

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

ORDINANCE NO. 6324

Bill No. 1690-17

6324

OF THE CITY OF WILLIAMSPORT, LYCOMING COUNTY, PENNSYLVANIA, AUTHORIZING AND SECURING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES OF 2017, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$5,000,000, PURSUANT TO THE PENNSYLVANIA LOCAL GOVERNMENT UNIT DEBT ACT, TO PROVIDE INTERIM FINANCING FOR (A) CAPITAL PROJECTS INCLUDING: (1) REIMBURSABLE COSTS ASSOCIATED WITH CAPITAL PROJECTS OF RIVER VALLEY TRANSIT, INCLUDING THE TRADE AND TRANSIT II EXPANSION PROJECT AND RELATED IMPROVEMENTS, (2) PURCHASE VEHICLES, AND (3) ACQUIRE AND CONSTRUCT DESTINATION 2014, INCLUDING BOWMAN FIELD RENOVATIONS, AND RELATED RCAP REIMBURSABLE PROJECTS, (B) REFUND THE CITY'S GENERAL OBLIGATION BOND, SERIES OF 2014, AND (C) PAY RELATED COSTS AND EXPENSES; ACCEPTING A BANK LOAN PROPOSAL; SETTING FORTH THE TERMS AND CONTAINING THE FORM OF THE 2017 NOTE; CREATING A SINKING FUND AND APPOINTING A SINKING FUND DEPOSITORY FOR THE 2017 NOTE; PLEDGING THE FULL FAITH, CREDIT AND TAXING POWER OF THIS CITY TO SECURE THE 2017 NOTE; AND AUTHORIZING RELATED ACTIONS AND DOCUMENTS.

WHEREAS, the Council and Mayor of the City of Williamsport, in Lycoming County, Pennsylvania (the "City"), has undertaken, and continues to undertake, the capital projects described in the heading hereof (collectively, the "Capital Projects"); and

WHEREAS, This City has obtained competitive bids and professional cost estimates, as defined in 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 the Capital Projects; and

WHEREAS, The Council has determined to finance additional Capital Projects on an interim basis, which will be paid from grant funds receivable and permanent debt financing; and

WHEREAS, The Council, by City Ordinance No. 6248 (the “2014 Bond Enabling Ordinance”), authorized and secured a general obligation bond of the City designated as its “General Obligation Bond, Series of 2014”, dated January 17, 2014, in the original maximum principal amount of \$4,000,000 (the “2014 Bond”), in connection with certain of the Capital Projects, and an earlier refunding project; and

WHEREAS, The Department of Community and Economic Development (the “Department”) of the Commonwealth approved the proceedings of the City related to the 2014 Bond under Approval No. GOB-140113-03, dated January 13, 2014; and

WHEREAS, The 2014 Bond was issued and delivered by the City on January 17, 2014; and

WHEREAS, The Council has determined to currently refund and retire the outstanding principal balance of the 2014 Bond (the “Refunding Project”); and

WHEREAS, a written loan proposal (the “Proposal”) has been requested and received from Manufacturers and Traders Trust Company (the “Bank”), having an office in Williamsport, Pennsylvania; and

WHEREAS, this City desires to accept the loan proposal of the Bank, to award a general obligation note to the Bank, in a private sale by negotiation, and to incur nonelectoral debt

in the amount of \$5,000,000 in connection with the Refunding Project and the Capital Projects, pursuant to the Debt Act.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Council and Mayor of the City, as follows:

SECTION 1. This City hereby authorizes the issuance of its General Obligation Note, Series of 2017 (the "2017 Note"), in the form of a revolving line of credit, to the Bank, pursuant to and secured by this Ordinance. The 2017 Note shall be in the maximum principal amount of Five Million Dollars (\$5,000,000), in accordance with the Debt Act. A portion of the Note will finance the Refunding Project, and the balance shall be available as interim financing for the remaining Capital Projects.

SECTION 2. This City expresses its finding that it is in its best financial interests to sell the 2017 Note in a private sale by negotiation and determines that the debt, of which the 2017 Note shall be evidence, to be incurred pursuant to this Ordinance shall constitute nonelectoral debt of this City.

