	1,342,144.64
	31	06/08/2024	87,704.24	23,722.41	63,981.83	1,278,162.81
	32	09/08/2024	87,704.24	22,591.53	65,112.71	1,213,050.10
	33	12/08/2024	87,704.24	21,440.66	66,263.58	1,146,786.52
	2024 Totals		350,816.96	92,588.24	258,228.72	
	34	03/08/2025	87,704.24	20,269.45	67,434.79	1,079,351.73
	35	06/08/2025	87,704.24	19,077.54	68,626.70	1,010,725.03
	36	09/08/2025	87,704.24	17,864.56	69,839.68	940,885.35
	37	12/08/2025	87,704.24	16,630.15	71,074.09	869,811.26
	2025 Totals		350,816.96	73,841.70	276,975.26	
	38	03/08/2026	87,704.24	15,373.91	72,330.33	797,480.93
	39	06/08/2026	87,704.24	14,095.48	73,608.76	723,872.17
	40	09/08/2026	87,704.24	12,794.44	74,909.80	648,962.37
	41	12/08/2026	87,704.24	11,470.41	76,233.83	572,728.54
	2026 Totals		350,816.96	53,734.24	297,082.72	
	42	03/08/2027	87,704.24	10,122.98	77,581.26	495,147.28
	43	06/08/2027	87,704.24	8,751.73	78,952.51	416,194.77

EXHIBIT "C"

Page 3 of 4

44	09/08/2027	87,704.24	7,356.24	80,348.00	335,846.77
45	12/08/2027	87,704.24	5,936.09	81,768.15	254,078.62
2027 Totals		350,816.96	32,167.04	318,649.92	
46	03/08/2028	87,704.24	4,490.84	83,213.40	170,865.22
47	06/08/2028	87,704.24	3,020.04	84,684.20	86,181.02
48	09/08/2028	87,704.24	1,523.22	86,181.02	0.00
2028 Totals		263,112.72	9,034.10	254,078.62	
Grand Totals		3,861,669.60	1,361,669.60	2,500,000.00	

CERTIFICATE

I, the undersigned, City Clerk of the City of Williamsport, Lycoming County, Pennsylvania (the "City"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Council of the City, in accordance with law, at a meeting duly held on August 4, 2016, at which meeting a quorum was present; said Ordinance duly was examined and approved by the Mayor of the City on August 4, 2016; said Ordinance has been certified and recorded by me, as Clerk of the City, in the book provided for the purpose of such recording; said Ordinance, upon enactment, as aforesaid, was assigned Ordinance No. 6316; the total number of members of the Council of the City is seven (7); the vote of the members of the Council of the City, upon enactment of said Ordinance, the yeas and nays having been called, duly was recorded by me, as City Clerk, as follows:

Dr. Jonathan Williamson	-	<i>Y-9-9-9-9 Absent C-9-9-9-9</i>
Randall J. Allison	-	
Joel Henderson	-	
Bonnie Katz	-	
Elizabeth Miele	-	
Don Noviello	-	
N. Clifford Smith	-	

said Ordinance has been advertised, as required by law, in a newspaper of general circulation in the City; and said Ordinance has not been amended, altered or repealed as of the date of this Certificate.

I further certify that the Council of the City met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. Ch. 7, by posting prominently a notice of said meeting at the principal office of the City or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the City, this 4th day of August, 2016.

James M. Frank

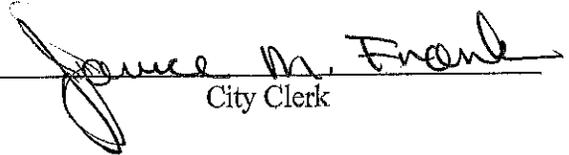
City Clerk

(SEAL)

CERTIFICATE

I, the undersigned, City Clerk of the City of Williamsport, in Lycoming County, Pennsylvania (the "City"), certify that attached hereto and made part hereof is a true and correct copy of the successful loan proposal that was submitted to and accepted by the Council of the City, in a private sale by negotiation, at a meeting duly called and held on August 4, 2016, with respect to the sale by the City and the purchase by Manufacturers and Traders Trust Company of a proposed general obligation note of the City, in the maximum principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000).

IN WITNESS WHEREOF, I affix my hand and the official seal of the City, as the City Clerk, this 4th day of August, 2016.