SECTION 3. The facilities contemplated by the Capital Projects, including the facilities initially funded by the 2014 Bond, have a reasonably expected remaining useful lives of at least three (3) years. The maturity date of the 2017 Note is not beyond two years of the issue date thereof. The Refunding Project is authorized by Section 8241(b)(5) of the Debt Act (substituting a bond with a note).

SECTION 4. This City hereby accepts the Proposal of the Bank to purchase the 2017 Note, the original of which shall be placed on file with the City Clerk, at a maximum purchase price of \$5,000,000 (100% of the principal amount advanced).

SECTION 5. The 2017 Note, when issued, will be a general obligation note of this City.

SECTION 6. The 2017 Note shall be stated to mature on January 2, 2019, accruing interest during the same period at the variable, maximum and minimum rates described in the substantial form of the 2017 Note attached hereto as Exhibit "A", with appropriate insertions, omissions and variations. Interest on the outstanding principal balance of the 2017 Note shall be payable quarterly until maturity of the 2017 Note, or until any earlier date upon which the principal amount of the 2017 Note is repaid in full. The maximum amounts due in each fiscal year of this City under the 2017 Note are in the estimated amounts set forth in the attached Exhibit "B." Principal of the 2017 Note shall be advanced by the Bank, from time to time, on a revolving line of credit basis. The outstanding principal amount of the 2017 Note, and accrued interest, are due and payable in full upon maturity.

SECTION 7. The 2017 Note shall be subject to prepayment prior to maturity, at the option of this City, under the conditions described in the 2017 Note.

SECTION 8. The 2017 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 2017 Note.

SECTION 9. This City covenants to and with registered owners, from time to time, of the 2017 Note outstanding, from time to time, pursuant to this Ordinance, that this City: (i) shall include the amount of the debt service for the 2017 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 10 hereof or any other of its revenues or funds the principal of the 2017 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 10. There is created, pursuant to Section 8221 of the Debt Act, a sinking fund for the 2017 Note, to be known as “Sinking Fund - General Obligation Note, Series of 2017” (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 Mayor and the City Clerk, respectively, of this City are authorized and directed 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 2017 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 2017 Note when due.

SECTION 11. The Mayor and the City Clerk, respectively, of this City, which shall include their duly qualified successors in office, if applicable, are authorized and directed: (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 2017 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 12. 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 2017 Note.

SECTION 13. The City Clerk is authorized and directed to deliver the 2017 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 14. This City covenants that it will make no use of the proceeds of the 2017 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 2017 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 (subject to specified exclusions), exceed or will exceed Ten Million Dollars (\$10,000,000) during the 2017 calendar year and, accordingly, this City hereby designates the 2017 Note as a “qualified tax-exempt obligation”, as defined in Section 265(b)(3)(B) of the Code, to the extent not deemed designated, for the purposes and effect contemplated by Section 265 of the Code.

SECTION 15. 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 16. All ordinances or parts of ordinances, insofar as the same shall be inconsistent herewith, shall be and the same expressly are repealed.

SECTION 17. 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 12th day of April, 2017.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: _____
(Vice) President of the Council
of the City

ATTEST:

City Clerk

(SEAL)

DULY EXAMINED AND APPROVED this 12th day of April, 2017.

Mayor of the City of Williamsport

EXHIBIT "A"

[FORM OF NOTE]

\$5,000,000.00

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

GENERAL OBLIGATION NOTE, SERIES OF 2017

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 January 2, 2019 (the "Maturity Date"), unless this General Obligation Note, Series of 2017 (the "Note"), shall have been prepaid in full, the maximum principal amount of Five Million Dollars (\$5,000,000), or such lesser particular sum is advanced hereunder, from time to time, upon requisition of the City, on a *revolving line of credit basis*, until the Maturity Date. Interest on this Note shall accrue beginning the date of issuance of this Note and ending when the principal balance of this Note is paid in full, at the rates hereinafter described, calculated to be in effect from time to time, payable quarterly until maturity.

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.