City Clerk

(SEAL)

**CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania**

DEBT STATEMENT

TO: THE DEPARTMENT OF COMMUNITY AND ECONOMIC
DEVELOPMENT OF THE COMMONWEALTH OF PENNSYLVANIA

We, the undersigned, Mayor and Controller, respectively, of the City of Williamsport, in Lycoming County, Pennsylvania (the "Local Government Unit"), being duly authorized to prepare and to verify, under oath or affirmation, this Debt Statement of the Local Government Unit, pursuant to and in accordance with Section 8110 of the Local Government Unit Debt Act (the "Debt Act") of the Commonwealth of Pennsylvania, do set forth and certify as follows:

1. This Debt Statement is made as of August 4, 2016, such date being less than 60 days before the filing hereof.

2. The gross indebtedness of the Local Government Unit is as follows:

a.	Electoral debt.....	\$ 0.00
b.	Nonelectoral debt	
	(1) Proposed General Obligation Note, Series of 2016	\$ 2,500,000.00 ¹
	(2) General Obligation Note (Funding Unfunded Debt), Series of 2016 (Approval No. GON-16021601, Dated 02/16/16)	\$ 487,500.00
	(3) General Obligation Bond, Series of 2014 (Approval No. GOB-14011303, Dated 01/13/14)	\$ 4,000,000.00
	(4) General Obligation Bonds (Approval No. GOB-13110104, Dated 11/01/13)	\$ 17,300,000.00
	Total nonelectoral debt	\$ 24,287,500.00
c.	Lease rental debt.....	\$ 0.00
	Total gross indebtedness.....	\$ 24,287,500.00

¹ Being issued in connection with capital projects of the Local Government Unit.

3. The Local Government Unit claims, in this Debt Statement, exclusions from or against its total gross indebtedness, as such is set forth in paragraph 2, in determining the net debt of the Local Government Unit:

a.	Electoral debt.....	\$	0.00
b.	Nonelectoral debt	\$	0.00
c.	Lease rental debt.....	\$	<u>0.00</u>
	Total debt excluded	\$	<u>0.00</u>

4. The remaining debt of the Local Government Unit is as follows:

a.	Electoral debt.....	\$	0.00
b.	Net nonelectoral debt	\$	24,287,500.00
c.	Net lease rental debt	\$	<u>0.00</u>
	Total remaining debt	\$	<u>24,287,500.00</u>

5. The maximum principal amount of nonelectoral debt to be incurred, evidenced by a general obligation note to be issued by the Local Government Unit, is \$2,500,000.

6. The entire amount set forth in paragraph 5, i.e. \$2,500,000, will constitute new nonelectoral debt of the Local Government Unit.

7. The aggregate net nonelectoral debt of the Local Government Unit to be outstanding, after the settlement of the debt in the amount set forth in paragraph 5, will be \$24,287,500.

8. The aggregate net lease rental debt of the Local Government Unit to be outstanding, after the settlement of the debt in the amount set forth in paragraph 5, will be \$0.00.

9. The aggregate net nonelectoral debt and net lease rental debt, combined, of the Local Government Unit to be outstanding, after the settlement of the debt in the amount set forth in paragraph 5, will be \$24,287,500.

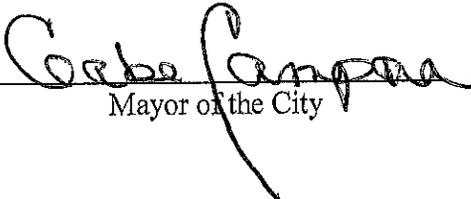
10. The borrowing base of the Local Government Unit, as evidenced by a Borrowing Base Certificate attached hereto and made part hereof, is \$42,784,831.

11. The nonelectoral debt limit of the Local Government Unit, computed as provided in the Debt Act, i.e. 250% of the borrowing base of the Local Government Unit as set forth in paragraph 10, is \$106,962,077.

12. The nonelectoral debt plus lease rental debt limit of the Local Government Unit, computed as provided in the Debt Act, i.e. 350% of the borrowing base of the Local Government Unit as set forth in paragraph 10, is \$149,746,908.

IN WITNESS WHEREOF, we, the undersigned, Mayor and Controller of the City, respectively, of the Local Government Unit, affix our signatures to this Debt Statement of the Local Government Unit, this 4th day of August, 2016.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: 
Mayor of the City

By: 
Controller

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF LYCOMING)

Before me, the undersigned Notary Public, personally appeared Dr. Gabriel J. Campana and Margaret J. Woodring, who being duly sworn according to law depose and say that they are the Mayor and Controller, respectively, of the City of Williamsport, in Lycoming County, Pennsylvania (the "Local Government Unit"), and that the facts set forth in the foregoing Debt Statement of the Local Government Unit are true and correct.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: *Gabriel J. Campana*
Mayor of the City

By: *Margaret J. Woodring*
Controller

SWORN TO AND SUBSCRIBED
before me, a Notary Public,
this 5th day of August, 2016.