Interest shall accrue on the outstanding principal balance of this Note from and including the first day of each "Interest Period" until, but not including, the last day of such Interest Period or the day the outstanding principal amount of this Note is paid in full (if sooner), at a rate

per annum equal to 100% of the sum of “one-month LIBOR” plus 1.88% (computed on an 360/360-day basis) (the “Tax Free Rate”).

For purposes of this Note, “Interest Period” shall mean the period commencing on the date of this Note and ending on the date that shall be the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) of the calendar month that is one month thereafter; provided, however, that if an Interest Period would end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day. To the extent that the preceding clause results in either the extension or shortening of an Interest Period, the Bank shall have the right (but not the obligation) to shorten or extend, respectively, the succeeding Interest Period so that it shall end on a day that numerically corresponds to the date of this Note.

For purposes of this Note, “one-month LIBOR” 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-month 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 Tax Free 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 Tax Free Rate or the Taxable Rate until the Bank revokes such notice in writing. Upon receipt of such notice, any notice of conversion to the Tax Free 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 Tax Free Rate or the Taxable Rate. If the City does not revoke any such request, the City may continue to draw on the 2017 Note in the amount specified in the applicable request submitted by the City, but the 2017 Note shall be continued at the Base Rate (hereinafter defined) instead of the Tax Free Rate, or at the Prime Rate (hereinafter defined) instead of the Taxable Rate.

For purposes of this Note, "Base Rate" shall mean 118 percentage points (1.18%) 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. The Taxable Rate shall be equal to 100% of the sum of LIBOR plus 3.0% (calculated on a 360/360-day basis).

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 2017 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 2017 Note or receive interest income therefrom, including the inclusion of interest payable on the 2017 Note in the gross income of the Bank or (ii) the 2017 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 2017 Note applicable to tax-exempt obligations.

The following constitute an Event of Default: (i) 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, or any part thereof, or there occurs any event or condition which after notice, lapse of time or both will permit such acceleration; (ii) the City defaults in the performance of any covenant or other provision with respect to this Note, the Loan Agreement (hereinafter defined) or any other agreement between the City and the Bank or any of its affiliates or subsidiaries (collectively, "Affiliate"); (iii) the City fails to pay when due (whether at the stated maturity, by acceleration or otherwise) any indebtedness for borrowed money owing to the Bank (other than under this Note), any third party or Affiliate or the occurrence of any event which could result in acceleration of payment of any such indebtedness or the failure to perform any agreement with any third party or Affiliate; (iv) the reorganization, merger, consolidation or dissolution of the City (or the making of any agreement therefor); the sale, assignment, transfer or delivery of all or substantially all of the assets of the City to a third party; or the cessation by the City as a going business concern; (v) failure to pay, withhold or collect any tax as required by law; the service or filing against the City or any of its assets of any lien (other than a lien permitted in writing by the Bank), judgment, garnishment, order or award; (vi) if the City becomes insolvent or is generally not paying its debts as such debts become due; (vii) the making of any general assignment by the City for the benefit of creditors; the appointment of a receiver or similar trustee for the City or its assets; or the making of any, or sending notice of any intended, bulk sale; (viii) the City commences, or has commenced against it, any proceeding or request for relief under any bankruptcy, insolvency or similar laws now or hereafter in effect in the United States of America or any state or territory thereof or any foreign

jurisdiction or any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the City; (ix) any representation or warranty made in this Note, any related document, any agreement between the City and the Bank or any Affiliate or in any financial statement of the City proves to have been misleading in any material respect when made; the City omits to state a material fact necessary to make the statements made in this Note, any related document, any agreement between the City and the Bank or any Affiliate or any financial statement of the City not misleading in light of the circumstances in which they were made; or, if upon the date of execution of this Note, there shall have been any material adverse change in any of the facts disclosed in any financial statement, representation or warranty that was not disclosed in writing to the Bank at or prior to the time of execution hereof; (x) any pension plan of the City fails to comply with applicable law or has vested unfunded liabilities that, in the opinion of the Bank, might have a material adverse effect on the City's ability to repay its debts; (xi) an adverse change in the City, its business, assets, operations, management, ownership, affairs or condition (financial or otherwise) from the status shown on any financial statement or other document submitted to the Bank or any Affiliate, and which change the Bank determines will have a material adverse effect on (a) the City, its business, assets, operations or condition (financial or otherwise), or (b) the ability of the City to pay or perform any obligation to the Bank; (xii) the occurrence of any event described in subparagraph (i) through and including (xi) hereof with respect to any guarantor or any other party liable for, or whose assets or any interest therein secures, payment of any of the amounts due under this Note ("Guarantor"); (xiii) the City fails to supply new or additional collateral within

ten (10) days of request by the Bank; or (xiv) the Bank in good faith deems itself insecure with respect to payment or performance under this Note.

For purposes of this Note, "Loan Agreement" shall mean that Loan Agreement, dated the date hereof, between the City and the Bank, as may be amended or modified from time to time.

Upon the occurrence of any Event of Default, the Bank without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the City or any other person (all and each of which demands, presentments, protests, advertisements and notices are hereby waived), may exercise all rights and remedies under the City's agreements with the Bank or its Affiliates, applicable law, in equity or otherwise and may declare all or any part of any amounts due hereunder not payable on demand to be immediately due and payable without demand or notice of any kind and terminate any obligation it may have to grant any additional loan, credit or other financial accommodation to the City. All or any part of any amounts due hereunder whether or not payable on demand, shall be immediately due and payable automatically upon the occurrence of an Event of Default in sub-paragraph (viii) above, or at the Bank's option, upon the occurrence of any other Event of Default. The provisions hereof are not intended in any way to affect any rights of the Bank with respect to any amounts due hereunder which may now or hereafter be payable on demand.

Notwithstanding the foregoing provisions, the effective rate of interest applicable to this Note at any time shall not exceed 12.07%, or be less than 2.07%, per annum when in the Tax Free Rate or exceed 13.19% or be less than 3.19%, per annum when in the Taxable Rate.

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.

Subject to the following, during the term of this Note the City shall have the option of paying the principal amount of this Note to the Bank in advance of the Maturity Date, in whole or in part, at any time and from time to time upon written notice received by the Bank at least thirty (30) business days prior to making such payment; provided however, that if (i) the City prepays, in whole or in part, any principal amount, when the applicable rate is LIBOR, on any day other than the last day of an Interest Period, or (ii) the applicable rate is converted from LIBOR to the Base Rate or the Prime Rate, when LIBOR is unavailable or cannot be used, before the end of an Interest Period, then the City shall be liable for and shall pay the Bank, on demand, the higher of \$250.00 or the Debt Actual amount of the liabilities, expenses, costs or funding losses that are a direct or indirect result of such prepayment or other condition described above, whether such liability, expense, cost or loss is by reason of (a) any reduction in yield, by reason of the liquidation or reemployment of any deposit or other funds acquired by the Bank, (b) the fixing of the interest rate payable on any LIBOR loan or (c) otherwise (collectively, the "Breakage Fee"). The determination by the Bank of the foregoing amount shall, in the absence of manifest error, be conclusive and binding upon the City.

Upon making any prepayment of the principal amount in full, the City shall pay to the Bank all interest and expenses owing pursuant to the 2017 Note and remaining unpaid. Each partial prepayment of the principal amount shall be applied in inverse order of maturity to the principal included in the installment payments provided for herein.

In the event the Maturity Date is accelerated following an Event of Default, any tender of payment of the amount necessary to satisfy the entire indebtedness made after such Event of Default shall be expressly deemed a voluntary prepayment. In such a case, to the extent permitted by law, the Bank shall be entitled to the amount necessary to satisfy the entire indebtedness, plus the appropriate prepayment premium calculated in accordance with the terms of this Note.

This Note is issued in accordance with provisions of the Debt Act of the General Assembly of the Commonwealth known as the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"), and by virtue of Ordinance No. _____ (the "Ordinance") of the City. 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, or deemed 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 ____ day of _____, 2017.