Nancy M. Westbrook
Notary Public

My Commission Expires: Sept. 21, 2018

(SEAL)
COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Nancy M. Westbrook, Notary Public
City of Williamsport, Lycoming County
My Commission Expires Sept. 21, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

BORROWING BASE CERTIFICATE
of the
CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

1. This Borrowing Base Certificate of the City of Williamsport, in Lycoming County, Pennsylvania (the "Local Government Unit"), has been prepared in accordance with the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act").

2. "Total Revenues," as such phrase is defined in the Debt Act, of the Local Government Unit for the three (3) full fiscal years ended next preceding the date hereof, computed according to the definition, are as follows:

a. All money received by the Local Government Unit, from whatever source derived, for each of the three (3) full fiscal years ended next preceding the date of this Borrowing Base Certificate, were as follows:

<u>Fiscal Year</u> <u>Ended 12/31/2013</u>	<u>Fiscal Year</u> <u>Ended 12/31/2014</u>	<u>Fiscal Year</u> <u>Ended 12/31/2015¹</u>
<u>\$58,896,012</u>	<u>\$52,859,431</u>	<u>\$34,165,244</u>

b. The deductions or exceptions of the Local Government Unit from the amounts set forth in Paragraph 2.a., for each of the three (3) full fiscal years ended next preceding the date of this Borrowing Base Certificate, were as follows:

<u>Deduction or</u> <u>Exception</u>	<u>Fiscal Year</u> <u>Ended 12/31/2013</u>	<u>Fiscal Year</u> <u>Ended 12/31/2014</u>	<u>Fiscal Year</u> <u>Ended 12/31/2015</u>
(1) Subsidies or reimbursements from the Federal Government or from the Commonwealth measured by the cost of or given or paid on account of a particular project financed by debt.	\$ _____ 0	\$ _____ 0	\$ _____ 0
(2) Project revenues, rates, receipts, user charges, special assessments and special levies which are or will be pledged or budgeted for specific self-liquidating debt or for payments under leases, guaranties, subsidy contracts or other forms of agreements which could constitute lease rental debt except that the payments are payable solely from these sources, but that portion thereof that has been returned to or retained by the local government unit shall not be excluded.	\$ _____ 0	\$ _____ 0	\$ _____ 0
(3) Interest on moneys in sinking funds, reserves and other funds, which interest is pledged or budgeted for the payment or security of outstanding debt, and interest on bond or note proceeds is similarly pledged.	\$ _____ 0	\$ _____ 0	\$ _____ 0
(4) Grants and gift in aid of or measured by the construction or acquisition of specified projects.	\$ _____ 0	\$ _____ 0	\$ _____ 0
(5) Proceeds from the disposition of capital assets, and other nonrecurring items, including bond or note proceeds not considered income under generally accepted municipal accounting principles.	\$ 6,345,499	\$ 11,220,695	\$ _____ 0
Total	<u>\$ 6,345,499</u>	<u>\$ 11,220,695</u>	<u>\$ _____ 0;</u>

¹ Estimated

c. The "Total Revenues" of the Local Government Unit, for each of the three (3) full fiscal years ended next preceding the date of this Borrowing Base Certificate (being, for each such fiscal year, the total amount set forth in Paragraph 2.b., deducted from the amount set forth in Paragraph 2.a.), were as follows:

Fiscal Year	Fiscal Year	Fiscal Year
<u>Ended 12/31/2013</u>	<u>Ended 12/31/2014</u>	<u>Ended 12/31/2015²</u>
<u>\$52,550,513</u>	<u>\$41,638,736</u>	<u>\$34,165,244</u>

the total of which is \$128,354,493; and

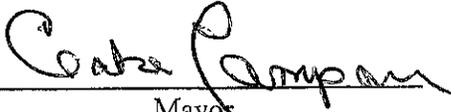
d. The annual arithmetic average of such Total Revenues for the three (3) full fiscal years ended next preceding the date of this Borrowing Base Certificate, as such Total Revenues are set forth in Paragraph 2.c., is \$42,784,831.

3. We, the undersigned, further certify that we have made due and proper investigation of and with respect to matters and things involved in this Borrowing Base Certificate.

² Estimated.

IN WITNESS WHEREOF, we set our hands this 4th day of August, 2016.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: 
Mayor

By: 
Controller