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania

By: _____
Mayor

By: _____
Controller

ATTEST:

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) |
|------------------|---|--|
| , 2017 | Manufacturers and Traders Trust Company | Manufacturers and Traders Trust Company |

EXHIBIT "B"

CITY OF WILLIAMSPORT,
Lycoming County, Pennsylvania
\$5,000,000 Maximum Principal Amount
General Obligation Note, Series of 2017

| <u>Date</u> | <u>Payment</u> | <u>Interest</u> | <u>Principal</u> | <u>Balance</u> |
|-------------|----------------|-----------------|------------------|----------------|
|-------------|----------------|-----------------|------------------|----------------|

SEE ATTACHED SHEET¹

¹Assumes the following: (a) the 2017 Note is issued by the City to the Bank on May 12, 2017, and the entire principal amount is advanced on that date; (b) the 2017 Note accrues interest at the maximum rate of 12.07%, per annum, until maturity on January 2, 2019; (c) interest is payable quarterly during the term of the 2017 Note; (d) the outstanding principal amount of the 2017 Note is due and payable in full on the date of maturity.

Williamsport City - General Obligation Note, Series of 2017

Compound Period: Quarterly

Nominal Annual Rate: 12.070 %

CASH FLOW DATA

| | Event | Date | Amount | Number | Period | End Date |
|---|--------------|-------------|---------------|---------------|---------------|-----------------|
| 1 | Loan | 05/12/2017 | 5,000,000.00 | 1 | | |
| 2 | Payment | 06/01/2017 | Interest Only | 7 | Quarterly | 12/01/2018 |
| 3 | Payment | 01/01/2019 | 5,051,256.16 | 1 | | |

AMORTIZATION SCHEDULE - Normal Amortization

| | Date | Payment | Interest | Principal | Balance |
|--------------|-------------|----------------|-----------------|------------------|----------------|
| Loan | 05/12/2017 | | | | 5,000,000.00 |
| 1 | 06/01/2017 | 33,068.49 | 33,068.49 | 0.00 | 5,000,000.00 |
| 2 | 09/01/2017 | 150,875.00 | 150,875.00 | 0.00 | 5,000,000.00 |
| 3 | 12/01/2017 | 150,875.00 | 150,875.00 | 0.00 | 5,000,000.00 |
| 2017 Totals | | 334,818.49 | 334,818.49 | 0.00 | |
| 4 | 03/01/2018 | 150,875.00 | 150,875.00 | 0.00 | 5,000,000.00 |
| 5 | 06/01/2018 | 150,875.00 | 150,875.00 | 0.00 | 5,000,000.00 |
| 6 | 09/01/2018 | 150,875.00 | 150,875.00 | 0.00 | 5,000,000.00 |
| 7 | 12/01/2018 | 150,875.00 | 150,875.00 | 0.00 | 5,000,000.00 |
| 2018 Totals | | 603,500.00 | 603,500.00 | 0.00 | |
| 8 | 01/01/2019 | 5,051,256.16 | 51,256.16 | 5,000,000.00 | 0.00 |
| 2019 Totals | | 5,051,256.16 | 51,256.16 | 5,000,000.00 | |
| Grand Totals | | 5,989,574.65 | 989,574.65 | 5,000,000.00 | |

CERTIFICATE

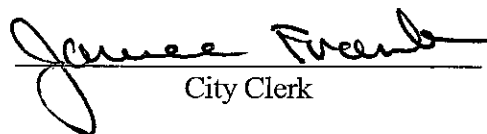
I, the undersigned, City Clerk of the City of Williamsport, Lycoming County, Pennsylvania (the "City"), certify that: the foregoing is a true and correct copy of an Ordinance which duly was enacted by affirmative vote of a majority of all members of the Council of the City, in accordance with law, at a meeting duly held on April 12, 2017, at which meeting a quorum was present; said Ordinance duly was examined and approved by the Mayor of the City on April 12, 2017; 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. 6324 (Bill No. 1690-17); 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:

| | |
|---------------------|--------|
| Randall J. Allison | X |
| Joel Henderson | Absent |
| Bonnie Katz | X |
| Elizabeth Miele | X |
| Don Noviello | Absent |
| N. Clifford Smith | X |
| Jonathan Williamson | X |

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 12th day of April, 2017.



City Clerk

(SEAL)